



UNITED STATES  
 SECURITIES AND EXCHANGE COMMISSION  
 WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
 For the fiscal year ended December 31, 2021

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
 For the transition period from to

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
 Date of event requiring this shell company report

Commission File Number: 001-39006

AMTD IDEA GROUP  
 (Exact Name of Registrant as Specified in Its Charter)

N/A

(Translation of Registrant's Name into English)

Cayman Islands

(Jurisdiction of Incorporation or Organization)

23/F Nexxus Building

41 Connaught Road Central

Hong Kong

(Address of Principal Executive Offices)

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(Name, Telephone, Email and/or Facsimile Number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
American depositary shares, each representing one Class A ordinary share, par value US\$0.0001 per share	AMTD	New York Stock Exchange
Class A ordinary shares, par value US\$0.0001 per share*		

\* Not for trading, but only in connection with the listing of American depositary shares on the New York Stock Exchange.

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 62,327,851 Class A ordinary shares, par value US\$0.0001 per share, and 183,283,628 Class B ordinary shares, par value US\$0.0001 per share, as of December 31, 2021.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.  Yes  No

Note—Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards<sup>†</sup> provided pursuant to Section 13(a) of the Exchange Act.

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:  
 U.S. GAAP  International Financial Reporting Standards as issued by the International Accounting Standards Board  Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.  Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)  
 Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.  Yes  No



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## INTRODUCTION

### Our Corporate Structure

AMTD IDEA Group is not an operating company but a Cayman Islands holding company. Our operations are primarily conducted by our operating subsidiaries in Hong Kong and Singapore. Investors in our ADSs thus are purchasing equity interest in a Cayman Islands holding company and not in an operating entity. As a holding company, AMTD IDEA Group may rely on dividends from its subsidiaries for cash requirements, including any payment of dividends to our shareholders. The ability of our subsidiaries to pay dividends to AMTD IDEA Group may be restricted by laws and regulations applicable to them or the debt they incur on their own behalf or the instruments governing their debt. For a detailed description, see “Part I—Our Corporate Structure.”

Although we do not have any material operations in Mainland China or any variable interest entities in place, the business operations of an insignificant subsidiary and certain investee companies of ours are conducted in Mainland China. PRC laws do not currently prohibit direct foreign investment in our subsidiary or our investee companies in Mainland China, and our investors could potentially own equity interests in our subsidiary or our investee companies in Mainland China. Nonetheless, we, together with our subsidiary and our investee companies in Mainland China face risks and uncertainties associated with the complex and evolving PRC laws and regulations, and PRC regulatory authorities could disallow the corporate structure through which we own our subsidiary or invest in our investee companies in Mainland China, and could extend such prohibition to our Hong Kong operations, which could lead to a material change in our operations and/or a material change in the value of our ADSs, and could cause the value of our ADSs to significantly decline or become worthless. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in Mainland China and Hong Kong—The PRC government’s significant authority to intervene in or influence the Mainland China operations of an offshore holding company at any time could limit our ability to transfer or use our cash outside of PRC, and could otherwise result in a material adverse change to our business operations, including our Hong Kong operations and cause the ADSs to significantly decline in value or become worthless.”

### Cash Transfers and Dividend Distribution

We conduct the majority of our operations in Hong Kong and maintain our bank accounts and balances primarily in licensed banks in Hong Kong. If needed, cash can be transferred between our holding company and subsidiaries through intercompany fund advances. In 2021, a total of HK\$541.9 million was transferred in the form of cash advances from our subsidiaries to our Cayman Islands holding company and a total of HK\$413.1 million was transferred from our Cayman Islands holding company to our subsidiaries. No material transfer of other assets was made between our holding company and subsidiaries in 2021 and we intend to settle amounts owed between our Cayman Islands holding company and Hong Kong subsidiaries to the extent required by our business operations. No dividends or distributions were made by a subsidiary to our holding company in the past, and no dividends or distributions are intended to be made by a subsidiary to our holding company in the near future. Our Cayman Islands holding company has not declared or made any dividend or other distribution to its shareholders, including U.S. investors, in the past, and no such dividends or distributions are intended to be made by our Cayman Islands holding company in the near future. See “Part I—Cash Transfers and Dividend Distribution.”

### The Holding Foreign Companies Accountable Act

We face risks relating to the lack of PCAOB inspection on our auditor, which may cause our securities to be delisted from the NYSE or prohibited from being traded over-the-counter in the future under the Holding Foreign Companies Accountable Act, if the SEC determines that we have filed annual report containing an audit report issued by a registered public accounting firm that the PCAOB has determined it is unable to inspect or investigate completely for three consecutive years, or two consecutive years if proposed changes to the law, i.e. the Accelerating Holding Foreign Companies Accountable Act, are enacted, beginning in 2021. The delisting or



the cessation of trading of our ADS, or the threat of their being delisted or prohibited from being traded, may materially and adversely affect the value of your investment. On December 16, 2021, the PCAOB issued a report to notify the SEC its determinations that it is unable to inspect or investigate completely registered public accounting firms headquartered in Mainland China and Hong Kong, respectively, and identifies the registered public accounting firms in Mainland China and Hong Kong that are subject to such determinations. Our auditor is identified by the PCAOB and is subject to the determination. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in Mainland China and Hong Kong—The PCAOB is currently unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections over our auditor deprives our investors with the benefits of such inspections,” and “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in Mainland China and Hong Kong—The ADSs will be prohibited from trading in the United States under the Holding Foreign Companies Accountable Act, or the HFCAA, in 2024 if the PCAOB is unable to inspect or fully investigate auditors located in Mainland China and Hong Kong, or as early as 2023 if proposed changes to the law are enacted. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.”

### Frequently Used Terms

In this annual report, unless otherwise indicated or unless the context otherwise requires:

- “ADRs” refers to the American depositary receipts that evidence our ADSs;
- “ADSs” refers to our American depositary shares, each of which represents one Class A ordinary share;
- “AMTD,” “we,” “us,” “our company,” or “our” refers, prior to the restructuring which was completed in April 2019, to our investment banking, asset management, and strategic investment businesses and, after the completion of the restructuring, to AMTD IDEA Group (formerly known as AMTD International Inc.), a Cayman Islands exempted company with limited liability, and its subsidiaries;
- “AMTD Group” or “Controlling Shareholder” refers to AMTD Group Company Limited, a British Virgin Islands company;
- “China” or “PRC” refers to the People’s Republic of China, excluding, for the purpose of this annual report only, Taiwan, Hong Kong, and Macau;
- “Class A ordinary shares” refers to our Class A ordinary shares of par value US\$0.0001 each;
- “Class B ordinary shares” refers to our Class B ordinary shares of par value US\$0.0001 each;
- “HK\$” or “Hong Kong dollars” refers to the legal currency of Hong Kong;
- “HKSFCA” refers to the Securities and Futures Commission of Hong Kong;
- “SEC” refers to the United States Securities and Exchange Commission;
- “SEHK” refers to the Stock Exchange of Hong Kong Limited;
- “SGX-ST” refers to the Singapore Exchange Securities Trading Limited;
- “shares” or “ordinary shares” refers to our Class A ordinary shares and Class B ordinary shares; and
- “US\$” or “U.S. dollars” refers to the legal currency of the United States.

### Rounding and Currency

Any discrepancies in any table between the amounts identified as total amounts and the sum of the amounts listed therein are due to rounding.



Our reporting currency is Hong Kong dollars because our business is mainly conducted in Hong Kong and most of our revenue is denominated in Hong Kong dollars. This annual report on Form 20-F contains translations from Hong Kong dollars to U.S. dollars solely for the convenience of the reader. Unless otherwise stated, all translations from Hong Kong dollars to U.S. dollars were made at a rate of HK\$7.7996 to US\$1.00, which was the certified noon buying rate in effect as of December 30, 2021, as set forth in the H.10 statistical release of The Board of Governors of the Federal Reserve System. We make no representation that any Hong Kong dollar amounts referred to in this annual report on Form 20-F could have been, or could be, converted to U.S. dollars at any particular rate, or at all.



## FORWARD-LOOKING INFORMATION

This annual report contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

You can identify these forward-looking statements by words or phrases such as “may,” “might,” “will,” “would,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “likely to,” “potential,” “continue,” or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, but are not limited to, statements about:

- our goals and strategies;
- our future business development, financial condition and results of operations;
- the trends in, expected growth and market size of the financial services industry in Hong Kong;
- expected changes in our revenues, costs or expenditures;
- our expectations regarding demand for and market acceptance of our products and services;
- competition in our industry;
- our proposed use of proceeds;
- government policies and regulations relating to our industry; and
- fluctuations in general economic and business conditions in Hong Kong, Mainland China and globally, and
- assumptions underlying or related to any of the foregoing.

These forward-looking statements involve various risks and uncertainties. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our expectations may later be found to be incorrect. Our actual results could be materially different from our expectations. Important risks and factors that could cause our actual results to be materially different from our expectations are generally set forth in “Item 3. Key Information—D. Risk Factors,” “Item 4. Information on the Company—B. Business Overview,” “Item 5. Operating and Financial Review and Prospects,” and other sections in this annual report. You should read thoroughly this annual report and the documents that we refer to in this annual report with the understanding that our actual future results may be materially different from and worse than what we expect. Moreover, we operate in an evolving environment. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

You should not rely upon forward-looking statements as predictions of future events. The forward-looking statements made in this annual report relate only to events or information as of the date on which the statements are made in this annual report. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This annual report contains certain data and information that we obtained from industry publications and reports generated by third-party providers of market intelligence. We have not independently verified the accuracy or completeness of the data and information contained in these publications and reports. Statistical data



in these publications also include projections based on a number of assumptions. The financial services industry may not grow at the rate projected by market data, or at all. Failure of these markets to grow at the projected rate may have a material and adverse effect on our business and the market price of the ADSs or our Class A ordinary shares. If any one or more of the assumptions underlying the market data are later found to be incorrect, actual results may differ from the projections based on these assumptions.

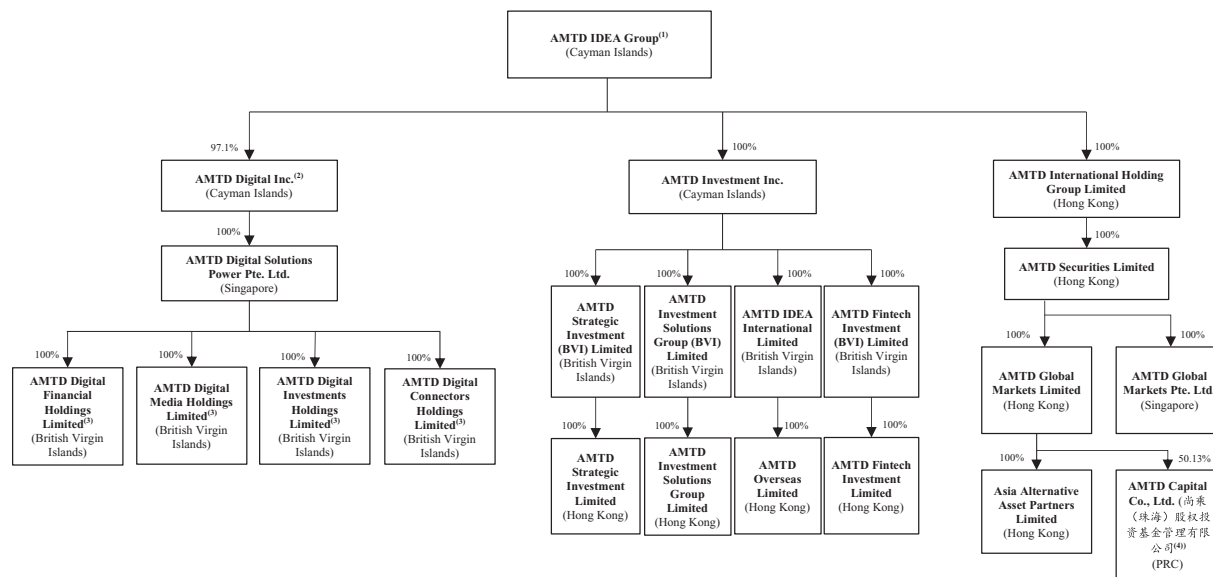


### PART I

#### Our Corporate Structure

AMTD IDEA Group is not an operating company but a Cayman Islands holding company. Our operations are primarily conducted by our operating subsidiaries in Hong Kong and Singapore. Investors in our ADSs thus are purchasing equity interest in a Cayman Islands holding company and not in an operating entity. As a holding company, AMTD IDEA Group may rely on dividends from its subsidiaries for cash requirements, including any payment of dividends to our shareholders. The ability of our subsidiaries to pay dividends to AMTD IDEA Group may be restricted by laws and regulations applicable to them or the debt they incur on their own behalf or the instruments governing their debt. For a detailed description, see “Part I—Selected Financial Data—Selected Consolidated Financial Data.” In addition, our strategic investment business is subject to liquidity risks, and we may need additional financing but may not be able to obtain it on favorable terms or at all, all of which may impose liquidity risks on us and adversely affect our ability to pay dividends to our shareholders.

The following diagram generally illustrates our corporate structure, including our subsidiaries as of the date of this annual report. For details, see “Item 4. Information on the Company—C. Organizational Structure.”



- (1) Our shareholders include (i) holders of our ordinary shares such as AMTD Group, Infinity Power Investments Limited and Century City International Holdings Limited, and (ii) public investors. For details relating to our share ownership, see “Item 4. Information on the Company—E. Share Ownership.”
- (2) The other shareholders of AMTD Digital Inc. include third party investors and two of our employees.
- (3) AMTD Digital Financial Holdings Limited has 11 subsidiaries in British Virgin Islands, Singapore and Hong Kong. AMTD Digital Media Holdings Limited has four subsidiaries in British Virgin Islands, Singapore and Hong Kong. AMTD Digital Investments Holdings Limited has 10 subsidiaries in British Virgin Islands and Singapore.
- (4) The other shareholder of AMTD Capital Co., Ltd. is a third party investor.

As used in this annual report, “AMTD,” “we,” “us,” “our company,” or “our” refers, prior to the restructuring which was completed in April 2019, to our investment banking, asset management, and strategic investment businesses and, after the completion of the restructuring, to AMTD IDEA Group (formerly known as AMTD International Inc.), a Cayman Islands exempted company with limited liability, and its subsidiaries.

Although we do not have any material operations in Mainland China or any variable interest entities in place, the business operations of an insignificant subsidiary and certain investee companies of ours are conducted in Mainland





China. PRC laws do not currently prohibit direct foreign investment in our subsidiary or our investee companies in Mainland China, and our investors could potentially own equity interests in our subsidiary or our investee companies in Mainland China. Nonetheless, we, together with our subsidiary and our investee companies in Mainland China face risks and uncertainties associated with the complex and evolving PRC laws and regulations, and PRC regulatory authorities could disallow the corporate structure through which we hold our subsidiary or invest in our investee companies in Mainland China, and could extend such prohibition to our Hong Kong operations, which could lead to a material change in our operations and/or a material change in the value of our ADSs, and could cause the value of our ADSs to significantly decline or become worthless. See “Item 3. Key Information—Risk Factors—D. Risks Relating to Doing Business in Mainland China and Hong Kong—The PRC government’s significant authority to intervene in or influence the Mainland China operations of an offshore holding company at any time could limit our ability to transfer or use our cash outside of PRC, and could otherwise result in a material adverse change to our business operations, including our Hong Kong operations and cause the ADSs to significantly decline in value or become worthless.”

### **Risks Relating to Doing Business in Mainland China and Hong Kong**

We face various legal and operational risks and uncertainties relating to our operations. Although we do not have any material operations in Mainland China or any variable interest entities in place, we, as well as an insignificant subsidiary and certain investee companies of ours whose business operations are primarily conducted in Mainland China, face risks and uncertainties associated with the complex and evolving PRC laws and regulations and as to whether and how the recent PRC government statements and regulatory developments, such as those relating to regulatory approvals on offshore offerings, anti-monopoly regulatory actions, oversight on cybersecurity and data privacy and variable interest entities, would apply to us, our subsidiary or our investee companies. Should these statements or regulatory actions apply to our subsidiary, our investee companies or to ourselves, including our Hong Kong operations, in the future, or if we expand our business operations into Mainland China such that we become subject to them to a greater extent, our ability to conduct our business, invest into or maintain our investment in Mainland China as foreign investments or accept foreign investments, or list on a U.S. or other overseas exchange may be restricted. For example, PRC regulators have been increasingly focused on regulation in areas of data security and data protection and the PRC regulatory requirements regarding cybersecurity are constantly evolving. Various regulatory bodies in China, specifically the Cyberspace Administration of China, have enforced data privacy and protection laws and regulations with varying and evolving standards and interpretations. As of the date of this annual report, we do not have any material operation in Mainland China and we have not collected, stored, or managed any personal information in Mainland China. Our management have conducted an analysis of the status and scope of our operations, including data compliance, and have concluded that currently we do not expect that PRC laws and regulations on data security, data protection or cybersecurity to be applied to us or that the oversight of the Cyberspace Administration of China will be extended to our operations outside of Mainland China. However, we still face uncertainties regarding the interpretation and implementation of these laws and regulations in the future and if the recent PRC regulatory actions on data security or other data-related laws and regulations were to apply to us, we could become subject to certain cybersecurity and data privacy obligations, including the potential requirement to conduct a cybersecurity review for our public offerings at a foreign stock exchange, and the failure to meet such obligations could result in penalties and other regulatory actions against us and may materially and adversely affect our business and results of operations. These risks could result in a material adverse change in our operations and the value of our ADSs, significantly limit or completely hinder our ability to continue to offer securities to investors, or cause the value of such securities to significantly decline. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in Mainland China and Hong Kong—We may be subject to a variety of laws and other obligations, including those regarding cybersecurity and data protection, and failure to comply with any of them may result in proceedings against us by government authorities or others and harm our public image and reputation, which could materially and adversely affect our business, financial condition, and results of operations.”

The PRC government has significant authority to regulate, influence or intervene in the Mainland China operations of an offshore holding company at any time. It also oversees and controls and may exert more control



over offerings conducted outside China by, and foreign investment in, China-based issuers. We cannot assure you that such oversight and control will not be extended to companies operating in Hong Kong such as us. These risks, together with uncertainties in the PRC legal system and the interpretation and enforcement of PRC laws, regulations, and policies, could hinder our ability to offer or continue to offer the ADSs, result in a material adverse change to our business operations, and damage our reputation, which could cause the ADSs to significantly decline in value or become worthless. For a detailed description of risks relating to doing business in Mainland China and Hong Kong, see “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in Mainland China and Hong Kong.”

### **The Holding Foreign Companies Accountable Act**

We face risks relating to the lack of PCAOB inspection on our auditor, which may cause our securities to be delisted from the NYSE or prohibited from being traded over-the-counter in the future under the Holding Foreign Companies Accountable Act, if the SEC determines that we have filed annual report containing an audit report issued by a registered public accounting firm that the PCAOB has determined it is unable to inspect or investigate completely for three consecutive years, or two consecutive years if proposed changes to the law, i.e. the Accelerating Holding Foreign Companies Accountable Act, are enacted, beginning in 2021. The delisting or the cessation of trading of our ADS, or the threat of their being delisted or prohibited from being traded, may materially and adversely affect the value of your investment. On December 16, 2021, the PCAOB issued a report to notify the SEC its determinations that it is unable to inspect or investigate completely registered public accounting firms headquartered in Mainland China and Hong Kong, respectively, and identifies the registered public accounting firms in Mainland China and Hong Kong that are subject to such determinations. Our auditor is identified by the PCAOB and is subject to the determination. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in Mainland China and Hong Kong—The PCAOB is currently unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections over our auditor deprives our investors with the benefits of such inspections,” and “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in Mainland China and Hong Kong—The ADSs will be prohibited from trading in the United States under the Holding Foreign Companies Accountable Act, or the HFCAA, in 2024 if the PCAOB is unable to inspect or fully investigate auditors located in Mainland China and Hong Kong, or as early as 2023 if proposed changes to the law are enacted. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.”

### **Permissions Required from the PRC Authorities for Our Operations**

We believe that we and our subsidiaries, to the extent applicable, have obtained the requisite licenses and approvals that are material for our operations in China as of the date of this annual report. Specifically, AMTD Capital Co., Ltd., or AMTD Capital, is a PRC company in which we currently hold 50.13% of equity interest. AMTD Capital is not a significant subsidiary pursuant to Rule 1-02(w) of Regulation S-X. As of the date of this annual report, we do not have any material operation in Mainland China and we have not collected, stored, or managed any personal information in Mainland China. As such, we believe we are not required to obtain any permission from PRC authorities to operate and issue our securities to foreign investors as of the date of this annual report, including permissions from the China Securities Regulatory Commission, or the CSRC, or the Cyberspace Administration of China, or the CAC. If (i) we do not receive or maintain any permission or approval required of us, (ii) we inadvertently concluded that certain permissions or approvals have been acquired or are not required, or (iii) applicable laws, regulations, or interpretations thereof change and we become subject to the requirement of additional permissions or approvals in the future, we may have to expend significant time and costs to procure them. If we are unable to do so, on commercially reasonable terms, in a timely manner or otherwise, we may become subject to sanctions imposed by the PRC regulatory authorities, which could include fines and penalties, proceedings against us, and other forms of sanctions, and our ability to conduct our business, invest into Mainland China as foreign investments or accept foreign investments, or list on a U.S. or other overseas exchange may be restricted, and our business, reputation, financial condition, and results of operations



may be materially and adversely affected. See also “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in Mainland China and Hong Kong—The PRC government’s significant authority to intervene in or influence the Mainland China operations of an offshore holding company at any time could limit our ability to transfer or use our cash outside of PRC, and could otherwise result in a material adverse change to our business operations, including our Hong Kong operations and cause the ADSs to significantly decline in value or become worthless,” “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in Mainland China and Hong Kong—Uncertainties arising from the legal system in China, including uncertainties regarding the interpretation and enforcement of PRC laws and the possibility that regulations and rules can change quickly with little advance notice, could hinder our ability to offer or continue to offer the ADSs, result in a material adverse change to our business operations, and damage our reputation, which would materially and adversely affect our financial condition and results of operations and cause the ADSs to significantly decline in value or become worthless,” and “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in Mainland China and Hong Kong—If we were to be required to obtain any permission or approval from the CSRC, the CAC, or other PRC authorities in connection with our overseas offering under PRC law, we may be fined or subject to other sanctions, and our business, reputation financial condition, and results of operations may be materially and adversely affected.”

### Selected Consolidated Financial Data

The following selected consolidated financial data should be read in conjunction with our audited consolidated financial statements and related notes and “Item 5. Operating and Financial Review and Prospects” in this annual report. The selected consolidated statements of profit or loss and other comprehensive income data for the years ended December 31, 2019, 2020, and 2021 and the selected consolidated statements of financial position data as of December 31, 2020, and 2021 have been derived from our audited consolidated financial statements, which are included in this annual report beginning on page F-1. The selected consolidated statements of profit or loss and other comprehensive income data for the years ended December 31, 2017 and 2018 and the selected consolidated statements of financial position data as of December 31, 2017, 2018 and 2019 are derived from our audited consolidated financial statements that have not been included herein. Our consolidated financial statements are prepared and presented in accordance with the International Financial Reporting Standards, or IFRS, issued by the International Accounting Standard Board, or IASB.

Our historical results do not necessarily indicate results expected for any future periods.

For the Year Ended December 31,					
2017	2018	2019	2020	2021	
HK\$	HK\$	HK\$	HK\$	HK\$	US\$
(in thousands, except for share, per share and per ADS data)					

### Selected Consolidated Statements of Profit or Loss and Other Comprehensive Income Data

#### Revenue

Fee and commission income . . . . .	278,976	367,538	580,006	607,263	680,478	87,245
Dividend and gain related to disposed investments . . . . .	69,509	99,228	100,552	171,027	173,823	22,286
Sub-total . . . . .	348,485	466,766	680,558	778,290	854,301	109,531
Net fair value changes on investments, stock loan and derivatives . . . . .	684,679	256,460	523,616	340,250	543,543	69,689
<b>Total revenue . . . . .</b>	<b>1,033,164</b>	<b>723,226</b>	<b>1,204,174</b>	<b>1,118,540</b>	<b>1,397,844</b>	<b>179,220</b>
Other income . . . . .	17,915	15,393	22,090	111,867	125,538	16,095
Impairment losses under expected credit loss model on financial assets . . . . .	—	—	—	(17,109)	—	—



**For the Year Ended December 31,**

	2017	2018	2019	2020	2021	
	HK\$	HK\$	HK\$	HK\$	HK\$	US\$
(in thousands, except for share, per share and per ADS data)						
Other operating expenses, staff costs and finance costs	(242,493)	(129,654)	(237,010)	(219,643)	(192,206)	(24,642)
Net fair value changes on derivative financial liability	—	—	—	7,765	—	—
<b>Profit before tax</b>	<b>808,586</b>	<b>608,965</b>	<b>989,254</b>	<b>1,001,420</b>	<b>1,331,176</b>	<b>170,673</b>
Income tax (expense)/credit	(135,214)	(83,840)	(158,350)	137,541	(109,295)	(14,013)
<b>Profit for the year</b>	<b>673,372</b>	<b>525,125</b>	<b>830,904</b>	<b>1,138,961</b>	<b>1,221,881</b>	<b>156,660</b>
<b>Other comprehensive income for the year</b>	—	—	—	1,022	739	94
Profit and other comprehensive income attributable to:						
—Ordinary shareholders	568,266	468,061	938,272	1,060,996	1,096,896	140,634
—Holders of perpetual securities	—	—	—	78,987	125,743	16,122
Non-controlling interests	105,106	57,064	(107,368)	—	(19)	(2)
<b>Total comprehensive income for the year</b>	<b>673,372</b>	<b>525,125</b>	<b>830,904</b>	<b>1,139,983</b>	<b>1,222,620</b>	<b>156,754</b>
Class A ordinary shares:						
Profit per share attributable to ordinary shareholders						
Basic	—	—	4.34	4.34	4.81	0.62
Diluted	—	—	4.34	4.22	4.81	0.62
Weighted average number of ordinary shares used in per share calculation						
Basic	—	—	16,113	57,474	62,328	62,328
Diluted	—	—	16,117	58,966	62,328	62,328
Class B ordinary shares:						
Profit per share attributable to ordinary shareholders						
Basic	2.84	2.34	4.34	4.34	4.81	0.62
Diluted	2.84	2.34	4.34	4.34	4.81	0.62
Weighted average number of ordinary shares used in per share calculation						
Basic	200,000	200,000	200,149	186,987	165,666	165,666
Diluted	200,000	200,000	200,205	186,987	165,666	165,666

**As of December 31,**

	2017	2018	2019	2020	2021	
	HK\$	HK\$	HK\$	HK\$	HK\$	US\$
(in thousands)						
<b>Selected Consolidated Statements of Financial Position Data</b>						
Total non-current assets	15,623	15,302	15,202	2,209,103	2,801,265	359,155
Total current assets	6,025,994	7,091,887	8,255,491	8,317,188	3,885,573	498,176
<b>Total assets</b>	<b>6,041,617</b>	<b>7,107,189</b>	<b>8,270,693</b>	<b>10,526,291</b>	<b>6,686,838</b>	<b>857,331</b>
Total non-current liabilities (interest-bearing)	—	—	116,810	116,233	125,723	16,119
Total non-current liabilities (non-interest-bearing)	130,209	163,357	242,914	—	—	—
Total current liabilities (interest-bearing)	351,610	322,000	317,722	232,280	388,871	49,857



	As of December 31,					
	2017	2018	2019	2020	2021	
	HK\$	HK\$	HK\$	HK\$	HK\$	US\$
	(in thousands)					
Total current liabilities (non-interest-bearing) . . . . .	2,890,522	3,427,430	764,752	453,602	383,371	49,153
<b>Total liabilities</b> . . . . .	<b>3,372,341</b>	<b>3,912,787</b>	<b>1,442,198</b>	<b>802,115</b>	<b>897,965</b>	<b>115,129</b>
Share capital and capital reserve . . . . .	1,312,960	1,312,960	4,551,380	4,551,380	4,551,376	583,540
Treasury shares . . . . .	—	—	—	—	(5,000,000)	(641,059)
Exchange reserve . . . . .	—	—	—	1,023	1,467	189
Retained profits . . . . .	870,781	1,338,842	2,277,115	3,337,088	4,449,490	570,477
Total ordinary shareholders' equity . . . . .	2,183,741	2,651,802	6,828,495	7,889,491	4,002,333	513,147
Non-controlling interests . . . . .	485,535	542,600	—	—	15,496	1,987
Holdings of perpetual securities . . . . .	—	—	—	1,834,685	1,771,044	227,068
<b>Total equity</b> . . . . .	<b>2,669,276</b>	<b>3,194,402</b>	<b>6,828,495</b>	<b>9,724,176</b>	<b>5,788,873</b>	<b>742,202</b>
<b>Total liabilities and equity</b> . . . . .	<b>6,041,617</b>	<b>7,107,189</b>	<b>8,270,693</b>	<b>10,526,291</b>	<b>6,686,838</b>	<b>857,331</b>

**Cash Transfers and Dividend Distribution**

We conduct the majority of our operations in Hong Kong and maintain our bank accounts and balances primarily in licensed banks in Hong Kong. Out of our total bank balances of HK\$526.2 million (US\$67.5 million) as of December 31, 2021, only HK\$31.0 million (US\$4.0 million) was maintained in China by AMTD Capital, which is a 50.13%-owned PRC subsidiary and did not engage in any material operation in 2021. If needed, cash can be transferred between our holding company and subsidiaries through intercompany fund advances, and there are currently no restrictions of transferring funds between our Cayman Islands holding company and subsidiaries in Hong Kong.

The following table sets forth the material cash transfers in the form of cash advances in both directions occurred between our Cayman Islands holding company and Hong Kong subsidiaries in 2021.

Subsidiaries	To Holding Company HK\$ (in million)	From Holding Company HK\$ (in million)
AMTD Global Markets Limited . . . . .	375.4	413.1
AMTD Investment Solutions Group Limited . . . . .	166.5	—

No material transfer of other assets was made between our holding company and subsidiaries in 2021.

We intend to settle amounts owed between our Cayman Islands holding company and Hong Kong subsidiaries to the extent required by our business operations.

AMTD Capital, which is 50.13% owned by AMTD Global Markets Limited (our Hong Kong subsidiary), is a foreign-invested enterprise under PRC law. Pursuant to the PRC Enterprise Income Tax Law, dividends generated and payable by a foreign-invested enterprise in China to its foreign investors are subject to a 10% withholding tax, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. In accordance with the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, where a Hong Kong resident enterprise, which is considered a non-PRC resident enterprise, directly holds at least 25% of the equity interest in a PRC enterprise, the withholding tax rate in respect to the payment of dividends by such PRC enterprise to such Hong Kong resident enterprise is reduced to 5% from the standard rate of 10%, subject to approval of the competent PRC tax authority. Thus, a 5% preferential dividend withholding tax will be applied when AMTD Capital pays any dividend to its parent, AMTD Global Markets Limited. There is no tax on dividends in Hong Kong.



Other than the aforementioned tax consequences of any dividend or distribution by AMTD Capital, there are no significant tax consequences when our subsidiaries make any dividends or distributions to our holding company. No such dividends or distributions were made by a subsidiary to our holding company in the past, and no dividend or distribution is intended to be made by a subsidiary to our holding company in the near future.

Our board of directors will review and consider whether to distribute earnings from time to time. If our board of directors decides to pay dividends, the form, frequency, and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, and other factors that the board of directors may deem relevant.

AMTD IDEA Group is a holding company incorporated in the Cayman Islands, and our ability to pay dividends depends upon dividends paid by our subsidiaries. The ability of our subsidiaries to pay dividends to us may be restricted by laws and regulations applicable to them or the debt they incur on their own behalf or the instruments governing their debt. Two of our subsidiaries, Asia Alternative Asset Partners Limited, a licensed company under the Securities and Futures Ordinance (Cap. 571) of Hong Kong, and AMTD Global Markets Limited, a licensed company under the Securities and Futures Ordinance (Cap. 571) of Hong Kong and a licensed insurance intermediary under the Insurance Ordinance (Cap. 41) of Hong Kong, are subject to minimum liquid and paid-up capital requirements under relevant rules. Before distributing their earnings to the respective holding companies, these subsidiaries must take into consideration their respective financial condition. In addition, our strategic investment business is subject to liquidity risks, and we may need additional financing but may not be able to obtain it on favorable terms or at all, all of which may impose liquidity risks on us and adversely affect our ability to pay dividends to our shareholders.

Our Cayman Islands holding company has not declared or made any dividend or other distribution to its shareholders, including U.S. investors, in the past, and no such dividend or distribution is intended to be made by our Cayman Islands holding company in the near future. U.S. investors will not be subject to Cayman Islands or Hong Kong taxation and no withholding will be required on the payment of dividends or distributions to them while they may be subject to U.S. federal income tax. See ‘Item 10. Additional Information—E. Taxation—United States Federal Income Tax Considerations—Dividends.’

There are no other significant restrictions and limitations on our ability to distribute earnings from our businesses, including our subsidiaries, to the parent company and U.S. investors or our ability to settle amounts owed, and there are no significant foreign exchange and fund transfer restrictions on cash transfers between entities within our group, across borders, and to U.S. investors.

The foregoing notwithstanding, the PRC government has significant authority to intervene or influence the Mainland China operations of an offshore holding company at any time, and such oversight may also extend to companies operating in Hong Kong like us. We cannot assure you that the PRC government will not prevent us from transferring the cash we maintain in Hong Kong outside of PRC, or restrict our ability to deploy our cash into business or to pay dividends. We could also be subject to limitations on the transfer or the use of our cash if we expand our business operations into Mainland China or conduct our operations in some other ways such that we become subject to PRC laws that regulate these activities. Any limitation on our ability to transfer or use our cash could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business. See ‘Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in Mainland China and Hong Kong—The PRC government’s significant authority to intervene in or influence the Mainland China operations of an offshore holding company at any time could limit our ability to transfer or use our cash outside of PRC, and could otherwise result in a material adverse change to our business operations, including our Hong Kong operations and cause the ADSs to significantly decline in value or become worthless.’

## **ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**

Not applicable.



## ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

## ITEM 3. KEY INFORMATION

A. *[Reserved]*

B. *Capitalization and Indebtedness*

Not applicable.

C. *Reasons for the Offer and Use of Proceeds*

Not applicable.

D. *Risk Factors*

### Summary of Risk Factors

An investment in the ADSs involves significant risks. Below is a summary of material risks that we face, organized under relevant headings. These risks are discussed more fully in “Item 3. Key Information—D. Risk Factors.”

### *Risks Relating to Doing Business in Mainland China and Hong Kong*

- The PRC government’s significant authority to intervene in or influence the Mainland China operations of an offshore holding company at any time could limit our ability to transfer or use our cash outside of PRC, and could otherwise result in a material adverse change to our business operations, including our Hong Kong operations and cause the ADSs to significantly decline in value or become worthless.
- Uncertainties arising from the legal system in China, including uncertainties regarding the interpretation and enforcement of PRC laws and the possibility that regulations and rules can change quickly with little advance notice, could hinder our ability to offer or continue to offer the ADSs, result in a material adverse change to our business operations, and damage our reputation, which would materially and adversely affect our financial condition and results of operations and cause the ADSs to significantly decline in value or become worthless.
- The PCAOB is currently unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections over our auditor deprives our investors with the benefits of such inspections.
- The ADSs will be prohibited from trading in the United States under the Holding Foreign Companies Accountable Act, or the HFCAA, in 2024 if the PCAOB is unable to inspect or fully investigate auditors located in Mainland China and Hong Kong, or as early as 2023 if proposed changes to the law are enacted. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.
- We may be subject to a variety of laws and other obligations, including those regarding cybersecurity and data protection, and failure to comply with any of them may result in proceedings against us by government authorities or others and harm our public image and reputation, which could materially and adversely affect our business, financial condition, and results of operations.



- If we were to be required to obtain any permission or approval from the CSRC, the CAC, or other PRC authorities in connection with our overseas offering under PRC law, we may be fined or subject to other sanctions, and our business, reputation financial condition, and results of operations may be materially and adversely affected.

#### ***Risks Relating to Our Business and Industry***

- We have a relatively short operating history of our current businesses compared to some of our globally established competitors and face numerous risks and challenges as we continue to expand our business in a rapidly evolving market, which makes it difficult to effectively assess our future prospects.
- Unfavorable financial markets and economic conditions in Asia and elsewhere in the world could materially and adversely affect our business, financial condition, and results of operations.
- The financial services industry is intensely competitive. If we are unable to compete effectively, we may lose our market share and our results of operations and financial condition may be materially and adversely affected.
- Our businesses depend on key management executives and professional staff, and our business may suffer if we are unable to recruit and retain them.
- We make strategic investments using our own capital, and may not be able to realize any profits from these investments for a considerable period of time, or may lose some or all of the principal amounts of these investments.
- Our strategic investment business is subject to liquidity risks.
- Our results of operations and financial condition may be materially affected by fluctuations in the fair value of our equity investments in our investee companies.
- Our investments are subject to liquidity, concentration, regulatory, credit and other risks.
- A substantial portion of our revenue is derived from investment banking business, which is not long-term contracted source of revenue and is subject to intense competition, and declines in these engagements could materially and adversely affect our financial condition and results of operations.
- Our investment banking business depends on our ability to identify, execute, and complete projects successfully and is subject to various risks associated with underwriting and financial advisory services. We cannot assure you that the income level of our investment banking business can be sustained.
- If we cannot identify or effectively control the various risks involved in the asset management products that we offer or manage under our asset management business or otherwise achieve expected investment returns for our asset management clients, our reputation, client relationships, and asset management business will be adversely affected.
- We are subject to extensive and evolving regulatory requirements, non-compliance with which may result in penalties, limitations, and prohibitions on our future business activities or suspension or revocation of our licenses, and consequently may materially and adversely affect our business, financial condition, and results of operations. In addition, we may, from time to time, be subject to regulatory inquiries and investigations by relevant regulatory authorities or government agencies in Hong Kong or other applicable jurisdictions.
- Our revenue and profits are highly volatile, and fluctuate significantly from quarter to quarter, which may result in volatility of the price of our ADSs or our Class A ordinary shares.

#### ***Risks Relating to Our Relationship with the Controlling Shareholder***

- We have limited experience operating as a stand-alone public company.





- Our financial information included in this annual report may not be representative of our financial condition and results of operations if we had been operating as a stand-alone company.
- We may not continue to receive the same level of support from our Controlling Shareholder.
- Our agreements with our Controlling Shareholders or any of its controlling shareholders may be less favorable to us than similar agreements negotiated between unaffiliated third parties. In particular, our non-competition agreement with our Controlling Shareholder limits the scope of business that we are allowed to conduct.
- We may have conflicts of interest with our Controlling Shareholders or any of its controlling shareholders and, because of our Controlling Shareholder's controlling ownership interest in our company, we may not be able to resolve such conflicts on terms favorable to us.

#### ***Risks Relating to the ADSs and Our Ordinary Shares***

- An active public market may not develop for the ADSs on the NYSE or our Class A ordinary shares on the SGX-ST, and you may not be able to resell the ADSs or Class A ordinary shares at or above the price you paid, or at all.
- The trading price of the ADSs or Class A ordinary shares may be volatile, which could result in substantial losses to you.
- The characteristics of the U.S. capital markets and the Singapore capital markets are different
- You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing actions against us or our directors and officers named in the annual report based on foreign laws.

#### **Risks Relating to Doing Business in Mainland China and Hong Kong**

***The PRC government's significant authority to intervene in or influence the Mainland China operations of an offshore holding company at any time could limit our ability to transfer or use our cash outside of PRC, and could otherwise result in a material adverse change to our business operations, including our Hong Kong operations, and cause the ADSs to significantly decline in value or become worthless.***

Our business, prospects, financial condition, and results of operations may be influenced to a significant degree by political, economic, and social conditions in Mainland China and in Hong Kong generally. The PRC government has significant authority to intervene or influence the Mainland China operations of an offshore holding company at any time, as the government deems appropriate to advance regulatory and social objectives and policy positions. For instance, the PRC government has recently published new policies that significantly affected certain industries. We cannot assure you that the oversight of the PRC government will not be extended to companies operating in Hong Kong like us or that new policies will not be introduced to regulate our industry. The PRC government may also prevent us from transferring the cash we maintain in Hong Kong outside of PRC, or restrict our ability to deploy our cash into business or to pay dividends. Any such action could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business, and could result in a material adverse change to our business operations, including our Hong Kong operations, our prospects, financial condition, and results of operations, require us to seek additional permission to continue our operations, and damage our reputation, which could cause the ADSs to significantly decline in value or become worthless. See also "—We may be subject to a variety of laws and other obligations, including those regarding cybersecurity and data protection, and failure to comply with any of them may result in proceedings against us by government authorities or others and harm our public image and reputation, which could materially and adversely affect our business, financial condition, and results of operations."



***Uncertainties arising from the legal system in China, including uncertainties regarding the interpretation and enforcement of PRC laws and the possibility that regulations and rules can change quickly with little advance notice, could hinder our ability to offer or continue to offer the ADSs, result in a material adverse change to our business operations, and damage our reputation, which would materially and adversely affect our financial condition and results of operations and cause the ADSs to significantly decline in value or become worthless.***

We may be affected directly or indirectly by PRC laws and regulations. The legal system in China is a civil law system based on written statutes. Unlike common law systems, it is a system in which decided legal cases may be cited for reference but have less precedential value. The laws, regulations, and legal requirements in China are quickly evolving and their interpretation and enforcement involve uncertainties. These uncertainties could limit the legal protections available to you and us. In addition, we cannot predict the effect of future developments in the PRC legal system, particularly with regard to new economies, including the promulgation of new laws, changes to existing laws or the interpretation or enforcement thereof, or the preemption of local regulations by national laws. Furthermore, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all. As a result, we may not be aware of our potential violation of these policies and rules. In addition, any administrative and court proceedings in China may be protracted and result in substantial costs and diversion of resources and management attention.

New laws and regulations may be enacted from time to time and substantial uncertainties exist regarding the interpretation and implementation of current and any future PRC laws and regulations applicable to our operations, including our Hong Kong operations. In particular, the PRC government authorities may continue to promulgate new laws, regulations, rules and guidelines governing new economy companies with respect to a wide range of issues, such as intellectual property, unfair competition and antitrust, privacy and data protection, and other matters. Compliance with these laws, regulations, rules, guidelines, and implementations may be costly, and any incompliance or associated inquiries, investigations, and other governmental actions may divert significant management time and attention and our financial resources, bring negative publicity, subject us to liabilities or administrative penalties, or materially and adversely affect our business, financial condition, results of operations, and the value of the ADSs.

***The PCAOB is currently unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections over our auditor deprives our investors with the benefits of such inspections.***

Our auditor, the independent registered public accounting firm that issues the audit report included elsewhere in this annual report, as an auditor of companies that are traded publicly in the United States and a firm registered with the PCAOB, is subject to laws in the United States pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. Since our auditor is located in Greater China, with operations in and who performs audit operations of registrants in China, a jurisdiction where the PCAOB has been unable to fully conduct inspections without the approval of the PRC authorities, our auditor is not currently inspected by the PCAOB.

As a result, we and investors in our ADSs are deprived of the benefits of such PCAOB inspections. The inability of the PCAOB to conduct inspections of auditors in China makes it more difficult to evaluate the effectiveness of our independent registered public accounting firm's audit procedures or quality control procedures as compared to auditors outside of China that are subject to the PCAOB inspections, which could cause investors and potential investors in our ADSs to lose confidence in our audit procedures and reported financial information and the quality of our financial statements.



***The ADSs will be prohibited from trading in the United States under the Holding Foreign Companies Accountable Act, or the HFCAA, in 2024 if the PCAOB is unable to inspect or fully investigate auditors located in Mainland China and Hong Kong, or as early as 2023 if proposed changes to the law are enacted. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.***

The HFCAA was signed into law on December 18, 2020. The HFCAA states that if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspection for the PCAOB for three consecutive years beginning in 2021, the SEC will prohibit our shares or the ADSs from being traded on a national securities exchange or in the over-the-counter trading market in the United States. On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB is unable to inspect or investigate completely registered public accounting firms headquartered in Mainland China and Hong Kong. The PCAOB identified our auditor as one of the registered public accounting firms that the PCAOB is unable to inspect or investigate completely. In March 2022, the SEC issued its first list of issuers identified under the HFCAA indicating that the companies on the list are now formally subject to the delisting provisions if they remain on the list for three consecutive years.

Whether the PCAOB will be able to conduct inspections of our auditor before the issuance of our financial statements on Form 20-F for the year ending December 31, 2023, which is due by April 30, 2024, or at all, is subject to substantial uncertainty and depends on a number of factors out of our, and our auditor's, control. If the ADSs are prohibited from trading in the United States, there is no certainty that we will be able to list on a non-U.S. exchange or that a market for the ADSs will develop outside of the United States. Such a prohibition would substantially impair your ability to sell or purchase the ADSs when you wish to do so, and the risk and uncertainty associated with delisting would have a negative impact on the price of the ADSs. Also, such a prohibition would significantly affect our ability to raise capital on terms acceptable to us, or at all, which would have a material adverse impact on our business, financial condition, results of operations, and prospects.

On June 22, 2021, the U.S. Senate passed a bill, which would reduce the number of consecutive non-inspection years required for triggering the prohibitions under the HFCAA from three years to two. On February 4, 2022, the U.S. House of Representatives passed a bill, which contained, among other things, an identical provision. If this provision is enacted into law and the number of consecutive non-inspection years required for triggering the prohibitions under the HFCAA is reduced from three years to two, then the ADSs could be prohibited from trading in the United States as early as 2023.

***We may be subject to a variety of laws and other obligations, including those regarding cybersecurity and data protection, and failure to comply with any of them may result in proceedings against us by government authorities or others and harm our public image and reputation, which could materially and adversely affect our business, financial condition, and results of operations.***

We may be subject to a variety of cybersecurity, data privacy, data protection, and other laws and regulations related to data, including those relating to the collection, use, sharing, retention, security, disclosure, and transfer of confidential and private information, such as personal information and other data. These laws and regulations apply not only to third-party transactions, but also to transfers of information within our organization. These laws and regulations may restrict our business activities and require us to incur increased costs and efforts to comply, and any breach or noncompliance may subject us to proceedings against us, damage our reputation, or result in penalties and other significant legal liabilities, and thus may materially and adversely affect our business, financial condition, and results of operations.

In some jurisdictions, including Mainland China where we do not have material operations, the cybersecurity, data privacy, data protection, or other data-related laws and regulations are relatively new and evolving, and their interpretation and application may be uncertain. For example, on December 28, 2021, the CAC, the National Development and Reform Commission, or the NDRC, the Ministry of Industry and



Information Technology, or the MIIT, and several other PRC government authorities jointly issued the Cybersecurity Review Measures, which took effect on February 15, 2022 and further restates and expands the applicable scope of the cybersecurity review in effect. Pursuant to the Cybersecurity Review Measures, critical information infrastructure operators that procure internet products and services and network platform operators engaging in data processing activities must be subject to the cybersecurity review if their activities affect or may affect national security. The Cybersecurity Review Measures further stipulates that network platform operators holding personal information of over one million users must apply to the Cybersecurity Review Office for a cybersecurity review before a foreign listing. Although our securities have been listed on the New York Stock Exchange, given that the Cybersecurity Review Measures was recently promulgated, there are substantial uncertainties as to its interpretation, application, and enforcement. On July 30, 2021, the state council promulgated the Regulations on Protection of Critical Information Infrastructure, which became effective on September 1, 2021. Pursuant to the Regulations on Protection of Critical Information Infrastructure, critical information infrastructure shall mean any important network facilities or information systems of the important industry or field such as public communication and information service, energy, transportation, water conservation, finance, public services, e-government affairs and national defense science, which may endanger national security, people's livelihood and public interest in case of damage, function loss or data leakage. In addition, relevant administration departments of each critical industry and sector, or Protection Departments, shall be responsible to formulate eligibility criteria and determine the critical information infrastructure operator in the respective industry or sector. The operators shall be informed about the final determination as to whether they are categorized as critical information infrastructure operators. As of the date of this annual report, no detailed rules or implementation have been issued by any authority and the exact scope of "critical information infrastructure operators" under the current regulatory regime remains unclear, and the PRC government authorities may have wide discretion in the interpretation and enforcement of these laws. On November 14, 2021, the CAC released the Regulations on the Network Data Security (Draft for Comments), or the Draft Data Security Regulations. The Draft Data Security Regulations provides that data processors refer to individuals or organizations that autonomously determine the purpose and the manner of processing data. In accordance with the Draft Data Security Regulations, data processors shall apply for a cybersecurity review for the following activities: (i) merger, reorganization or division of internet platform operators that have acquired a large number of data resources related to national security, economic development or public interests to the extent that affects or may affect national security; (ii) listing abroad of data processors which process over one million users' personal information; (iii) the listing of data processors in Hong Kong which affects or may affect national security; or (iv) other data processing activities that affect or may affect national security. However, there have been no clarifications from the authorities as of the date of this annual report as to the standards for determining such activities that "affects or may affect national security. There is also no timetable as to when the Draft Data Security Regulations will be enacted. As such, it remains unclear whether the final version adopted in the future will have any further material changes, and it is uncertain how the draft regulations will be enacted, interpreted, or implemented and how they will affect us. It remains uncertain whether future regulatory changes in China would impose additional restrictions on companies like us. We cannot predict the impact of these future regulatory changes, if any, at this stage, and we will closely monitor and assess any development in the rule-making process. If future regulatory updates mandate clearance of cybersecurity review and other specific actions to be completed by companies operating in Hong Kong like us, we face uncertainties as to whether such clearance can be timely obtained, or at all. As of the date of this annual report, we do not have any material operation in Mainland China. We have not collected, stored, or managed any personal information in Mainland China. As such, we currently do not expect the Cybersecurity Review Measures, the Draft Data Security Regulations or other recent regulations will have an impact on our business or results of operations, and we believe that we are compliant with the regulations and policies that have been issued by the CAC to date. However, we still face uncertainties regarding the interpretation and implementation of these laws and regulations in the future. Cybersecurity review could result in disruption in our operations, negative publicity with respect to our company, and diversion of our managerial and financial resources. Furthermore, if we were found to be in violation of applicable laws and regulations in China during such review, we could be subject to fines or other government sanctions and reputation damages. Therefore, potential cybersecurity review, if applicable to us, could materially and adversely affect our business, financial condition, and results of operations.



In addition, the PRC Data Security Law, which was promulgated by the Standing Committee of the National People's Congress on June 10, 2021 and took effect on September 1, 2021, requires data collection to be conducted in a legitimate and proper manner, and stipulates that, for the purpose of data protection, data processing activities must be conducted based on data classification and hierarchical protection system for data security. Furthermore, the recently issued Opinions on Strictly Cracking Down Illegal Securities Activities require (i) speeding up the revision of the provisions on strengthening the confidentiality and archives management relating to overseas issuance and listing of securities and (ii) improving the laws and regulations relating to data security, cross-border data flow, and management of confidential information. The PRC Personal Information Protection Law, which was promulgated by the Standing Committee of the National People's Congress on August 20, 2021 and took effect on November 1, 2021, integrates previously scattered rules with respect to personal information rights and privacy protection and applies to the processing of personal information within China as well as certain personal information processing activities outside China, including those for the provision of products and services to natural persons within China or for the analysis and assessment of acts of natural persons within China. Although as of the date of this annual report, we have not collected, stored, or managed any personal information in China, given that there remain uncertainties regarding the further interpretation and implementation of those laws and regulations, if they are deemed to be applicable to us, we cannot assure you that we will be compliant with such new regulations in all respects, and we may be ordered to rectify and terminate any actions that are deemed illegal by the government authorities and become subject to fines and other government sanctions, which may materially and adversely affect our business, financial condition, and results of operations.

***If we were to be required to obtain any permission or approval from the CSRC, the CAC, or other PRC authorities in connection with our overseas offering under PRC law, we may be fined or subject to other sanctions, and our business, reputation financial condition, and results of operations may be materially and adversely affected.***

The Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors, or the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, purports to require offshore special purpose vehicles that are controlled by PRC companies or individuals and that have been formed for the purpose of seeking a public listing on an overseas stock exchange through acquisitions of PRC domestic companies or assets to obtain CSRC approval prior to publicly listing their securities on an overseas stock exchange. The interpretation and implementation of the regulations remain unclear.

In addition, the PRC government authorities may strengthen oversight over offerings that are conducted overseas. For instance, on July 6, 2021, the relevant PRC governmental authorities promulgated the Opinions on Strictly Cracking Down on Illegal Securities Activities, which emphasized the need to strengthen the supervision over overseas listings by PRC companies. Effective measures, such as promoting the establishment of relevant regulatory systems, are to be taken to deal with the risks and incidents of overseas listings of China-based companies, cybersecurity and data privacy protection requirements and similar matters. As a follow-up, on December 24, 2021, the State Council issued a draft of the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies, or the Draft Provisions, and the CSRC issued a draft of Administration Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies, or the Draft Administration Measures, for public comments. The Draft Provisions and the Draft Administration Measures propose to establish a new filing-based regime to regulate overseas offerings and listings by PRC domestic companies. On December 28, 2021, the Cyberspace Administration of China and other PRC authorities promulgated the Cybersecurity Review Measures, which took effect on February 15, 2022, and further restates and expands the applicable scope of the cybersecurity review in effect. Pursuant to the Cybersecurity Review Measures, critical information infrastructure operators that procure internet products and services and network platform operators engaging in data processing activities must be subject to the cybersecurity review if their activities affect or may affect national security. The Cybersecurity Review Measures further stipulates that network platform operators holding personal information of over one million users must apply to the Cybersecurity Review Office for a cybersecurity review before an overseas listing. On December 27,



2021, the NDRC and the Ministry of Finance jointly issued the Special Administrative Measures (Negative List) for Foreign Investment Access (2021 Version), or the 2021 Negative List, which became effective on January 1, 2022. Pursuant to such Special Administrative Measures, if a domestic company engaging in the prohibited business stipulated in the 2021 Negative List seeks an overseas offering and listing, it must obtain the approval from the competent governmental authorities. Besides, the foreign investors of the company should not be involved in the company's operation and management, and their shareholding percentage should be subject to the relevant regulations on the domestic securities investments by foreign investors. The foregoing regulations are either recently issued or remain in draft form and there remain substantial uncertainties with respect to their interpretation and implementation.

We believe that we and our subsidiaries, to the extent applicable, have obtained the requisite licenses and approvals that are material for our operations in China as of the date of this annual report. Specifically, AMTD Capital Co., Ltd., or AMTD Capital, is a PRC company in which we currently hold 50.13% of equity interest. AMTD Capital is not a significant subsidiary pursuant to Rule 1-02(w) of Regulation S-X. As of the date of this annual report, we do not have any material operation in Mainland China and we have not collected, stored, or managed any personal information in China. As such, we believe we are not required to obtain any permission from PRC authorities to operate and issue our securities to foreign investors as of the date of this annual report, including permissions from the CSRC or CAC. However, if we expand our business operations into Mainland China through our AMTD SpiderNet ecosystem or it is otherwise subsequently determined that we were required to obtain such permissions or approvals in the future in connection with the listing or continued listing of our securities on a stock exchange outside of Hong Kong or Mainland China, it is uncertain whether we can and how long it will take for us to obtain such approval, and, even if we obtain such approval, the approval could be rescinded. Any failure to obtain or a delay in obtaining the necessary permissions from the PRC authorities to conduct securities issuance outside of the PRC may subject us to sanctions imposed by the PRC regulatory authorities, which could include fines and penalties, proceedings against us, and other forms of sanctions, and our ability to conduct our business, invest into or maintain our investment in Mainland China as foreign investments or accept foreign investments, or conduct securities issuance outside of the PRC may be restricted, and our business, reputation, financial condition, and results of operations may be materially and adversely affected.

### **Risks Relating to Our Business and Industry**

*We have a relatively short operating history of our current businesses compared to some of our globally established competitors and face numerous risks and challenges as we continue to expand our business in a rapidly evolving market, which makes it difficult to effectively assess our future prospects.*

We have a relatively short operating history of our current businesses compared to some of our globally established competitors. We launched our investment banking business in 2015, after which we introduced our institutional asset management business and strategic investment business. Certain of our business initiatives, including expansion of existing businesses, may put us into direct or indirect contact with individuals and entities that are not within our traditional client and counterparty base, and may expose us to new asset classes and new markets.

You should consider our business and prospects in light of the risks and challenges we encounter or may encounter given the rapidly evolving market in which we operate and our relatively short operating history. These risks and challenges include our ability to, among other things:

- build and maintain a well-recognized and respected brand domestically and globally;
- establish and expand our client base, win capital markets and advisory mandates, and increase our assets under management, or AUM;
- maintain and enhance our relationships with our business partners;
- attract, retain, and motivate talented employees;



- anticipate and adapt to changing market conditions and competitive landscape;
- manage our future growth and business and geographic expansion;
- ensure that the performance of our products and services meets client expectations;
- maintain or improve our operational efficiency;
- navigate a complex and evolving regulatory environment;
- defend ourselves in any legal or regulatory actions against us;
- enhance our technology infrastructure and maintain the security of our system and the confidentiality of the information provided and utilized across our system;
- identify operational system or infrastructure inefficiency or those of third parties, avoid and remedy operating errors as a result of human or system errors or other misconduct;
- identify and address conflicts of interest;
- manage our strategic investments (including but not limited to monitoring of market risks and operating performance of our investments and derivatives); and
- identify, account for and appropriately manage our related party transactions.

If we fail to address any or all of these risks and challenges, our business may be materially and adversely affected.

We have a relatively short history in serving our current institutional client base. As our business develops and as we respond to competition, we may continue to introduce new service offerings, make adjustments to our existing services, or make adjustments to our business operations in general. Any significant change to our business model that does not achieve expected results could materially and adversely affect our financial condition and results of operations. It is therefore difficult to effectively assess our future prospects.

***Unfavorable financial markets and economic conditions in Asia and elsewhere in the world could materially and adversely affect our business, financial condition, and results of operations.***

Our businesses are materially affected by conditions in the financial markets and economic conditions in Asia and elsewhere in the world. Financial markets and economic conditions could be negatively impacted by many factors beyond our control, such as inability to access capital markets, control of foreign exchange, changes in exchange rates, rising interest rates or inflation, slowing or negative growth rate, government involvement in allocation of resources, inability to meet financial commitments in a timely manner, terrorism, political uncertainty, epidemic or pandemic, civil unrest, fiscal or other economic policy of governments, and the timing and nature of any regulatory reform. The recent geo-political uncertainties may also give rise to uncertainties in global economic conditions and adversely affect general investor confidence. The global spread of coronavirus disease (COVID-19) in a significant number of countries around the world and the traveling restrictions due to COVID-19 have resulted in, and may intensify, global economic distress, and the extent to which it may affect our business and results of operations will depend on future developments, which are highly uncertain and cannot be predicted.

The credit and financial markets have experienced extreme volatility and disruptions due to the current conflict between Ukraine and Russia. The conflict is expected to have further global economic consequences, including but not limited to the possibility of severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in inflation rates and uncertainty about economic and political stability. In addition, the United States and other countries have imposed sanctions on Russia which increases the risk that Russia may resort to retaliatory actions, including the launching of cyberattacks. Any of the foregoing consequences, including those we cannot yet predict, may cause our business, financial condition, results of operations and the price of the ADSs to be adversely affected.



Political unrest such as protests or demonstrations could disrupt economic activities and adversely affect our business. The unrest in Hong Kong in recent years led to a decrease in inbound tourism to Hong Kong, decreased consumer spending and an overall negative impact on the domestic economy. There can be no assurance that these protests and other economic, social, or political unrest in the future will not have a material adverse effect on our financial conditions and results of operations.

Unfavorable financial markets and economic conditions in Asia and elsewhere in the world could negatively affect our clients' business and materially reduce demand for our services and increase price competition among financial services firms seeking such engagements, and thus could materially and adversely affect our business, financial condition, and results of operations. In addition, our profitability could be adversely affected due to our fixed costs and the possibility that we would be unable to reduce our variable costs without reducing revenue or within a timeframe sufficient to offset any decreases in revenue relating to changes in market and economic conditions.

Revenue generated by our investment banking business is directly related to the volume and value of the transactions in which we are involved. Our investment bankers primarily serve clients in raising capital through IPOs and debt offerings. During periods of unfavorable market and economic conditions, our results of operations may be adversely affected by a decrease in the number and value of the IPOs and debt offerings that we underwrite.

During a market or general economic downturn, we may also derive lower revenue from our asset management and strategic investment businesses due to lower mark-to-market or fair value of the assets that we manage and the strategic investments that we made. In addition, due to uncertainty or volatility in the market or in response to difficult market conditions, clients or prospective clients may withdraw funds from, or hesitate to allocate assets to, our asset management business in favor of investments they perceive as offering greater opportunity or lower risk. Difficult market conditions can also materially and adversely affect our ability to launch new products or offer new services in our asset management business, which could negatively affect our ability to increase our AUM and our management fees that are based on the AUM.

***The financial services industry is intensely competitive. If we are unable to compete effectively, we may lose our market share and our results of operations and financial condition may be materially and adversely affected.***

The financial services industry is intensely competitive, highly fragmented, and subject to rapid change, and we expect it to remain so. We compete both in Asia and globally, and on the basis of a number of factors, including the ability to adapt to evolving financial needs of a broad spectrum of clients, our ability to identify market demands and business opportunities to win client mandates, the quality of our advice, our employees, and deal execution, the range and price of our products and services, our innovation, our reputation, and the strength of our relationships. We expect to continue to invest capital and resources in our businesses in order to grow and develop them to a size where they are able to compete effectively in their markets, have economies of scale, and are themselves able to produce or consolidate significant revenue and profit. We cannot assure you that the planned and anticipated growth of our businesses will be achieved or in what timescale. There may be difficulties securing financing for investment for growth and in recruiting and retaining the skilled human resources required to compete effectively. If we fail to compete effectively against our competitors, our business, financial conditions, results of operations, and prospects will be materially and adversely affected.

Investment banking as our primary business generally requires us to react promptly to the evolving demand of our clients and be able to provide innovative financial solutions tailored to their needs. We may not be able to compete effectively with our competitors at all times and always be able to provide appropriate financial solutions that promptly and accurately address our clients' needs. If this were to happen, our ability to attract new or retain existing clients will suffer, which would materially and adversely affect our revenue and earnings.





We primarily compete with other investment banking firms. We have experienced and may continue to experience intense competition over obtaining investment banking service mandates. We may face pricing pressure as some of our competitors may seek to obtain higher market share by reducing fees and commissions. Some of our competitors include large global financial institutions or state-owned PRC financial institutions operating or headquartered in Hong Kong, many of which have longer operating histories, far broader financial and other resources, and significantly greater name recognition than us and have the ability to offer a wider range of products, which may enhance their competitive position. They also regularly support services we do not provide, such as commercial lending, margin lending and other financial services and products, which puts us at a competitive disadvantage and could result in pricing pressures or lost opportunities, which in turn could materially and adversely affect our results of operations. In addition, we may be at a competitive disadvantage with regard to some of our competitors that have larger customer bases, more professionals, and the ability to provide financing that are often a crucial component of investment banking deals on which we advise.

Historically, competition in the asset management market has been fierce. In recent years, the asset management market in Hong Kong had become more saturated. Banks and brokerage firms have offered low management fees, prolonged commission-free concessions, or extra-low fixed commissions as incentives to attract clients, thus further intensifying the competition in this market. We expect that competition in Hong Kong's asset management market will continue to be intense. We cannot assure you that we can compete effectively against our current and future competitors, or that competitive forces in the market will not alter the industry landscape such that our business objectives would become impractical or impossible. Under the foregoing circumstances, our business and financial condition would be adversely affected.

***Our businesses depend on key management executives and professional staff, and our business may suffer if we are unable to recruit and retain them.***

Our businesses depend on the skills, reputation, and professional experience of our key management executives, the network of resources and relationships they generate during the normal course of their activities, and the synergies among the diverse fields of expertise and knowledge held by our senior professionals. Therefore, the success of our business depends on the continued services of these individuals. If we lose their services, we may not be able to execute our existing business strategy effectively, and we may have to change our current business direction. These disruptions to our business may take up significant energy and resources of our company, and materially and adversely affect our future prospects.

Moreover, our business operations depend on our professional staff, our most valuable assets. Their skills, reputation, professional experience, and client relationships are critical elements in obtaining and executing client engagements. We devote considerable resources and incentives to recruiting and retaining these personnel.

However, the market for quality professional staff is increasingly competitive. We expect to face significant competition in hiring such personnel. Additionally, as we mature, current compensations scheme to attract employees may not be as effective as in the past. The intense competition may require us to offer more competitive compensation and other incentives to our talent, which could materially and adversely affect our financial condition and results of operations. As a result, we may find it difficult to retain and motivate these employees, and this could affect their decisions about whether or not they will continue to work for us. If we do not succeed in attracting, hiring and integrating quality professional staff, or retaining and motivating existing personnel, we may be unable to grow effectively.

***We make strategic investments using our own capital, and may not be able to realize any profits from these investments for a considerable period of time, or may lose some or all of the principal amounts of these investments.***

We derived a significant portion of our revenue from our strategic investment business. Our dividend and gain related to disposed investment accounted for 8.3%, 15.3% and 12.4% of our total revenue for the years



ended December 31, 2019, 2020, and 2021, respectively, and our net fair value changes on stock loan, derivative financial asset and financial assets at fair value through profit or loss accounted for 43.5%, 30.4% and 38.9% of our total revenue for the corresponding periods, respectively. Our strategic investment portfolio primarily consists of investments in equity and equity-linked securities of public and private companies. Making a sound investment decision requires us to carefully identify and select a target company based on its business, financial condition, operations, and the industry in which it operates. In general, this process involves analytical assessment and estimation of the target company's profitability and sustainability. We may make unsound investment decisions due to fraudulent and concealed, inaccurate or misleading statements from a target company in the course of our due diligence, which could lead us to mistakenly estimate the value of the target company and affect our ability to derive profit from such investments. In addition, our understanding of and judgment on the target company's business and prospects, and the industry in which the target company operates may deviate and result in inaccurate investment decisions.

We make strategic investments in financial and new economy sectors globally and are subject to concentration risks. Our investment portfolio may be concentrated in certain sectors, geographic regions, individual investments, or types of securities that may or may not be listed. As of the date of this annual report, we hold investments primarily under our strategic investment business. Any significant decline in the value of our investment portfolio may therefore adversely impact our business, results of operations, and financial condition.

We also make strategic investments in the highly regulated banking sector in China. Any change in PRC laws, regulations, or policies may adversely affect our equity holding as a foreign investor, our ability to exit from the investment, or the fair value of our equity investment. See also "Risks Relating to Doing Business in Mainland China and Hong Kong—The PRC government's significant authority to intervene in or influence the Mainland China operations of an offshore holding company at any time could limit our ability to transfer or use our cash outside of PRC, and could otherwise result in a material adverse change to our business operations, including our Hong Kong operations and cause the ADSs to significantly decline in value or become worthless," and "Risks Relating to Doing Business in Mainland China and Hong Kong—Uncertainties arising from the legal system in China, including uncertainties regarding the interpretation and enforcement of PRC laws and the possibility that regulations and rules can change quickly with little advance notice, could hinder our ability to offer or continue to offer the ADSs, result in a material adverse change to our business operations, and damage our reputation, which would materially and adversely affect our financial condition and results of operations and cause the ADSs to significantly decline in value or become worthless."

In addition, we have limited control over all of our investee companies. Even if we have a board seat in certain investee companies, we do not have the necessary power to mandate or block material corporate actions. If these investee companies fail to carry out business in a compliant manner, incur overly excessive amount of debt or go bankrupt, or the business operations decline, the fair value of our investment in these companies may deteriorate or, in extreme cases, decrease to zero. We are subject to the risk that the majority shareholders or the management of these investee companies may act in a manner that does not serve the investee companies' interests. The general operational risks, such as inadequate or failing internal control of these investee companies, the compliance risks, such as any lack of requisite approvals for investee companies' businesses, and legal risks, such as violation of laws and regulations or fraudulent or otherwise improper activities, may also expose our investments to risks. Furthermore, these investee companies may fail to abide by their agreements with us, for which we may have limited or no recourse. These investee companies may not declare dividend, or even if they do, we may not be able to secure liquidity conveniently until we receive such dividend. If any of the foregoing were to occur, our business, reputation, financial condition and results of operations could be materially and adversely affected.

In recent years, there has been increasing competition for private equity investment opportunities, which may limit the availability of investment opportunities or drive up the price of available investment opportunities, and, as a result, our financial condition and results of operations may be materially and adversely affected.



***Our strategic investment business is subject to liquidity risks.***

Some of our strategic investments are in the form of securities that are not publicly traded. In many cases, there may be prohibition by contract or by applicable laws from selling such securities for a period of time or there may not be a public market for such securities. Even if the securities are publicly traded, large holdings of securities can often be disposed of only over a substantial length of time, exposing the investment returns to risks of downward movement in market prices during the disposition period. Accordingly, under certain conditions, we may be forced to either sell securities at lower prices than we had expected to realize or defer, potentially for a considerable period of time, sales that we had planned to make. Investing in these securities can involve a high degree of risk, and we may lose some or all of the principal amount of such strategic investments.

***Our results of operations and financial condition may be materially affected by fluctuations in the fair value of our equity investments in our investee companies.***

Our investments are long-term, strategic in nature to reinforce our ecosystem. We have made significant equity investments in public and private companies and recognize dividend and gain related to disposed investment and net fair value changes on investments and derivatives on our consolidated statements of profit or loss and other comprehensive income. For the years ended December 31, 2019, 2020, and 2021 dividend and gain related to disposed investment accounted for 8.3%, 15.3% and 12.4%, and net fair value changes on stock loan, derivative financial asset and financial assets at fair value through profit or loss accounted for 43.5%, 30.4% and 38.9% of our total revenue, respectively. Since we intend to hold our investments on a long-term basis, fair value of our equity investments is subject to market fluctuations due to changes in the market prices of securities, interest rates, or other market factors, such as liquidity, or regulatory factors, such as changes in policies affecting the businesses of our investee companies. Technology has been one of our key sectors of focus and the fair value of our investments in technology companies may be subject to significant valuation fluctuations. For our equity investments in private companies, we measure their fair value based on an assessment of each underlying security, considering rounds of financing, third-party transactions, and market-based information, including comparable company transactions, trading multiples, and changes in market outlook. As of December 31, 2021, the aggregate fair value of our strategic investment portfolio was HK\$3.8 billion (US\$0.5 billion). Although we do not intend to make frequent trades on investments for profit, the nature of investment and significance of our investment holdings could adversely affect our results of operations and financial condition.

***Our investments are subject to liquidity, concentration, regulatory, credit and other risks.***

Our portfolio is concentrated in a limited number of portfolio companies, industries and/or sectors. As of December 31, 2021, our strategic investment portfolio reached an aggregate fair value of HK\$3.8 billion (US\$0.5 billion), of which our investment in the Hong Kong- and Shenzhen-listed Bank of Qingdao accounted for 28.1%, our investment in AMTD Digital Inc. accounted for 29.8% and our investment in AMTD Assets Alpha Group accounted for 12.8%. As a result, the aggregate returns we realize may be significantly affected adversely if any of these investments perform poorly or if we need to write down the value of any of these investments. Additionally, our investments are concentrated in relatively few industries or sectors. As a result, a downturn in any particular industry or sector in which we are invested, such as the banking sector that Bank of Qingdao operates in, the digital financial service, digital media, content, and marketing, and digital investment sectors that AMTD Digital Inc. operates in, and the hotel hospitality sector, property development and investment that AMTD Assets Alpha Group operates in could significantly impact the aggregate returns we realize and therefore materially and adversely affect our results of operations and financial condition.

As of December 31, 2021, our derivative financial asset amounted to HK\$969.9 million (US\$124.4 million), representing 25.8% of our strategic investment portfolio. We have entered into derivative contracts of “Upside Participation and Profit Distribution Agreements” with a counterparty in order to hedge against adverse movement in the share price of our investment in Bank of Qingdao. Consequently, the fair value of the derivative



financial asset is inversely correlated to the movement in the share price of Bank of Qingdao and is subject to concentration risk. Moreover, there are no public markets for trading this kind of derivative contracts. We face liquidity risk in this regard. There is also credit risk associated with the counterparty's ability to settle upon maturity of the derivative contracts.

Investments in private businesses involve a high degree of business and financial risk. Investments in private businesses, such as AMTD Digital Inc. and AMTD Assets Alpha Group are illiquid. We may have no or limited ability to dispose of these investments at times when it may be otherwise advantageous for us to liquidate such investments. In addition, if we were forced to immediately liquidate some or all of the investments in a portfolio company, the proceeds of such liquidation could be significantly less than the current value thereof. Furthermore, there is generally no publicly available information about the companies in which we invest. If we are unable to identify all material information about these companies, among other factors, we may fail to receive the expected return on investment or lose some or all of the money invested in these companies. In addition, these businesses may have shorter operating histories, narrower product lines, smaller market shares and less experienced management than their larger competitors and may be more vulnerable to customer preferences, market conditions, and loss of key personnel, or economic downturns, which may adversely affect the return on, or the recovery of, investments in such businesses.

As of December 31, 2021, we held an approximate 4.9% interest in the Bank of Qingdao and expect it to be a long-term investment, and our founder also serves as a director of Bank of Qingdao. Given our significant stake in, and affiliation with, Bank of Qingdao, our investment in Bank of Qingdao is also subject to liquidity and concentration risk. There may not be a readily available market to sell the shares of Bank of Qingdao. We will need to gradually sell down our holdings subject to market conditions, if we want to liquidate our position in Bank of Qingdao. In addition, the banking sector in China is highly regulated and any change in PRC laws, regulations, or policies may adversely affect our holding in Bank of Qingdao as a foreign investor, our ability to exit from the investment, or the fair value of our equity investment in Bank of Qingdao. Any adverse impact on our investment in Bank of Qingdao could materially and adversely affect our business, results of operations, and financial condition. See also "Risks Relating to Doing Business in Mainland China and Hong Kong—The PRC government's significant authority to intervene in or influence the Mainland China operations of an offshore holding company at any time could limit our ability to transfer or use our cash outside of PRC, and could otherwise result in a material adverse change to our business operations, including our Hong Kong operations and cause the ADSs to significantly decline in value or become worthless," and "Risks Relating to Doing Business in Mainland China and Hong Kong—Uncertainties arising from the legal system in China, including uncertainties regarding the interpretation and enforcement of PRC laws and the possibility that regulations and rules can change quickly with little advance notice, could hinder our ability to offer or continue to offer the ADSs, result in a material adverse change to our business operations, and damage our reputation, which would materially and adversely affect our financial condition and results of operations and cause the ADSs to significantly decline in value or become worthless."

***A substantial portion of our revenue is derived from investment banking business, which is not long-term contracted source of revenue and is subject to intense competition, and declines in these engagements could materially and adversely affect our financial condition and results of operations.***

We historically have earned a substantial portion of our revenue from fees and commissions paid by our investment banking clients, which usually are payable upon the successful completion of particular transactions. Revenue derived from our investment banking business accounted for 37.9%, 33.6% and 42.7% of our total revenue for the years ended December 31, 2019, 2020, and 2021, respectively. We expect that we will continue to rely on investment banking business for a substantial portion of our revenue for the foreseeable future, and a decline in our engagements could materially and adversely affect our financial condition and results of operations.

In addition, investment banking business typically is not a long-term contracted source of revenue. Each revenue-generating engagement typically is separately awarded and negotiated. Furthermore, many of our clients



do not routinely require our services. As a consequence, our engagements with many clients are not likely to be predictable. We may also lose clients each year, including as a result of the sale or merger of a client, or due to a change in a client's senior management and competition from other investment banking firms. As a result, our engagements with clients are constantly changing and our total revenue could fluctuate or decline quickly due to these factors.

***Our investment banking business depends on our ability to identify, execute, and complete projects successfully and is subject to various risks associated with underwriting and financial advisory services. We cannot assure you that the income level of our investment banking business can be sustained.***

We primarily underwrite securities offerings in Hong Kong, Singapore, and the United States, and are exposed to uncertainties in the regulatory requirements in these jurisdictions. Securities offerings are subject to review and approval by various regulatory authorities, the results and timing of which are beyond our control and may cause substantial delays to, or the termination of, the offering. We receive the payment of fees and commissions in most securities offerings only after the successful completion of the transactions. If a transaction is not completed as scheduled, or at all, for any reason, we may not receive fees and commissions for services that we have provided in a timely manner, or at all, which could materially and adversely affect our results of operations.

Market fluctuations and changes in regulatory policies may adversely affect our investment banking business. Negative market and economic conditions may adversely affect investor confidence, resulting in significant industry-wide declines in the size and number of securities offerings, and market volatility may cause delays to, or even termination of, securities offerings that we underwrite, either of which could adversely affect our revenue from the investment banking business.

In addition, in acting as an underwriter in a securities offering, we may be subject to litigation, securities class action, claims, administrative penalties, regulatory sanctions, fines, or disciplinary actions, or may be otherwise legally liable in Hong Kong, Singapore, the United States, and other jurisdictions. Our reputation may be affected due to inadequate due diligence, fraud or misconduct committed by issuers or their agents or our staff, misstatements and omissions in disclosure documents, or other illegal or improper activities that occur during the course of the underwriting process, which may adversely affect our business, financial condition, and results of operations. Our investment banking business may also be affected by new rules and regulations, changes in the interpretation or enforcement of existing rules and regulations relating to the underwriting of securities offerings.

As a result, we cannot assure you that the income level of our investment banking business can be sustained.

***If we cannot identify or effectively control the various risks involved in the asset management products that we offer or manage under our asset management business or otherwise achieve expected investment returns for our asset management clients, our reputation, client relationships, and asset management business will be adversely affected.***

We offer our asset management clients a broad selection of third-party products, including fixed income products, equity products and structured products, for which we derive revenue through management fees and performance fees. These products often have complex structures and involve various risks, including default risks, interest rate risks, liquidity risks, market volatility and other market risks. In addition, we are subject to risks arising from any potential misconduct or violation of law by the product providers or corporate borrowers. Although the product providers or corporate borrowers of the asset management products we offer are typically directly liable to our clients in the event of a product default, these incidences could adversely affect the performance of the applicable products that we distribute and our reputation. Our success in maintaining our brand image depends, in part, on our ability to effectively control the risks associated with these products. Our asset management team not only need to understand the nature of the products but also need to accurately



describe the products to, and evaluate them for, our clients. Although we enforce and implement strict risk management policies and procedures, they may not be fully effective in mitigating the risk exposure of our clients in all market environments or against all types of risks. If we fail to identify and effectively control the risks associated with the products that we offer or manage, or fail to disclose such risks to our clients in a sufficiently clear and timely manner, or to dispose timely of such investments in the clients' investment portfolios, our clients may suffer financial loss or other damages. Poor performance of these products and services, negative perceptions of the institutions offering these products and services or failure to achieve expected investment return may impact client confidence in the products we offer them, impede the capital-raising activities in connection with our asset management business, and reduce our asset under management and revenue generated under this segment.

For discretionary account service we offer to our clients, we have a higher level of discretion in making investments. If we are unable to generate sufficient returns from our investments, including managing leverage risks on behalf of our clients, or even incur losses, our clients may become unwilling to continue to use our services, and our reputation, client relationship, business, and prospects will be materially and adversely affected.

***We are subject to extensive and evolving regulatory requirements, non-compliance with which may result in penalties, limitations, and prohibitions on our future business activities or suspension or revocation of our licenses, and consequently may materially and adversely affect our business, financial condition, and results of operations. In addition, we may, from time to time, be subject to regulatory inquiries and investigations by relevant regulatory authorities or government agencies in Hong Kong or other applicable jurisdictions.***

The Hong Kong and U.S. financial markets in which we primarily operate are highly regulated. Our business operations are subject to applicable Hong Kong and U.S. laws, regulations, guidelines, circulars, and other regulatory guidance, and many aspects of our businesses depend on obtaining and maintaining approvals, licenses, permits, or qualifications from the relevant regulators. Serious non-compliance with regulatory requirements could result in investigations and regulatory actions, which may lead to penalties, including reprimands, fines, limitations, or prohibitions on our future business activities or, if significant, suspension or revocation of our licenses. Failure to comply with these regulatory requirements could limit the scope of businesses in which we are permitted to engage. Furthermore, additional regulatory approvals, licenses, permits, or qualifications may be required by relevant regulators in the future, and some of our current approvals, licenses, permits, or qualifications are subject to periodic renewal. Although we have not been found by any relevant regulators to be in material non-compliance with any regulatory requirements since we commenced our current businesses in 2015, any such finding or other negative outcome may affect our ability to conduct business, harm our reputation and, consequently, materially and adversely affect our business, financial condition, results of operations, and prospects.

Two of our subsidiaries, AMTD Global Markets Limited and Asia Alternative Asset Partners Limited, are HKSF-licensed companies subject to various requirements, such as remaining fit and proper at all times, minimum liquid and paid-up capital requirements, notification requirements, submission of audited accounts, submission of financial resources returns and annual returns, continuous professional training, under the Securities and Futures Ordinance (Cap. 571) of Hong Kong and its subsidiary legislation and the codes and the guidelines issued by the HKSF. If any of these HKSF-licensed companies fails to meet the regulatory capital requirements in Hong Kong, the local regulatory authorities may impose penalties on us or limit the scope of our business, which could, in turn, have a material adverse effect on our financial condition and results of operations. Moreover, the relevant capital requirements may be changed over time or subject to different interpretations by relevant governmental authorities, all of which are out of our control. Any increase of the relevant capital requirements or stricter enforcement or interpretation of the same may adversely affect our business activities. In addition, AMTD Global Markets Limited is a licensed principal intermediary under the Mandatory Provident Fund Schemes Ordinance (Cap. 485) of Hong Kong and a licensed insurance intermediary for general and long term business (including linked long term business) under the Insurance Ordinance (Cap. 41) of Hong Kong. Any non-compliance with applicable regulatory requirements by our company or any of our subsidiaries may result in



penalties, limitations, and prohibitions on our future business activities and thus may materially and adversely affect our business, financial condition, and results of operations.

From time to time, AMTD Global Markets Limited and Asia Alternative Asset Partners Limited may be subject to or required to assist in inquiries or investigations by relevant regulatory authorities or government agencies in Hong Kong or other jurisdictions, including the HKSFC and the SEC, relating to its own activities or activities of third parties such as its clients. The HKSFC conducts on-site reviews and off-site monitoring to ascertain and supervise our business conduct and compliance with relevant regulatory requirements and to assess and monitor, among other things, our financial soundness. We, our directors, or our employees, may be subject to such regulatory inquiries and investigations from time to time, regardless of whether we are the target of such regulatory inquiries and investigations. If any misconduct is identified as a result of inquiries, reviews or investigations, the HKSFC may take disciplinary actions that would lead to revocation or suspension of licenses, public or private reprimand or imposition of pecuniary penalties against us, our responsible officers, licensed representatives, directors, or other officers. Any such disciplinary actions taken against us, our responsible officers, licensed representatives, directors, or other officers may have a material and adverse impact on our business operations and financial results. In addition, we will be subject to statutory secrecy obligations under the Securities and Futures Ordinance (Cap. 571) of Hong Kong whereby we may not be permitted to disclose details on any HKSFC inquiries, reviews or investigations, if any, without the consent of the HKSFC. For further details, see “Item 4. Information on the Company—B. Business Overview—Regulation—Disciplinary Power of the HKSFC.”

***Our revenue and profits are highly volatile, and fluctuate significantly from quarter to quarter, which may result in volatility of the price of our ADSs or our Class A ordinary shares.***

Our revenue and profits are highly volatile and could fluctuate significantly. For example, the revenue generated from investment banking business is highly dependent on market conditions, regulatory environment and policies, and the decisions and actions of our clients and interested third parties. As a result, our results of operations will likely fluctuate from quarter to quarter based on the timing of when those fees are earned. It may be difficult for us to achieve steady earnings growth on a quarterly basis, which could, in turn, lead to large adverse movements in the ADS or Class A ordinary share price or increasing volatility in the ADS or Class A ordinary share price generally.

***The due diligence that we undertake in the course of our business operations is inherently limited and may not reveal all facts and issues that may be relevant in connection with such businesses.***

In the course of providing investment banking services, asset management services, and making strategic investments, we endeavor to conduct due diligence review that we deem reasonable and appropriate based on relevant regulatory expertise and market standards as well as the facts and circumstances applicable to each deal. When conducting due diligence, we are often required to evaluate critical and complex business, financial, tax, accounting, environmental, regulatory, and legal issues. Outside consultants, such as legal advisors, and accountants may be involved in the due diligence process in varying degrees depending on the transaction type. Nevertheless, when conducting due diligence work and making an assessment, we are limited to the resources available, including information provided by the target company or the issuer and, in some circumstances, third party investigations. The due diligence work that we conduct with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary, helpful, or accurate in evaluating potential risks, which may subject us to potential penalties in the case of securities underwriting, or failure of investment in the case of strategic investment. We may be provided with information that is misleading, false, or inaccurate as a result of mistake, misconduct, or fraud of our employees or third parties. Moreover, such due diligence work will not necessarily result in the successful completion of a transaction, which may adversely affect the performance of our business.



***We face additional risks as we offer new products and services, transact with a broader array of clients and counterparties, and expose ourselves to new asset classes and geographical markets.***

We are committed to providing new products and services in order to strengthen our market position in the financial services industry and client relationships. We expect to expand our product and service offerings as permitted by relevant regulatory authorities, transact with new clients not in our traditional client base and enter into new markets. These activities expose us to new and challenging risks, including, but not limited to:

- we may have insufficient experience or expertise in offering new products and services and dealing with inexperienced counterparties and clients may harm our reputation;
- we may be subject to stricter regulatory scrutiny, or increasing tolerance of credit risks, market risks, compliance risks, and operational risks;
- we may be unable to provide clients with adequate levels of service for our new products and services;
- our new products and services may not be accepted by our clients or meet our profitability expectations; and
- our new products and services may be quickly copied by our competitors so that its attractiveness to our clients may be diluted; and our internal information technology infrastructure may not be sufficient to support our product and service offerings.

If we are unable to achieve the expected results with respect to our offering of new products and services, our business, financial condition, and results of operations could be materially and adversely affected.

In addition, we also intend to further expand our business geographically through establishing branch offices or acquiring financial services licenses in key financial centers in the United States and other overseas markets, such as New York City. Operating business internationally may expose us to additional risks and uncertainties. As we have limited experience in operating our business in United States and other overseas markets, we may be unable to attract a sufficient number of clients, fail to anticipate competitive conditions, or face difficulties in operating effectively in these markets. We may also fail to adapt our business models to the local market due to various legal requirements and market conditions. Compliance with applicable foreign laws and regulations, especially financial regulations, increases the costs and risk exposure of doing business in foreign jurisdictions. In addition, in some cases, compliance with the laws and regulations of one country could nevertheless cause violation of the laws and regulations of another country. Violations of these laws and regulations could materially and adversely affect our brand, international growth efforts, and business.

***We may undertake acquisitions, investments, joint ventures, or other strategic alliances, which could present unforeseen integration difficulties or costs and may not enhance our business as we expect.***

Our strategy includes plans to grow both organically and through possible acquisitions, joint ventures, or other strategic alliances. Joint ventures and strategic alliances may expose us to new operational, regulatory, and market risks, as well as risks associated with additional capital requirements. We may not be able, however, to identify suitable future acquisition targets or alliance partners. Even if we identify suitable targets or partners, the evaluation, negotiation, and monitoring of the transactions could require significant management attention and internal resources and we may be unable to complete an acquisition or alliance on terms commercially acceptable to us. The costs of completing an acquisition or alliance may be costly and we may not be able to access funding sources on terms commercially acceptable to us. Even when acquisitions are completed, we may encounter difficulties in integrating the acquired entities and businesses, such as difficulties in retention of clients and personnel, challenge of integration and effective deployment of operations or technologies, and assumption of unforeseen or hidden material liabilities or regulatory non-compliance issues. Any of these events could disrupt our business plans and strategies, which in turn could have a material adverse effect on our financial condition and results of operations. Such risks could also result in our failure to derive the intended benefits of the acquisitions, strategic investments, joint ventures, or strategic alliances, and we may be unable to recover our investment in such initiatives. We cannot assure you that we could successfully mitigate or overcome these risks.





***Any negative publicity with respect to us, our directors, officers, employees, shareholders, or other beneficial owners, our peers, business partners, or our industry in general, may materially and adversely affect our reputation, business, and results of operations.***

Our reputation and brand recognition play an important role in earning and maintaining the trust and confidence of our existing and prospective clients. Our reputation and brand are vulnerable to many threats that can be difficult or impossible to control, and costly or impossible to remediate. Negative publicity about us, such as alleged misconduct, other improper activities, or negative rumors relating to our business, shareholders, or other beneficial owners, founder, affiliates, directors, officers, or other employees, can harm our reputation, business, and results of operations, even if they are baseless or satisfactorily addressed. These allegations, even if unproven or meritless, may lead to inquiries, investigations, or other legal actions against us by any regulatory or government authorities. Any regulatory inquiries or investigations and lawsuits against us, and perceptions of conflicts of interest, inappropriate business conduct by us or perceived wrong doing by any key member of our management team, board of directors or founder, among other things, could substantially damage our reputation regardless of their merits, and cause us to incur significant costs to defend ourselves. As we reinforce our ecosystem and stay close to our clients and other “AMTD SpiderNet” stakeholders, any negative market perception or publicity on our business partners that we closely cooperate with, or any regulatory inquiries or investigations and lawsuits initiated against them, may also have an impact on our brand and reputation, or subject us to regulatory inquiries or investigations or lawsuits. Moreover, any negative media publicity about the financial services industry in general or product or service quality problems of other firms in the industry in which we operate, including our competitors, may also negatively impact our reputation and brand. If we are unable to maintain a good reputation or further enhance our brand recognition, our ability to attract and retain clients, third-party partners, and key employees could be harmed and, as a result, our business, financial position, and results of operations would be materially and adversely affected.

***Our operations may be subject to transfer pricing adjustments by competent authorities.***

We may use transfer pricing arrangements to account for business activities between us and our Controlling Shareholder, the different entities within our consolidated group, or other related parties. We cannot assure you that the tax authorities in the jurisdictions where we operate would not subsequently challenge the appropriateness of our transfer pricing arrangements or that the relevant regulations or standards governing such arrangements will not be subject to future changes. If a competent tax authority later finds that the transfer prices and the terms that we have applied are not appropriate, such authority may require us or our subsidiaries to re-assess the transfer prices and re-allocate the income or adjust the taxable income. Any such reallocation or adjustment could result in a higher overall tax liability for us and may adversely affect our business, financial condition, and results of operations.

***Our risk management and internal control systems, as well as the risk management tools available to us, may not fully protect us against various risks inherent in our business.***

We follow our comprehensive internal risk management framework and procedures to manage our risks, including, but not limited to, reputational, legal, regulatory, compliance, operational, market, liquidity, and credit risks. However, our risk management policies, procedures, and internal controls may not be adequate or effective in mitigating our risks or protecting us against unidentified or unanticipated risks. In particular, some methods of managing risks are based upon observed historical market behavior and our experience in the financial industry. These methods may fail to predict future risk exposures, which could be significantly greater than those indicated by our historical measures. Other risk management methods depend upon an evaluation of available information regarding operating and market conditions and other matters, which may not be accurate, complete, up-to-date, or properly evaluated. In addition, the capital markets are constantly developing, the information and experience that we rely on for our risk management methods may become quickly outdated as capital markets and regulatory environment continue to evolve. Although we have not experienced any material deficiencies or failure in our risk management and internal control systems and procedures since we commenced our current businesses in



2015 other than certain material weaknesses in our internal control over financial reporting identified as of December 31, 2019, which had been remediated in 2020, any such deficiencies or failure in our risk management and internal control systems and procedures may adversely affect our ability to identify or report our deficiencies or non-compliance. In addition, failure of our employees to effectively enforce such risk management and internal controls procedures, or any of the foregoing risks, may have a material and adverse effect on our business, financial condition and operating results.

***Our business is subject to various cyber-security and other operational risks.***

We face various cyber-security and other operational risks relating to our businesses on a daily basis. We rely heavily on financial, accounting, communication and other data processing systems as well as the people who operate them to securely process, transmit, and store sensitive and confidential client information, and communicate globally with our staff, clients, partners, and third-party vendors. We also depend on various third-party software and cloud-based storage platforms as well as other information technology systems in our business operations. These systems, including third-party systems, may fail to operate properly or become disabled as a result of tampering or a breach of our network security systems or otherwise, including for reasons beyond our control.

Our clients typically provide us with sensitive and confidential information as part of our business arrangements. We are susceptible to attempts to obtain unauthorized access of such sensitive and confidential client information. We also may be subject to cyber-attacks involving leak and destruction of sensitive and confidential client information and our proprietary information, which could result from an employee's or agent's failure to follow data security procedures or as a result of actions by third parties, including actions by government authorities. Although cyber-attacks have not had a material impact on our operations to date, breaches of our or third-party network security systems on which we rely could involve attacks that are intended to obtain unauthorized access to and disclose sensitive and confidential client information and our proprietary information, destroy data or disable, degrade, or sabotage our systems, often through the introduction of computer viruses and other means, and could originate from a wide variety of sources, including state actors or other unknown third parties. The increase in using mobile technologies can heighten these and other operational risks.

We cannot assure you that we or the third parties on which we rely will be able to anticipate, detect, or implement effective preventative measures against frequently changing cyber-attacks. We may incur significant costs in maintaining and enhancing appropriate protections to keep pace with increasingly sophisticated methods of attack. In addition to the implementation of data security measures, we require our employees to maintain the confidentiality of the proprietary information that we hold. If an employee's failure to follow proper data security procedures results in the improper release of confidential information, or our systems are otherwise compromised, malfunctioning or disabled, we could suffer a disruption of our business, financial losses, liability to clients, regulatory sanctions, and damage to our reputation.

We operate in businesses that are highly dependent on proper processing of financial transactions. In our asset management business, we have to reliably obtain securities and other pricing information, properly execute and process client transactions, and provide reports and other customer service to our clients. The occurrence of trade or other operational errors or the failure to keep accurate books and records can render us liable to disciplinary action by regulatory authorities, as well as to claims by our clients. We also rely on third-party service providers for certain aspects of our business. Any interruption or deterioration in the performance of these third parties or failures of their information systems and technology could impair our operations, affect our reputation, and adversely affect our businesses.

***Fraud or misconduct by our directors, officers, employees, agents, clients, or other third parties could harm our reputation and business and may be difficult to detect and deter.***

It is not always possible to detect and deter fraud or misconduct by our directors, officers, employees, agents, clients, business partners, or other third parties. The precautions that we take to detect and prevent such



activity may not be effective in all cases. Fraud or misconduct by any of these persons or entities may cause us to suffer significant reputational harm and financial loss or result in regulatory disciplinary actions. The potential harm to our reputation and to our business caused by such fraud or misconduct is impossible to quantify.

We are subject to a number of obligations and standards arising from our businesses. The violation of these obligations and standards by any of our directors, officers, employees, agents, clients, or other third parties could materially and adversely affect us and our investors. For example, our businesses require that we properly handle confidential information. If our directors, officers, employees, agents, clients, or other third parties were to improperly use or disclose confidential information, we could suffer serious harm to our reputation, financial position, and existing and future business relationships. Although we have not identified any material fraud or misconduct by our directors, officers, employees, agents, clients, or other third parties since we commenced our current businesses in 2015, if any of these persons or entities were to engage in fraud or misconduct or were to be accused of such fraud or misconduct, our business and reputation could be materially and adversely affected.

***We may be subject to litigation and regulatory investigations and proceedings and may not always be successful in defending ourselves against such claims or proceedings.***

Although we have not been the direct subject to lawsuits and arbitration claims towards our company since the commencement of our operations in 2015, operating in the financial services industry may subject us to significant risks, including the risk of lawsuits and other legal exposures relating to compliance with regulatory requirements and industry practices in areas such as information disclosure, sales or underwriting practices, fraud and misconduct, and protection of sensitive and confidential client information. From time to time we may be subject to lawsuits and arbitration claims in the ordinary course of our business brought by external parties or disgruntled current or former employees, inquiries, investigations, and proceedings by regulatory and other governmental agencies. Any such claims brought against us, with or without merits, may result in administrative measures, settlements, injunctions, fines, penalties, negative publicities, or other results adverse to us that could have material adverse effect on our reputation, business, financial condition, results of operations, and prospects. Even if we are successful in defending ourselves against these actions, the costs of such defense may be significant.

In market downturns, the number of legal claims and amount of damages sought in litigation and regulatory proceedings may increase. In addition, our affiliates may also encounter litigation, regulatory investigations, and proceedings for the practices in their business operations. Our clients may also be involved in litigation, investigation, or other legal proceedings, some of which may relate to transactions that we have advised, whether or not there has been any fault on our part. As we act as underwriter in U.S. securities offering transactions for non U.S. clients, we may be involved and named in securities class action lawsuits brought by shareholders. In recent years, non-U.S. issuers have become targets of securities lawsuits and an increasing trend of lawsuits against non-U.S. issuer is noted. Usually, in securities class action lawsuits, plaintiffs are alleging misrepresentation by the securities issuers in their registration statements, but it is quite a common practice that plaintiff will also name the underwriters as defendants in the lawsuit, notwithstanding that the underwriters may not be at fault or have responsibilities in relation to the allegations. In general, underwriters' responsibilities towards registration statements are defined in the underwriting agreements, and in each U.S. securities offering, the securities issuer has undertaken and provided indemnity to each underwriter in the underwriting agreement. We cannot assure you, however, that we will not be subject to such lawsuits in relation to our role as underwriters for U.S. securities offering transactions.

***We may not be able to fully detect money laundering and other illegal or improper activities in our business operations on a timely basis or at all, which could subject us to liabilities and penalties.***

We are required to comply with applicable anti-money laundering and anti-terrorism laws and other regulations in the jurisdictions where we operate. Although we have adopted policies and procedures aimed at detecting, and preventing being used for, money-laundering activities by criminals or terrorist-related



organizations and individuals or improper activities (including but not limited to market manipulation and aiding and abetting tax evasion), such policies and procedures may not completely eliminate instances where our networks may be used by other parties to engage in money laundering and other illegal or improper activities. Furthermore, we primarily comply with applicable anti-money laundering laws and regulations in Hong Kong and we may not fully detect violations of anti-money laundering regulations in other jurisdictions or be fully compliant with the anti-money laundering laws and regulations in other jurisdictions to which we are required. As a publicly listed company in the United States, we are subject to the U.S. Foreign Corrupt Practices Act of 1977 and other laws and regulations in the United States, including regulations administered by the U.S. Department of Treasury's Office of Foreign Asset Control. Although we have not identified any failure to detect material money laundering activities since we commenced our current businesses in 2015, if we fail to fully comply with applicable laws and regulations, the relevant government agencies may impose fines and other penalties on us, which may adversely affect our business.

***We regularly encounter potential conflicts of interest, and failure to identify and address such conflicts of interest could adversely affect our business.***

We face the possibility of actual, potential, or perceived conflicts of interest in the ordinary course of our business operations. Conflicts of interest may exist between (i) our different businesses; (ii) us and our clients; (iii) our clients; (iv) us and our employees; (v) our clients and our employees, or (vi) us and our Controlling Shareholder and other beneficial owners. As we expand the scope of our business and our client base, it is critical for us to be able to timely address potential conflicts of interest, including situations where two or more interests within our businesses naturally exist but are in competition or conflict. We have put in place extensive internal control and risk management procedures that are designed to identify and address conflicts of interest. However, appropriately identifying and managing actual, potential, or perceived conflicts of interest is complex and difficult, and our reputation and our clients' confidence in us could be damaged if we fail, or appear to fail, to deal appropriately with one or more actual, potential, or perceived conflicts of interest. It is possible that actual, potential, or perceived conflicts of interest could also give rise to client dissatisfaction, litigation, or regulatory enforcement actions. Regulatory scrutiny of, or litigation in connection with, conflicts of interest could have a material adverse effect on our reputation, which could materially and adversely affect our business in a number of ways, including a reluctance of some potential clients and counterparties to do business with us. Any of the foregoing could materially and adversely affect our reputation, business, financial condition, and results of operations.

***The current tensions in international economic relations may negatively affect the demand for our services, and our results of operations and financial condition may be materially and adversely affected.***

Recently there have been heightened tensions in international economic relations, such as the one between the United States and China and also as a result of the conflict in Ukraine and sanctions on Russia.

The U.S. government has recently imposed, and has recently proposed to impose additional, new, or higher tariffs on certain products imported from China to penalize China for what it characterizes as unfair trade practices. China has responded by imposing, and proposing to impose additional, new, or higher tariffs on certain products imported from the United States. On September 17, 2018, former president Trump announced his decision to impose a 10% tariff on the third list of US\$200 billion in imports from China to the United States effective September 24, 2018. On May 8, 2019, the U.S. government announced it would increase these tariffs to 25%. These tariffs are in addition to two earlier rounds of tariffs implemented against Chinese products on June 6, 2018 and August 16, 2018 that amount to tariffs on US\$50 billion of Chinese products imported into the United States. On May 13, 2019, China responded by imposing tariffs on certain U.S. goods on a smaller scale, and proposed to impose additional tariffs on U.S. goods. On January 15, 2020, the United States and China entered into a phase one trade deal which became effective on February 14, 2020. In addition, political tensions between the United States and China have escalated due to, among other things, trade disputes, the COVID-19 pandemic, the passage of Safeguarding National Security in the Hong Kong Special Administrative Region by



the Standing Committee of the PRC National People's Congress, sanctions imposed by the U.S. Department of Treasury on certain officials of the Hong Kong Special Administrative Region and the PRC central government and the executive orders issued by the U.S. government that prohibit certain transactions with certain selected Chinese technology companies, and the Executive Order 13959 issued in November 2020 targeting transactions by U.S. persons in certain securities of designated "Communist Chinese military companies."

Uncertainty surrounding the escalating conflict between Russia and Ukraine could negatively impact global and regional financial markets. Poor relations between the United States and Russia, sanctions by the United States and the European Union against Russia, and any escalation of political tensions or economic instability could increase the threat of armed conflict, cyberwarfare and economic instability that could further increase market volatility and uncertainty.

As a financial services firm with business exposure in Hong Kong and Mainland China and operation in Hong Kong, our businesses are materially affected by the financial markets and economic conditions in Hong Kong, Mainland China, and elsewhere in the world. Rising political tensions could reduce levels of trades, investments, technological exchanges, and other economic activities between the two major economies, which would materially and adversely affect the global economic conditions and the stability of global financial markets. Escalations of the tensions that affect trade relations may lead to slower growth in the global economy in general, which in turn could negatively affect our clients' businesses and materially reduce demand for our services, thus potentially negatively affect our business, financial condition, and results of operations.

***We may be subject to legal and financial liabilities in connection with the retail financial advisory and insurance brokerage businesses we engaged in previously.***

Prior to 2015, we engaged in retail financial advisory and insurance brokerage businesses, which were regulated by the Hong Kong Confederation of Insurance Brokers and the HKSFIC. On September 23, 2019, the Hong Kong Insurance Authority took over the regulation of insurance intermediaries from the Hong Kong Confederation of Insurance Brokers. Majority of the operations under such legacy businesses began to terminate in 2015 and the businesses were ultimately disposed of in 2018. Although we no longer carry out retail financial advisory and insurance brokerage businesses, we may be subject to regulatory complaints or claims lodged against us by previous clients in relation to the past services provided by us under the legacy businesses as we were the named insurance broker in certain insurance arrangements between our previous clients and the insurance company under these past businesses. Any action brought against us, with or without merits, may result in administrative measures, settlements, injunctions, fines, penalties, negative publicities, or other results adverse to us, which could have a material adverse effect on our reputation, business, financial condition, results of operations, and prospects. Even if we are successful in defending ourselves against these actions, the costs of such defense may be significant. See "Item 8. Financial Information—Other Matters."

***We may need additional funding but may not be able to obtain it on favorable terms or at all.***

We may require additional funding for further growth and development of our business, including any investments or acquisitions we may decide to pursue. If our existing resources are insufficient to satisfy our requirements, we may seek to issue additional equity or debt securities or perpetual securities or obtain new or expanded credit facilities. Our ability to obtain external financing in the future is subject to a variety of uncertainties, including our future financial condition, results of operations, cash flows, share price performance, liquidity of international capital and lending markets, and global financial industry. For example, the terms of our US\$1.0 billion medium term note program, or MTN Program, and our Controlling Shareholder's medium term note program impose certain restrictions on our ability to obtain secured or unsecured external financing through the issuance of debt securities in the public market. In addition, incurring indebtedness would subject us to increased debt service obligations and could result in operating and financing covenants that would restrict our operations. We cannot assure you that we will be able to secure additional financing in a timely manner or in amounts or on terms favorable to us, or at all. Any failure to raise needed funds on terms favorable to us, or at all,



could severely restrict our liquidity as well as have a material adverse effect on our business, financial condition, and results of operations. Moreover, any issuance of equity or equity-linked securities could result in significant dilution to our existing shareholders.

***We may be exposed to legal or regulatory liabilities if we are unable to protect the personal and sensitive data and confidential information of our clients.***

We collect, store, and process certain personal and sensitive data from our clients, particularly under our asset management business. We are required to protect the personal and sensitive data and confidential information of our clients under applicable laws, rules, and regulations. While we have taken steps to protect the personal and sensitive data and confidential information of clients that we have access to, our security measures could be breached. The relevant authorities may impose sanctions or issue orders against us if we fail to protect the personal and sensitive data and confidential information of our clients, and we may have to compensate our clients if we fail to do so. We routinely transmit and receive personal and sensitive data and confidential information of our clients through the internet and other electronic means. Any misuse or mishandling of such personal and sensitive data and confidential information could result in legal liabilities, regulatory actions, reputational damage to us, which could in turn materially and adversely affect our business prospects and results of operation.

***If our insurance coverage is insufficient, we may be subject to significant costs and business disruption.***

Although we carry office, computer, and vehicle insurance for our properties, professional indemnity insurance for certain of our regulated activities, directors and officers insurance, employee compensation insurance, and license holders insurance in connection with our securities dealing business covered by the Type 1 license granted by the HKSFC against fidelity and crime risks, we cannot assure you that we have sufficient insurance to cover all aspects of our business operations. We do not have key-man insurance for any of our executive officers or other key personnel. However, we consider our insurance coverage to be reasonable in light of the nature of our business, but we cannot assure you that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policies on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition, and results of operations could be materially and adversely affected.

***If we do not appropriately maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, we may be unable to accurately report our financial results and the market price of our Class A ordinary shares and/or ADSs may be adversely affected.***

We are subject to reporting obligations under the U.S. securities laws. The SEC, as required under Section 404 of the Sarbanes-Oxley Act of 2002, adopted rules requiring every public company to include a management report on such company's internal control over financial reporting in its annual report, which contains management's assessment of the effectiveness of the company's internal control over financial reporting. In addition, an independent registered public accounting firm must attest to and report on the effectiveness of the company's internal control over financial reporting. Our management has concluded that our internal control over financial reporting was effective as of December 31, 2021. See "Item 15. Controls and Procedures." An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2012 relating to internal controls over financial reporting. Our independent registered public accounting firm, after conducting its own independent testing, may issue an adverse report if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us.



If we fail to maintain effective internal control over financial reporting in the future, our management and our independent registered public accounting firm may not be able to conclude that we have effective internal control over financial reporting at a reasonable assurance level. This could in turn result in the loss of investor confidence in the reliability of our financial statements and negatively impact the trading price of our Class A ordinary shares and ADSs. Furthermore, we have incurred and may need to incur additional costs and use additional management and other resources in an effort to comply with Section 404 of the Sarbanes-Oxley Act and other requirements going forward.

***We may face intellectual property infringement claims, which could be time-consuming and costly to defend and may result in the loss of significant rights by us.***

Although we have not been subject to any litigation, pending or threatened, alleging infringement of third parties' intellectual property rights, we cannot assure you that such infringement claims will not be asserted against us in the future. Third parties may own copyrights, trademarks, trade secrets, ticker symbols, internet content, and other intellectual properties that are similar to ours in jurisdictions where we currently have no active operations. If we expand our business to or engage in other commercial activities in those jurisdictions using our own copyrights, trademarks, trade secrets, and internet content, we may not be able to use these intellectual properties or face potential lawsuits from those third parties and incur substantial losses if we fail to defend ourselves in those lawsuits. We have policies and procedures in place to reduce the likelihood that we or our employees may use, develop, or make available any content or applications without the proper licenses or necessary third-party consents. However, these policies and procedures may not be effective in completely preventing the unauthorized posting or use of copyrighted material or the infringement of other rights of third parties.

Intellectual property litigation is expensive and time-consuming and could divert resources and management attention from the operation of our business. If there is a successful claim of infringement, we may be required to alter our services, cease certain activities, pay substantial royalties and damages to, and obtain one or more licenses from third parties. We may not be able to obtain those licenses on commercially acceptable terms, or at all. Any of those consequences could cause us to lose revenues, impair our client relationships and harm our reputation.

***Any failure to protect our intellectual property could harm our business and competitive position.***

We maintain a number of registered domain names and are licensed to use certain registered trademarks by our Controlling Shareholder. Although we do not currently own any registered trademarks, we may in the future acquire new intellectual property such as trademarks, copyrights, domain names, and know-how. We will rely on a combination of intellectual property laws and contractual arrangements to protect our intellectual property rights. It is possible that third parties may copy or otherwise obtain and use our trademarks without authorization or otherwise infringe on our rights. We may not be able to successfully pursue claims for infringement that interfere with our ability to use our trademarks, website, or other relevant intellectual property or have adverse impact on our brand. We cannot assure you that any of our intellectual property rights would not be challenged, invalidated, or circumvented, or such intellectual property will be sufficient to provide us with competitive advantages. In addition, other parties may misappropriate our intellectual property rights, which would cause us to suffer economic or reputational damages.

***Fluctuations in the value of Renminbi and regulatory controls on the convertibility and offshore remittance of Renminbi may adversely affect our results of operations and financial condition.***

Many of our clients are Chinese nationals, institutions, or corporates, and they are subject to the relevant controls of the PRC government as well as risks relating to foreign currency exchange rate fluctuations. The change in value of Renminbi against Hong Kong dollars and other currencies is affected by various factors, such as changes in political and economic conditions in China. Any significant revaluation of Renminbi may



materially and adversely affect the cash flows, revenues, earnings, and financial position of our Chinese clients. In addition, the PRC government imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, currency remittance out of China. Since 2016, the PRC government has tightened its foreign exchange policies and stepped up its scrutiny of outbound capital movement. In addition, under the existing regulations on offshore investment, approval from or registration with appropriate government authorities is required when Renminbi is to be converted into foreign currency for the purpose of offshore investment. Revaluation of the Renminbi and PRC laws and regulations in connection with the convertibility of the Renminbi into foreign currencies or offshore remittance of the Renminbi may limit the ability of our Chinese clients to engage our services, especially in our asset management business, which may in turn have a material adverse effect on our results of operations and financial condition.

***We may be affected by the currency peg system in Hong Kong.***

Since 1983, Hong Kong dollars have been pegged to the U.S. dollars at the rate of approximately HK\$7.80 to US\$1.00. We cannot assure you that this policy will not be changed in the future. If the pegging system collapses and Hong Kong dollars suffer devaluation, the Hong Kong dollar cost of our expenditures denominated in foreign currency may increase. This would in turn adversely affect the operations and profitability of our business.

***Increases in labor costs may adversely affect our business and results of operations.***

The economy in Hong Kong and globally has experienced general increases in inflation and labor costs in recent years. As a result, average wages in Hong Kong and certain other regions are expected to continue to increase. In addition, we are required by Hong Kong laws and regulations to pay various statutory employee benefits, including mandatory provident fund to designated government agencies for the benefit of our employees. The relevant government agencies may examine whether an employer has made adequate payments to the statutory employee benefits, and those employers who fail to make adequate payments may be subject to fines and other penalties. We expect that our labor costs, including wages and employee benefits, will continue to increase. Unless we are able to control our labor costs or pass on these increasing labor costs, our financial condition and results of operations may be adversely affected.

***We may incur losses or experience disruption of our operations as a result of unforeseen or catastrophic events, including the emergence of a pandemic, terrorist attacks, or natural disasters.***

Our business could be materially and adversely affected by catastrophic events or other business continuity problems, such as natural or man-made disasters, pandemics, war, riots, terrorist attacks, or other public safety concerns. If we were to experience a natural or man-made disaster, disruption due to political unrest, or disruption involving electronic communications or other services used by us or third parties with which we conduct business, our operations will partially depend on the availability of our people and office facilities and the proper functioning of our computer, software, telecommunications, transaction processing, and other related systems. A disaster or a disruption in the infrastructure that supports our businesses, a disruption involving electronic communications or other services used by us or third parties with whom we conduct business, or a disruption that directly affects our headquarters, could have a material adverse impact on our ability to continue to operate our business without interruption. Our business and operations could also be adversely affected if our employees are adversely affected by epidemics, pandemics, natural or man-made disasters, disruptions due to civil or political unrest or disruption involving electronic communications. Epidemics and pandemics could include various outbreaks of various local and global public health outbreaks. If any of our employees is suspected of having contracted a contagious disease, we may be required to apply quarantines or suspend our operations. Furthermore, any future outbreak may restrict economic activities in affected regions, resulting in reduced business volume, temporary closure of our offices or otherwise disrupt our business operations and adversely affect our results of operations. In addition, our results of operations could be adversely affected to the extent that any epidemic or pandemic harms the Chinese or Hong Kong economy in general. The incidence and





severity of disasters, pandemics, or other business continuity problems are unpredictable, and our inability to timely and successfully recover could materially disrupt our businesses and cause material financial loss, regulatory actions, reputational harm, or legal liability.

The recent outbreak of COVID-19 has caused, and may continue to cause, companies in Hong Kong, Singapore, and Mainland China, including us and certain of our clients, to implement temporary adjustment of work schedules and travel plans, mandating employees to work from home and collaborate remotely. As a result, we may experience lower efficiency and productivity, internally and externally, which may adversely affect our service quality. Moreover, our business operations depend on our professional staff and the continued services of these individuals. If any of our employees is suspected of having contracted COVID-19, we may be required to apply quarantines or suspend our operations. The extent to which this outbreak impacts our results of operations will depend on future developments, which are highly uncertain and unpredictable, including new information which may emerge concerning the severity of this outbreak and future actions we take, if any, to contain this outbreak or treat its impact, among others.

### **Risks Relating to Our Relationship with the Controlling Shareholder**

#### ***We have limited experience operating as a stand-alone public company.***

AMTD IDEA Group (formerly known as AMTD International Inc.) was incorporated in February 2019 as a wholly-owned subsidiary of our Controlling Shareholder. We have limited experience conducting our operations as a stand-alone public company. Prior to our initial public offering in August 2019, our Controlling Shareholder has provided us with financial, administrative, human resources, and legal services, and also has provided us with the services of a number of its executives and employees. After we became a stand-alone public company, our Controlling Shareholder has continued to provide us with certain support services, but to the extent our Controlling Shareholder does not continue to provide us with such support, we will need to create our own support system. We may encounter operational, administrative, and strategic difficulties as we adjust to operating as a stand-alone public company. This may cause us to react more slowly than our competitors to industry changes and may divert our management's attention from running our business or otherwise harm our operations.

In addition, since we have become a public company, our management team has been required to develop the expertise necessary to comply with the numerous regulatory and other requirements applicable to public companies, including requirements relating to corporate governance, listing standards and securities and investor relationships issues. As a stand-alone public company, our management has to evaluate our internal controls system with new thresholds of materiality, and to implement necessary changes to our internal controls system. We cannot guarantee that we will be able to do so in a timely and effective manner.

#### ***Our financial information included in this annual report may not be representative of our financial condition and results of operations if we had been operating as a stand-alone company.***

Prior to our establishment, the operations of our investment banking, asset management, and strategic investments businesses were carried out by companies owned or controlled by our Controlling Shareholder. For all periods presented, our consolidated financial statements include all assets, liabilities, revenues, expenses, and cash flows that were directly attributable to our investment banking, asset management, and strategic investment businesses whether held or incurred by our Controlling Shareholder or by us. Only those assets and liabilities that are specifically identifiable to our businesses are included in our consolidated statements of financial position. With respect to costs of operations of the investment banking, asset management, and strategic investment businesses, an allocation of certain costs and expenses of our Controlling Shareholder were also included. These allocations were made using a proportional cost allocation method by considering the proportion of revenues and actual usage metrics, among other things, attributable to us for all respective accounting periods. Since we entered into a transition services agreement with our Controlling Shareholder, we received administrative support, marketing and branding support, and other services from our Controlling Shareholder at a fixed cost of



HK\$24 million per annum plus other actual costs incurred arising from the services rendered. We made numerous estimates, assumptions, and allocations in our historical financial statements because our Controlling Shareholder did not account for us, and we did not operate as a stand-alone company for any period prior to our initial public offering. Although our management believes the assumptions underlying our financial statements and the above allocations are reasonable, our financial statements may not necessarily reflect our results of operations, financial position, and cash flows as if we operated as a stand-alone public company during the periods presented. See “Item 7.B. Major Shareholders and Related Party Transactions—Related Party Transactions—Transactions with Our Controlling Shareholder” for our arrangements with our Controlling Shareholder and “Item 5. Operating and Financial Review and Prospects” and the notes to our consolidated financial statements included elsewhere in this annual report for our historical cost allocation. In addition, upon becoming a stand-alone public company, we are gradually establishing our own financial, administrative, and other support systems to replace our Controlling Shareholder’s systems, the cost of which could be significantly different from cost allocation with our Controlling Shareholder for the same services. Therefore, you should not view our historical results as indicators of our future performance.

***We may not continue to receive the same level of support from our Controlling Shareholder.***

We have benefitted significantly from our Controlling Shareholder’s strong market position and brand recognition, as well as its expertise in investment banking, asset management, and strategic investment businesses. Although we entered into a series of agreements with our Controlling Shareholder relating to our ongoing business operations and service arrangements with our Controlling Shareholder, we cannot assure you we will continue to receive the same level of support from our Controlling Shareholder as we now operate as a stand-alone public company. This effort may not be successful, which could materially and adversely affect our business, financial condition, and results of operations.

***Our agreements with our Controlling Shareholders or any of its controlling shareholders may be less favorable to us than similar agreements negotiated between unaffiliated third parties. In particular, our non-competition agreement with our Controlling Shareholder limits the scope of business that we are allowed to conduct.***

We have entered into a series of agreements with our Controlling Shareholder and the terms of such agreements may be less favorable to us than would be the case if they were negotiated with unaffiliated third parties. In particular, under the non-competition agreement we entered into with our Controlling Shareholder, we agree during the non-competition period (which will end on the later of (1) two years after the first date when our Controlling Shareholder ceases to own in aggregate at least 20% of the voting power of our then outstanding securities and (2) the fifth anniversary of August 5, 2019, being the date of our initial public offering of the ADSs listed and traded on the NYSE) not to compete with our Controlling Shareholder in the businesses currently conducted by our Controlling Shareholder, except that we may (i) continue to provide to our existing individual clients investment banking and asset management products and services, and (ii) own non-controlling equity interest in any company competing with our Controlling Shareholder. Such contractual limitations significantly affect our ability to diversify our revenue sources and may materially and adversely impact our business and prospects should the growth of our businesses slow down. In addition, pursuant to our master transaction agreement with our Controlling Shareholder, we have agreed to indemnify our Controlling Shareholder for liabilities arising from litigation and other contingencies related to our business and assumed these liabilities as part of our restructuring. The allocation of assets and liabilities between our Controlling Shareholder and our company may not reflect the allocation that would have been reached by two unaffiliated parties. Moreover, so long as our Controlling Shareholder continues to control us, we may not be able to bring a legal claim against our Controlling Shareholder or its controlling shareholders in the event of contractual breach, notwithstanding our contractual rights under the agreements described above and other inter-company agreements entered into from time to time.



***We are a “controlled company” within the meaning of the NYSE Listed Company Manual and, as a result, can rely on exemptions from certain corporate governance requirements that provide protection to shareholders of other companies.***

Our Controlling Shareholder continues to control a majority of the voting power of our issued and outstanding ordinary shares. As a result, we are a “controlled company” within the meaning of the NYSE Listed Company Manual. Under these rules, a listed company of which more than 50% of the voting power for the election of directors is held by an individual, group, or another company is a “controlled company.” As a “controlled company,” we are permitted to elect not to comply with certain corporate governance requirements. We elect to rely on exemption with respect to the requirement that we have a compensation committee that is composed entirely of independent directors. Therefore, our shareholders may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE.

***We may have conflicts of interest with our Controlling Shareholders or any of its controlling shareholders and, because of our Controlling Shareholder’s controlling ownership interest in our company, we may not be able to resolve such conflicts on terms favorable to us.***

As of December 31, 2021, our Controlling Shareholder beneficially owned 45.4% of our outstanding ordinary shares, representing 95.1% of our total voting power. Accordingly, our Controlling Shareholder continues to be our controlling shareholder and may have significant influence in determining the outcome of any corporate actions or other matters that require shareholder approval, such as mergers, consolidations, change of our name, and amendments of our memorandum and articles of association.

While we are committed to adhering to internal rules and policies on related party transactions (e.g. related party transactions must be reported to our management and approved by the audit committee and the board of directors before they are entered into), the concentration of ownership and voting power may cause transactions to occur in a way that may not be beneficial to you as a holder of the ADSs or Class A ordinary shares and may prevent us from doing transactions that would be beneficial to you. Conflicts of interest may arise between our Controlling Shareholder or any of its controlling shareholders and us in a number of areas relating to our past and ongoing relationships. Potential conflicts of interest that we have identified include the following:

- *Indemnification arrangements with our Controlling Shareholder.* We have entered into a master transaction agreement under which we agree to indemnify our Controlling Shareholder with respect to lawsuits and other matters relating to our investment banking and asset management businesses, including operations of those businesses when we were a private company and a subsidiary of our Controlling Shareholder. There are no exceptions for such indemnities and such indemnifications relate to transactions that had taken place prior to, on and following, our restructuring and listing on the NYSE (as we and our Controlling Shareholder have obligations, based on the master transaction agreement, that continue after our listing on the NYSE). These indemnification arrangements could result in our having interests that are adverse to those of our Controlling Shareholder, for example, with respect to settlement arrangements in litigation. In addition, under these arrangements, we have agreed to reimburse our Controlling Shareholder for liabilities incurred (including legal defense costs) in connection with any third party claim if it is ultimately determined that we are obligated to indemnify our Controlling Shareholder with respect to such third party claim. There is no limit on such amount of indemnity under the master transaction agreement.
- *Non-competition arrangements with our Controlling Shareholder.* We have entered into a non-competition agreement under which our Controlling Shareholder agrees not to compete with us in our investment banking and asset management businesses that are both primarily targeting institutional and corporate clients, except for owning non-controlling equity interest in any company competing with us. We have agreed not to compete with our Controlling Shareholder in businesses currently conducted by our Controlling Shareholder, except that we may (i) continue to provide investment



banking and asset management products and services to our existing individual clients, and (ii) own non-controlling equity interests in any company competing with our Controlling Shareholder.

- *Employee recruiting and retention.* Because both we and our Controlling Shareholder are engaged in financial service-related businesses in Hong Kong, we may compete with our Controlling Shareholder in the hiring of new employees. We have entered into a non-competition agreement and have a non-solicitation arrangement with our Controlling Shareholder that restricts us and our Controlling Shareholder from hiring any of each other's employees.
- *Our board members or executive officers may have conflicts of interest.* Our chief executive officer, William Fung, is also the group vice president of our Controlling Shareholder. Our chief financial officer, Xavier Ho Sum Zee, is also the chief financial officer of our Controlling Shareholder. The chairman of our executive management committee is also the executive vice chairman and chairman of the executive management committee of our Controlling Shareholder. Two of our directors also serve as directors of our Controlling Shareholder. As a result, they may not have sufficient capacity to perform their duties in our company. These overlapping relationships could create, or appear to create, conflicts of interest when these persons are faced with decisions with potentially different implications for our Controlling Shareholder and us.
- *Sale of shares or assets in our company.* Upon expiration of the lock-up period and subject to certain restrictions under relevant securities laws and stock exchange rules, as well as other relevant restrictions, our Controlling Shareholder may decide to sell all or a portion of our shares that it holds to a third party, including to one of our competitors, thereby giving that third party substantial influence over our business and our affairs. In addition, our Controlling Shareholder may decide, or be obligated under any of its applicable debt covenant, to sell all or a portion of our shares or our assets in the event of default of our Controlling Shareholder or any of its controlling shareholders under any applicable debt or other obligations or otherwise becomes insolvent. Such a sale of our shares or our assets could be contrary to the interests of our employees or our other shareholders. In addition, our Controlling Shareholder may also discourage, delay, or prevent a change in control of our company, which could deprive our shareholders of an opportunity to receive a premium for their shares as part of a sale of our company and might reduce the price of the ADSs or Class A ordinary shares.
- *Allocation of business opportunities.* Business opportunities may arise that both we and our Controlling Shareholder find attractive, and which would complement our respective businesses. Although we have entered into a master transaction agreement under which our Controlling Shareholder agrees not to pursue investment opportunities without first presenting them to us, our Controlling Shareholder may discourage, delay, or prevent a profitable investment opportunity before our board of directors or shareholders and subsequently decide to pursue investment opportunities or take business opportunities for itself, which would prevent us from taking advantage of those opportunities. These actions may be taken even if they are opposed by our other shareholders.
- *Developing business relationships with our Controlling Shareholder's competitors.* So long as our Controlling Shareholder remains as our controlling shareholder, we may be limited in our ability to do business with its competitors, such as other insurance brokerage companies. This may limit our ability to market our services for the best interests of our company and our other shareholders.

Although our company has become a stand-alone public company, we expect to operate, for as long as our Controlling Shareholder is our controlling shareholder, as an affiliate of our Controlling Shareholder. Our Controlling Shareholder may from time to time make strategic decisions that it believes are in the best interests of its business as a whole, including our company. These decisions may be different from the decision that we would have made on our own. Our Controlling Shareholder's decisions with respect to us or our business may be resolved in ways that favor our Controlling Shareholder and therefore our Controlling Shareholder's own shareholders, which may not coincide with the interests of our other shareholders. We may not be able to resolve any potential conflicts, and even if we do so, the resolution may be less favorable to us than if we were dealing



with a non-controlling shareholder. Even if both parties seek to transact business on terms intended to approximate those that could have been achieved among unaffiliated parties, this may not succeed in practice.

### **Risks Relating to the ADSs and Our Ordinary Shares**

***An active public market may not develop for the ADSs on the NYSE or our Class A ordinary shares on the SGX-ST, and you may not be able to resell the ADSs or Class A ordinary shares at or above the price you paid, or at all.***

Although the ADSs are listed on the NYSE and our Class A ordinary shares are listed on the SGX-ST, we cannot assure you that a liquid public market for the ADSs or Class A ordinary shares will develop. If an active public market for the ADSs or Class A ordinary shares does not develop, the market price of the ADSs or Class A ordinary shares may decline and the liquidity of the ADSs or Class A ordinary shares may decrease significantly. We cannot assure you that the price at which the ADSs or Class A ordinary shares are traded will not decline below the initial public offering price on the NYSE or secondary listing price on the SGX-ST, respectively. As a result, investors in the ADSs or Class A ordinary shares may experience a significant decrease in the value of their ADSs or Class A ordinary shares due to insufficient or a lack of market liquidity of the ADSs or Class A ordinary shares, as applicable.

***The trading price of the ADSs or Class A ordinary shares may be volatile, which could result in substantial losses to you.***

Since the ADSs became listed on the NYSE on August 5, 2019, the trading price of the ADSs has ranged from US\$2.2 to US\$16.53. The trading prices of the ADSs or Class A ordinary shares are likely to be volatile and could fluctuate widely due to factors beyond our control. This may happen due to broad market and industry factors, such as performance and fluctuation in the market prices or underperformance or deteriorating financial results of other U.S.- or Singapore-listed companies based in the Greater China. The securities of some of these companies have experienced significant volatility since their initial public offerings, including, in some cases, substantial price declines in the trading prices of their securities. The trading performances of other Hong Kong and Chinese companies' securities after their offerings may affect the attitudes of investors towards Hong Kong- and Mainland China-based, U.S.-listed or Singapore-listed companies, which consequently may affect the trading performance of the ADSs or Class A ordinary shares, regardless of our actual operating performance. In addition, any negative news or perceptions about inadequate corporate governance practices or fraudulent accounting, corporate structure or matters of other Hong Kong and Chinese companies may also negatively affect the attitudes of investors towards Hong Kong and Chinese companies in general, including us, regardless of whether we have conducted any inappropriate activities. Furthermore, securities markets may from time to time experience significant price and volume fluctuations that are not related to our operating performance, which may have a material and adverse effect on the trading price of the ADSs or Class A ordinary shares.

In addition to the above factors, the price and trading volume of the ADSs or Class A ordinary shares may be highly volatile due to multiple factors, including the following:

- regulatory developments affecting us or our industry;
- variations in our revenue, profit, and cash flow;
- changes in the economic performance or market valuations of other financial services firms;
- actual or anticipated fluctuations in our quarterly results of operations and changes or revisions of our expected results;
- changes in financial estimates by securities research analysts;
- detrimental negative publicity about us, our services, our officers, directors, Controlling Shareholder, other beneficial owners, our business partners, or our industry;



- announcements by us or our competitors of new service offerings, acquisitions, strategic relationships, joint ventures, capital raisings or capital commitments;
- additions to or departures of our senior management;
- litigation or regulatory proceedings involving us, our officers, directors, or Controlling Shareholders;
- release or expiry of any transfer restrictions on our outstanding shares or the ADSs; and
- sales or perceived potential sales of additional ordinary shares or ADSs.

Any of these factors may result in large and sudden changes in the volume and price at which the ADSs or Class A ordinary shares will trade.

In the past, shareholders of public companies have often brought securities class action suits against those companies following periods of instability in the market price of their securities. If we were involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our business and operations and require us to incur significant expenses to defend the suit, which could harm our results of operations. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations.

***The characteristics of the U.S. capital markets and the Singapore capital markets are different***

The NYSE and SGX-ST have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules, and investor bases (including different levels of retail and institutional participation). As a result of these differences, the trading prices of the ADSs and our Class A ordinary shares might not be the same, even allowing for currency differences. Fluctuations in the price of the ADSs due to circumstances peculiar to its home exchange could materially and adversely affect the price of our Class A ordinary shares, and vice versa. Because of the different characteristics of the U.S. and Singapore equity markets, the historic market prices of the ADSs and our Class A ordinary shares may not be indicative of the performance of our securities going forward.

***You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing actions against us or our directors and officers named in the annual report based on foreign laws.***

We are a company incorporated under the laws of the Cayman Islands, we conduct substantially all of our operations in Hong Kong, and substantially all of our assets are located in Hong Kong. A majority of our directors and executive officers are nationals or residents of jurisdictions other than the United States or Singapore and most of their assets are located outside the United States or Singapore. As a result, it may be difficult for a shareholder to effect service of process within the United States or Singapore upon these individuals, to bring an action against us or these individuals in the United States, or to enforce against us or them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States.

The United States and the Cayman Islands do not have a treaty providing for reciprocal recognition and enforcement of judgments of U.S. courts in civil and commercial matters and that there is uncertainty as to whether the courts of the Cayman Islands would (i) recognize or enforce judgments of U.S. courts obtained against us or our directors or officers, predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States, or (ii) entertain original actions brought in the Cayman Islands against us or our directors or officers, predicated upon the securities laws of the United States or any state in the United States. A judgment obtained in any federal or state court in the United States will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the



underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided such judgment (i) is given by a foreign court of competent jurisdiction, (ii) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given, (iii) is final and conclusive, (iv) is not in respect of taxes, a fine or a penalty, and (v) was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands. There is uncertainty as to whether the courts of the Cayman Islands would recognize or enforce judgments of United States courts obtained against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States. Such uncertainty relates to whether a judgment obtained from the United States courts under the civil liability provisions of the securities laws will be determined by the courts of the Cayman Islands as penal or punitive in nature. If such a determination is made, the courts of the Cayman Islands will not recognize or enforce the judgment against a Cayman Islands company or its directors and officers. Because the courts of the Cayman Islands have yet to rule on whether such judgments are penal or punitive in nature, it is uncertain whether such civil liability judgments from U.S. courts would be enforceable in the Cayman Islands.

Judgment of United States courts will not be directly enforced in Hong Kong. There are currently no treaties or other arrangements providing for reciprocal enforcement of foreign judgments between Hong Kong and the United States. However, the common law permits an action to be brought upon a foreign judgment. That is to say, a foreign judgment itself may form the basis of a cause of action since the judgment may be regarded as creating a debt between the parties to it. In a common law action for enforcement of a foreign judgment in Hong Kong, the enforcement is subject to various conditions, including but not limited to, that the foreign judgment is a final judgment conclusive upon the merits of the claim, the judgment is for a liquidated amount in a civil matter and not in respect of taxes, fines, penalties, or similar charges, the proceedings in which the judgment was obtained were not contrary to natural justice, and the enforcement of the judgment is not contrary to public policy of Hong Kong. Such a judgment must be for a fixed sum and must also come from a “competent” court as determined by the private international law rules applied by the Hong Kong courts. The defenses that are available to a defendant in a common law action brought on the basis of a foreign judgment include lack of jurisdiction, breach of natural justice, fraud, and contrary to public policy. However, a separate legal action for debt must be commenced in Hong Kong in order to recover such debt from the judgment debtor.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests through actions against our management, directors or major shareholders than would shareholders of a corporation incorporated in a jurisdiction in the United States.

***The dual listing of our equity securities in different markets is costly to maintain and may result in price variations, which may adversely affect the price of our ADSs or our ordinary shares.***

The ADSs are listed for trading on the NYSE and our Class A ordinary shares are listed for trading on the SGX-ST. Maintaining dual listings may generate additional costs, including legal, accounting, investor relations, and other expenses that we would not incur if we were listed only on a single market. In addition, price variations between these two markets may result from the dual listing. Trading in ADSs and Class A ordinary shares on these markets, respectively, is in different currencies, with U.S. dollars on the NYSE and Singapore dollars on the SGX-ST, and at different times as a result of different time zones, different trading days and different public holidays in the United States and Singapore. Given these and other factors, such as differences in exchange rates, the ADSs and our Class A ordinary shares may trade at different prices on NYSE and SGX-ST, respectively. Furthermore, market influences in one market may influence the price in the other. All of the foregoing factors may adversely affect the price of the ADSs or our Class A ordinary shares.



***If securities or industry analysts do not publish or publish inaccurate or unfavorable research about our business, or if they adversely change their recommendations regarding the ADSs or our Class A ordinary shares, the market price or trading volume for the ADSs or our Class A ordinary shares could decline.***

The respective trading markets for the ADSs and our Class A ordinary shares will depend in part on the research and reports that securities or industry analysts publish about us or our business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who covers us downgrades the ADSs or our Class A ordinary shares or publishes inaccurate or unfavorable research about our business, the market price for the ADSs or our Class A ordinary shares would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for the ADSs or our Class A ordinary shares to decline.

***The sale or availability for sale of substantial number of the ADSs or our Class A ordinary shares in the public market could adversely affect their market price.***

Sales of substantial numbers of the ADSs or our Class A ordinary shares in the public market, or the perception that these sales could occur, could adversely affect the market price of the ADSs or our Class A ordinary shares and could materially impair our ability to raise capital through equity offerings in the future. As of the date of this annual report, we have 144,077,210 Class A ordinary shares, including 23,333,210 Class A ordinary shares represented by ADSs, and 233,526,979 Class B ordinary shares outstanding, respectively. All of the ADSs representing our Class A ordinary shares are freely tradable by persons other than our “affiliates” without restriction or further registration under the Securities Act of 1933, as amended, or the Securities Act.

***Our dual-class share structure with different voting rights will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares and ADSs may view as beneficial.***

Under our dual-class share structure, our ordinary shares consist of Class A ordinary shares and Class B ordinary shares. In respect of matters requiring the votes of shareholders, holders of Class B ordinary shares will be entitled to twenty votes per share, while holders of Class A ordinary shares will be entitled to one vote per share based on our dual-class share structure. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Upon any sale, transfer, assignment, or disposition of any Class B ordinary shares by a holder thereof to any person other than our founder, Dr. Calvin Choi, or any other person or entity designated by Dr. Choi, such Class B ordinary shares are automatically and immediately converted into an equal number of Class A ordinary shares.

As of the date of this annual report, our Controlling Shareholder and Dr. Choi beneficially owned all of our issued and outstanding Class B ordinary shares. These Class B ordinary shares constitute approximately 43.5% of our total issued and outstanding ordinary shares and 95.8% of the aggregate voting power of our total issued and outstanding ordinary shares due to the disparate voting powers associated with our dual-class share structure. See “Item 6.E. Directors, Senior Management and Employees—Share Ownership.” As a result of the dual-class share structure and the concentration of ownership, holders of Class B ordinary shares will have considerable influence over matters such as decisions regarding mergers, consolidations and the sale of all or substantially all of our assets, election of directors and other significant corporate actions. Such holders may take actions that are not in the best interest of us or our other shareholders. This concentration of ownership may discourage, delay or prevent a change in control of our company, which could have the effect of depriving our other shareholders of the opportunity to receive a premium for their shares as part of a sale of our company and may reduce the price of the ADSs. This concentrated control will limit your ability to influence corporate matters and could discourage others from pursuing any potential merger, takeover or other change of control transactions that holders of Class A ordinary shares and ADSs may view as beneficial.





***The dual-class structure of our ordinary shares may adversely affect the trading market for the ADSs or our Class A ordinary shares.***

S&P Dow Jones and FTSE Russell have announced changes to their eligibility criteria for inclusion of shares of public companies in certain indices, including the S&P 500, to exclude companies with multiple classes of shares and companies whose public shareholders hold no more than 5% of total voting power from being added to such indices. In addition, several shareholder advisory firms have announced their opposition to the use of multiple class capital structures. As a result, the dual-class structure of our ordinary shares may prevent the inclusion of the ADSs or our Class A ordinary shares in such indices and may cause shareholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure. Any such exclusion from indices could result in a less active trading market for the ADSs or our Class A ordinary shares. Any actions or publications by shareholder advisory firms critical of our corporate governance practices or capital structure could also adversely affect the value of the ADSs or our Class A ordinary shares.

***Because the amount, timing, and whether or not we distribute dividends at all is entirely at the discretion of our board of directors, you must rely on price appreciation of the ADSs or our Class A ordinary shares for return on your investment.***

Although we currently intend to distribute dividends in the future, the amount, timing, and whether or not we actually distribute dividends at all is entirely at the discretion of our board of directors.

Our board of directors has complete discretion as to whether to distribute dividends. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of directors. In either case, all dividends are subject to certain restrictions under the Cayman Islands law, namely that our company may only pay dividends out of profits or share premium, and provided that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiary, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in the ADSs or our Class A ordinary shares will likely depend entirely upon any future price appreciation of the ADSs or our Class A ordinary shares. We cannot assure you that the ADSs or our Class A ordinary shares will appreciate in value in the future or even maintain the price at which you purchased the ADSs or our Class A ordinary shares. You may not realize a return on your investment in, and you may even lose your entire investment in, the ADSs or our Class A ordinary shares.

***The voting rights of holders of ADSs are limited by the terms of the deposit agreement, and you may not be able to exercise your right to direct how the Class A ordinary shares represented by your ADSs are voted.***

Holders of ADSs do not have the same rights as our registered shareholders. As a holder of ADSs, you will not have any direct right to attend general meetings of our shareholders or to cast any votes at such meetings.

You will only be able to exercise the voting rights that are carried by the underlying Class A ordinary shares represented by your ADSs indirectly by giving voting instructions to the depositary in accordance with the provisions of the deposit agreement. Under the deposit agreement, you may vote only by giving voting instructions to the depositary. If we instruct the depositary to ask for your instructions, then upon receipt of your voting instructions, the depositary will try, as far as practicable, to vote the underlying Class A ordinary shares represented by your ADSs in accordance with your instructions. If we do not instruct the depositary to ask for your instructions, the depositary may still vote in accordance with instructions you give, but it is not required to do so. You will not be able to directly exercise your right to vote with respect to the underlying Class A ordinary



shares represented by your ADSs unless you withdraw the shares and become the registered holder of such shares prior to the record date for the general meeting. Under our currently effective memorandum and articles of association, the minimum notice period required to be given by our company to our registered shareholders for convening a general meeting is seven (7) days.

When a general meeting is convened, you may not receive sufficient advance notice of the meeting to withdraw the Class A ordinary shares underlying your ADSs and become the registered holder of such shares to allow you to vote directly with respect to any specific matter or resolution to be considered and voted upon at the general meeting. In addition, under our currently effective memorandum and articles of association, for the purposes of determining those shareholders who are entitled to attend and vote at any general meeting, our directors may close our register of members and fix in advance a record date for such meeting, and such closure of our register of members or the setting of such a record date may prevent you from withdrawing the Class A ordinary shares underlying your ADSs and becoming the registered holder of such shares prior to the record date, so that you would not be able to attend the general meeting or to vote directly. If we ask for your instructions, the depositary will notify you of the upcoming vote and will arrange to deliver our voting materials to you. We have agreed to give the depositary at least 40 days' prior notice of shareholder meetings. Nevertheless, we cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote the underlying Class A ordinary shares represented by your ADSs. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for their manner of carrying out your voting instructions. This means that you may not be able to exercise your right to direct how the Class A ordinary shares underlying your ADSs are voted and you may have no legal remedy if the Class A ordinary shares underlying your ADSs are not voted as you requested.

***Your right to participate in any future rights offerings may be limited, which may cause dilution to your holdings.***

We may from time to time distribute rights to our shareholders, including rights to acquire our securities. However, we cannot make rights available to you in the United States unless we register both the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirement is available. Under the deposit agreement, the depositary will not make rights available to you unless both the rights and the underlying securities to be distributed to ADS holders are either registered under the Securities Act or exempt from the registration requirement under the Securities Act. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective and we may not be able to establish a necessary exemption from registration under the Securities Act. Accordingly, you may be unable to participate in our rights offerings in the future and may experience dilution in your holdings.

***You may not receive cash dividends if the depositary decides it is impractical to make them available to you.***

The depositary will pay cash distributions on the ADSs only to the extent that we decide to distribute dividends on our Class A ordinary shares or other deposited securities. To the extent that there is a distribution, the depositary has agreed to pay you the cash dividends or other distributions it or the custodian receives on our Class A ordinary shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of Class A ordinary shares your ADSs represent. However, the depositary may, at its discretion, decide that it is inequitable or impractical to make a distribution available to any holders of ADSs.

***We and the depositary are entitled to amend the deposit agreement and to change the rights of ADS holders under the terms of such agreement, and we may terminate the deposit agreement, without the prior consent of the ADS holders.***

We and the depositary are entitled to amend the deposit agreement and to change the rights of the ADS holders under the terms of such agreement, without the prior consent of the ADS holders. We and the depositary



may agree to amend the deposit agreement in any way we decide is necessary or advantageous to us. Amendments may reflect, among other things, operational changes in the ADS program, legal developments affecting ADSs or changes in the terms of our business relationship with the depository. In the event that the terms of an amendment are disadvantageous to ADS holders, ADS holders will only receive 30 days' advance notice of the amendment, and no prior consent of the ADS holders is required under the deposit agreement. Furthermore, we may decide to terminate the ADS facility at any time for any reason. For example, terminations may occur when we decide to list our shares on a non-U.S. securities exchange and determine not to continue to sponsor an ADS facility or when we become the subject of a takeover or a going-private transaction. If the ADS facility will terminate, ADS holders will receive at least 90 days' prior notice, but no prior consent is required from them. Under the circumstances that we decide to make an amendment to the deposit agreement that is disadvantageous to ADS holders or terminate the deposit agreement, the ADS holders may choose to sell their ADSs or surrender their ADSs and become direct holders of the underlying Class A ordinary shares, but will have no right to any compensation whatsoever.

***ADSs holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiffs in any such action.***

The deposit agreement governing the ADSs representing our Class A ordinary shares provides that, to the fullest extent permitted by law, ADS holders waive the right to a jury trial of any claim that they may have against us or the depository arising out of or relating to our ordinary shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws.

If we or the depository opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable based on the facts and circumstances of that case in accordance with the applicable state and federal law. To our knowledge, the enforceability of a contractual pre-dispute jury trial waiver in connection with claims arising under the federal securities laws has not been finally adjudicated by the United States Supreme Court. However, we believe that a contractual pre-dispute jury trial waiver provision is generally enforceable, including under the laws of the State of New York, which govern the deposit agreement, by a federal or state court in the City of New York, which has non-exclusive jurisdiction over matters arising under the deposit agreement. In determining whether to enforce a contractual pre-dispute jury trial waiver provision, courts will generally consider whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this is the case with respect to the deposit agreement and the ADSs. It is advisable that you consult legal counsel regarding the jury waiver provision before entering into the deposit agreement.

If you or any other holders or beneficial owners of ADSs bring a claim against us or the depository in connection with matters arising under the deposit agreement or the ADSs, including claims under federal securities laws, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us or the depository. If a lawsuit is brought against us or the depository under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have had, including results that could be less favorable to the plaintiff(s) in any such action.

Nevertheless, if this jury trial waiver provision is not permitted by applicable law, an action could proceed under the terms of the deposit agreement with a jury trial. No condition, stipulation or provision of the deposit agreement or ADSs serves as a waiver by any holder or beneficial owner of ADSs or by us or the depository of compliance with any substantive provision of the U.S. federal securities laws and the rules and regulations promulgated thereunder.

***You may be subject to limitations on transfer of your ADSs.***

Your ADSs are transferable on the books of the depository. However, the depository may close its books at any time or from time to time when it deems it expedient in connection with the performance of its duties. The



depository may close its books from time to time for a number of reasons, including in connection with corporate events such as a rights offering, during which time the depository needs to maintain an exact number of ADS holders on its books for a specified period. The depository may also close its books in emergencies, and on weekends and public holidays. The depository may refuse to deliver, transfer or register transfers of the ADSs generally when our share register or the books of the depository are closed, or at any time if we or the depository thinks it is advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

***You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts or Singapore courts may be limited, because we are incorporated under Cayman Islands law.***

We are a company incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our memorandum and articles of association, the Companies Act of the Cayman Islands (as revised) and the common law of the Cayman Islands. The rights of shareholders to take action against our directors, actions by our minority shareholders and the fiduciary duties of our directors to us under the Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under the Cayman Islands law may not be as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands may have a less developed body of securities laws than the United States. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, the Cayman Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States.

Shareholders of Cayman Islands companies like us have no general rights under the Cayman Islands law to inspect corporate records, other than the memorandum and articles of association and any special resolutions passed by such companies, and the registers of mortgages and charges of such companies. Our directors have discretion under our currently effective memorandum and articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from requirements for companies incorporated in other jurisdictions such as the United States and Singapore. Currently, we do not rely on home country practice with respect to our corporate governance. However, if we choose to follow home country practice in the future, our shareholders may be afforded less protection than they otherwise would under rules and regulations applicable to U.S. and Singapore domestic issuers.

As a result of all of the above, public shareholders may have more difficulty in protecting their interests in the face of actions taken by our management, members of our board of directors, or our Controlling Shareholder than they would as public shareholders of a company incorporated in the United States or Singapore.

***Our currently effective memorandum and articles of association contain anti-takeover provisions that could discourage a third party from acquiring us, which could limit our shareholders' opportunity to sell their shares, including Class A ordinary shares represented by the ADSs, at a premium.***

Our currently effective memorandum and articles of association contain provisions to limit the ability of others to acquire control of our company or cause us to engage in change-of-control transactions. These provisions could have the effect of depriving our shareholders of an opportunity to sell their shares at a premium



over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction. For example, our board of directors has the authority, without further action by our shareholders, to create and issue new classes or series of shares (including preferred shares) and to fix their designations, powers, preferences, privileges, and relative participating, optional or special rights and the qualifications, limitations or restrictions, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights associated with our ordinary shares, in the form of ADSs or otherwise. Preferred shares could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult. If our board of directors decides to issue preferred shares, the price of the ADSs or our Class A ordinary shares may fall and the voting and other rights of the holders of our ordinary shares and the ADSs may be materially and adversely affected.

***We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to U.S. domestic public companies.***

Because we qualify as a foreign private issuer under the Securities Exchange Act of 1934, as amended, or the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K;
- the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

We are required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we intend to publish our results on a quarterly basis as press releases, distributed pursuant to the rules and regulations of the NYSE. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information that would be made available to you were you investing in a U.S. domestic issuer.

***As a foreign private issuer, we are permitted to adopt certain home country practices in relation to corporate governance matters that may differ significantly from the NYSE listing standards and the SGX-ST listing standards and as a “controlled” company we are permitted to rely on certain other exemptions from the NYSE listing standards; we are not generally subject to the continuing listing requirements of the SGX-ST and Rule 210(10) of the Listing Manual does not apply to our company due to our secondary listing on the SGX-ST; these practices may afford less protection to shareholders than they would enjoy if we complied fully with the NYSE listing standards or SGX-ST listing standards.***

As a Cayman Islands company and a “controlled” company listed on the NYSE and SGX-ST, we are subject to the NYSE listing standards and certain SGX-ST listing standards. However, we are not generally subject to the continuing listing requirements of the SGX-ST and Rule 210(10) of the Listing Manual does not apply to our company due to our secondary listing on the SGX-ST, and the NYSE rules permit a foreign private issuer like us to follow the corporate governance practices of its home country or a “controlled” company like us to rely on exemptions from the NYSE rules. Similarly, the SGX-ST generally relies on the NYSE to regulate our company. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the NYSE listing standards and the SGX-ST listing standards. Currently, we do not plan to



rely on home country practices with respect to our corporate governance, but instead we comply with the applicable corporate governance rules of the NYSE listing standards. Currently, we rely on the exemptions applicable to “controlled” companies under the NYSE Listed Company Manual with respect to the requirements that the compensation committee is composed entirely of independent directors (under Section 303A.05 of the NYSE Listed Company Manual). and we follow certain home country practices as a foreign private issuer such as with respect to the requirements of shareholder approval for certain types of transactions. Our shareholders may be afforded less protection than they would otherwise enjoy under the NYSE listing standards applicable to U.S. domestic issuers or the SGX-ST listing standards applicable to Singapore domestic issuers or foreign issuers with a primary listing on the SGX-ST.

***There can be no assurance that we will not be a passive foreign investment company, or PFIC, for United States federal income tax purposes for any taxable year. If we are a PFIC for any taxable year, United States investors in the ADSs or ordinary shares could be subject to significant adverse United States income tax consequences.***

We will be classified as a passive foreign investment company, or PFIC, for any taxable year if either (i) 75% or more of our gross income for such year consists of certain types of “passive” income, or (ii) 50% or more of the value of our assets (determined on the basis of a quarterly average) during such year produce or are held for the production of passive income (the “asset test”). Based upon our current and expected income and assets, including goodwill and the value of the assets held by our strategic investment business, we do not believe we were a PFIC for 2021 and do not expect to be one for the foreseeable future.

While we do not expect to be a PFIC, there can be no assurance in this regard because our PFIC status is a factual determination made annually that will depend, in part, upon the composition of our income and assets. Fluctuations in the market price of our ADSs or Class A ordinary shares may cause us to become a PFIC for subsequent taxable years because the value of our assets for purposes of the asset test, including the value of our goodwill and unbooked intangibles, may be determined by reference to our market capitalization, which is based on the market price of our ADSs or Class A ordinary shares from time to time (which may be volatile). The determination of whether we will be or become a PFIC will also depend, in part, on the composition and classification of our income, including the relative amounts of income generated by and the value of assets of our strategic investment business as compared to our other businesses. Because there are uncertainties in the application of the relevant rules, it is possible that the IRS may challenge our classification of certain income and assets as non-passive, which may result in our being or becoming a PFIC in any single year. In addition, the composition of our income and assets will also be affected by how, and how quickly, we use our liquid assets. If we determine not to deploy significant amounts of cash for active purposes, our risk of being a PFIC may substantially increase. Because there are uncertainties in the application of the relevant rules and PFIC status is a factual determination made annually after the close of each taxable year, there can be no assurance that we will not be a PFIC for any single year.

If we are a PFIC in any taxable year, a U.S. Holder (as defined in “Item 10.E. Additional Information—Taxation—United States Federal Income Tax Considerations”) may incur significantly increased United States income tax on gain recognized on the sale or other disposition of our ADSs or ordinary shares and on the receipt of distributions on our ADSs or ordinary shares to the extent such gain or distribution is treated as an “excess distribution” under the U.S. federal income tax rules, and such holder may be subject to burdensome reporting requirements. Further, if we are a PFIC for any year during which a U.S. Holder holds our ADSs or our ordinary shares, there is uncertainty whether we will be treated as a PFIC for succeeding years during which such U.S. Holder holds our ADSs or our ordinary shares. For more information see “Item 10. Additional Information—E. Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Company Rules.”



***We incur additional costs as a result of being a public company, particularly after we cease to qualify as an emerging growth company.***

We are a public company and expect to incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act of 2002 and the rules subsequently implemented by the SEC and the NYSE detailed requirements concerning corporate governance practices of public companies. As a company with less than US\$1.07 billion in net revenues for our last fiscal year, we qualify as an “emerging growth company” pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2012 relating to internal controls over financial reporting.

We expect these rules and regulations to increase our legal and financial compliance costs and to make some corporate activities more time-consuming and costly. After we are no longer an “emerging growth company,” we expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and the other rules and regulations of the SEC. Our management is and may continue to be required to devote substantial time and attention to our public company reporting obligations and other compliance matters. In addition, we incur additional costs associated with our public company reporting requirements and it may be more difficult for us to find qualified persons to serve on our board of directors or as executive officers.

In the past, shareholders of a public company often brought securities class action suits against the company following periods of instability in the market price of that company’s securities. If we were involved in a class action suit, it could divert a significant amount of our management’s attention and other resources from our business and operations, which could harm our results of operations and require us to incur significant expenses to defend the suit. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material and adverse effect on our financial condition and results of operations.

**ITEM 4. INFORMATION ON THE COMPANY**

**A. History and Development of the Company**

**Our Company**

In 2015, our Controlling Shareholder commenced our current investment banking, asset management, and strategic investment businesses. From February to April 2019, we carried out a restructuring to carve out our investment banking, asset management, and strategic investment businesses from our Controlling Shareholder.

As part of the restructuring, in February 2019, AMTD International Inc. was incorporated under the laws of the Cayman Islands initially as a wholly-owned subsidiary of our Controlling Shareholder. In April 2019, we completed our restructuring and AMTD International Inc. became the holding company of our businesses. In March 2022, with the approval of our shareholders, we changed our company name from “AMTD International Inc.” to “AMTD IDEA Group.”

We are a holding company incorporated in the Cayman Islands and conduct our businesses through our subsidiaries in Hong Kong. See “Item 4.C. Information on the Company—Organizational Structure” for a diagram illustrating our corporate structure as of the date of this annual report.

On August 5, 2019, our ADSs commenced trading on the NYSE. We issued and sold a total of 23,873,655 ADSs representing 23,873,655 Class A ordinary shares at an initial offering price of US\$8.38 per ADS. Our ADSs are currently traded under the ticker symbol “AMTD.”



In December 2019, we issued and sold (i) a total of 7,307,692 Class A ordinary shares and 4,526,627 Class B ordinary shares for an aggregate amount of US\$100 million (representing a per share price of US\$8.45) to Value Partners Greater China High Yield Income Fund, Ariana Capital Investment Limited, and Infinity Power Investments Limited, and (ii) a convertible note due 2023, or the VP Note, in an aggregate principal amount of US\$15 million to Value Partners Greater China High Yield Income Fund, all in the form of private placement pursuant to an exemption from registration with the SEC under the Securities Act. Infinity Power Investments Limited is a British Virgin Islands company wholly owned by Dr. Calvin Choi, our founder. The VP Note bears interest at a rate of 2.00% per annum and will mature in June 2023, unless previously converted in accordance with its terms prior to such date. The VP Note will be convertible into the ADSs at the option of the holder, based on an initial conversion rate of 99.44 ADSs per US\$1,000 principal amount of VP Note (which is equivalent to an initial conversion price of approximately US\$10.0560 per ADS) in integral multiples of US\$10,000,000 principal amount, at any time after six months following the date of issuance and prior to the close of business on the second business day immediately preceding the maturity date, provided, however, that the holder can only exercise such right to convert no more than twice. The conversion rate for the VP Note is subject to adjustment upon the occurrence of certain events. The VP Note has been converted in January 2022.

In March 2020, we listed a US\$1.0 billion medium term note program, or the MTN Program, for a period of twelve months by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on SEHK and in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) on the SEHK. Under the MTN Program, we may from time to time issue medium term notes or perpetual securities up to an aggregate amount of US\$1.0 billion. We intend to use the net proceeds from the issuances of debt securities under the MTN Program for long-term development needs, international expansion, and general corporate purposes. In April 2020, we dual-listed the MTN Program on the SGX-ST. Later in the same month, we extended an invitation to holders of the US\$200 million 7.625% senior perpetual securities of AMTD Group, or the Existing Securities, to offer exchange any and all of their outstanding Existing Securities for new securities, or the New Securities, to be issued by us under our MTN Program, or the Exchange Offer. In May 2020, we issued US\$200 million 7.25% senior perpetual securities and S\$50 million 4.5% senior perpetual securities. In October 2021, we redeemed perpetual securities with a principal amount of approximately S\$11.2 million (US\$8.3 million) as part of our active balance sheet management targeting for early repayment of outstanding exposures.

On April 8, 2020, we dual listed by way of introduction of 23,873,655 Class A ordinary shares on the SGX-ST under the symbol “HKB,” being Class A ordinary shares that have been registered with the SEC as part of our initial public offering and listing on the NYSE in August 2019, and which were previously represented by the ADSs listed for trading on the NYSE.

In May 2020, we entered into a long-term strategic partnership with the Singapore Exchange to promote the development of Singapore’s capital markets and strengthen connectivity between Singapore, ASEAN, the Greater Bay Area, the rest of China, and the Middle East. Through this collaboration, we and SGX-ST will work together to meet the growing market needs for improved capital market access and connectivity to Singapore and beyond.

AMTD Capital Co., Ltd., or AMTD Capital, is our subsidiary headquartered in Hengqin, Zhuhai City. In March 2021, Airstar Digital, a subsidiary of Xiaomi Corporation, or Xiaomi, invested in AMTD Capital to own 49.87% of its shares.

Also in March 2021, we partnered with 36KR (Nasdaq: KRKR) and Xiaomi (SEHK:1810) to establish a new joint venture, AK73 Capital, to build a full lifecycle service platform for new economy enterprises. AK73 Capital aims to support and empower the new generation of new economy leaders to capitalize on the tremendous opportunities in dynamic global capital markets.

In September 2021, we repurchased approximately 69.1 million Class B ordinary shares from AMTD Group for HK\$5 billion (US\$0.6 billion).





Subsequent to December 31, 2021, we issued an aggregate of 8,411,214 Class A ordinary shares and 3,271,028 Class B ordinary shares through a private placement of US\$50 million to a number of reputable professional investors.

In January 2022, we proposed the change of company's name from "AMTD International Inc." to "AMTD IDEA Group" and we also announced that the ticker symbol for the Company's ADSs would be changed to "AMTD" effective on January 31, 2022. AMTD IDEA Group's name was approved and adopted by way of extraordinary general meeting of shareholders on March 1, 2022.

In February 2022, we acquired a total of 31,732,000 Class A ordinary shares and 24,202,000 Class B ordinary shares of AMTD Digital Inc., priced at US\$17.75 per share, from certain of its shareholders, including our Controlling Shareholder, for a total consideration of approximately US\$992.6 million (HK\$7,742.2 million). We issued a total of 67,200,330 Class A ordinary shares and 51,253,702 Class B ordinary shares in settlement of the consideration payable for the acquisition. AMTD Digital Inc. is a comprehensive one-stop digital solutions platform in Asia and was a subsidiary of AMTD Group prior to the acquisition. AMTD Digital Inc. became our consolidated subsidiary as a result of the acquisition.

Also in January 2022, we entered into a definitive agreement to acquire 100% of the equity interest in L'Officiel Inc. SAS, a global fashion media holding group. We are currently negotiating with the counterparties to finalize the closing conditions and the transaction has yet to be closed as of the date of this annual report.

Our principal executive offices are located at 23/F Nexxus Building, 41 Connaught Road Central, Hong Kong. Our telephone number at this address is +852 3163-3389. Our registered office in the Cayman Islands is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. Our agent for service of process in the United States is Puglisi & Associates, located at 850 Library Avenue, Suite 204, Newark, DE 19711. Our website is <https://www.amtdinc.com>. The information on our websites should not be deemed to be part of this annual report. The SEC also maintains a website at <https://www.sec.gov> that contains reports, proxy, and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system.

## B. Business Overview

We are a leading Hong Kong-headquartered comprehensive financial institution. We are one of the few independent financial institutions with extensive financial industry knowledge and experience across Greater China that is majority-owned and managed by local Hong Kong entrepreneurs and professionals. Our clientele includes PRC banks, privately-owned companies primarily in new economy sectors, and Asia-based families and blue-chip conglomerates, among others.

We operate a full-service platform encompassing three business lines: investment banking, asset management, and strategic investment.

- *Investment Banking.* We offer a broad range of investment banking services, including equity underwriting, debt underwriting, advisory (on credit rating, financing, and mergers and acquisitions transactions), securities brokerage, institutional sales and distribution, and research, among others.
- *Asset Management.* We provide professional investment management and advisory services primarily to corporate and other institutional clients.
- *Strategic Investment.* We make long-term strategic investments focusing on global financial and new economy sectors. Through investing in market leaders and technological innovators, we gain access to unique opportunities and resources that complement our other businesses and augment our "AMTD SpiderNet" ecosystem.

We align ourselves with clients, shareholders, business partners, and investee companies to build an ever-extending, inter-connected network that creates value for all stakeholders, or the "AMTD SpiderNet" ecosystem.



We believe that our “AMTD SpiderNet” ecosystem is the bedrock of our success. We actively help stakeholders in our ecosystem explore business collaboration opportunities among themselves and provide financial solutions or additional resources needed to facilitate such collaboration. This, in turn, results in enduring relationships within the network, and expand the network by attracting corporations, industry associations, and other institutions seeking business opportunities and efficient channels of resources. This unique “AMTD SpiderNet” ecosystem, coupled with our ability to provide innovative and bespoke solutions, is a key growth driver of our overall businesses.

### **Our Partnership Approach**

We discover and selectively engage a broad range of promising clients with diverse backgrounds and at various stages of development. We offer comprehensive financial services to fulfill the needs of our clients throughout their lifecycles. We stay close to our clients to understand and anticipate their needs. Our services are tailored with a collaborative overlay, providing clients with one-stop solutions.

With each business opportunity, we consider ourselves a business partner for the prospective client, rather than merely a service agency of a particular product or service. We strive to unlock and maximize the extraordinary value embedded in each relationship and to expand opportunities for collaboration and partnership both between us and our clients, as well as among clients. This forms the foundation of our “AMTD SpiderNet” ecosystem and defines our shared firm-wide core values and culture.

### **Our Services**

#### ***Investment Banking***

Since October 2015, we have operated our investment banking business through one of our wholly-owned subsidiaries, AMTD Global Markets Limited, which is licensed by HKSFC to engage in certain activities regulated under the Securities and Futures Ordinance (Cap. 571) of Hong Kong, such as dealing in securities and future contracts, advising on securities and corporate finance, and providing asset management services. For further details, see “Item 4. Information on the Company—B. Business Overview—Regulation—Licensing Regime Under the HKSFO.” Under our investment banking business, we provide our clients with a full suite of corporate finance services, including underwriting equity and debt offerings, and advising on various financing and mergers and acquisitions transactions.

Our investment banking business provides a one-stop solution for corporate and other institutional clients, both benefiting from and enhancing the synergies within our “AMTD SpiderNet” ecosystem. To this end, we deliver our investment banking services with the following features.

- *Full service capabilities.* We offer our clients a full suite of services for capital markets transactions, covering equity and debt offerings, credit rating advisory, other financing transactions, and merger and acquisitions. Based on our full product coverage, we are able to serve clients and develop long-term relationships through multiple engagements.
- *Full value chain’s client focuses.* We focus on client needs and always strive to explore long-term business collaboration rather than completing individual transactions, because we recognize that our clients are the foundation of our “AMTD SpiderNet” ecosystem and our relationship with them is key to our sustainable development and success. Leveraging our strong client relationship and our unique “AMTD SpiderNet” ecosystem, we are able to create synergies and proactively develop innovative products and services based on specific client needs to be serviced by our own abilities or those of our partners in the “AMTD SpiderNet” ecosystem.
- *Industry expertise.* Our services are enriched by our experience and expertise in certain important industries, allowing us to better understand and anticipate clients’ circumstances and needs. We have particular expertise in the regional banks and new economy sectors.



- *Senior bankers' participation.* In addition to managing and maintaining client relationships, our senior bankers and professionals also actively participate in client coverage and deal execution to ensure seamless execution and satisfactory client experience.

We derive underwriting commissions and financial advisory fees from our investment banking business. We generally charge fees and commissions based on a percentage of transaction value. This percentage is negotiated and determined by a number of factors including (i) the type of transaction, (ii) the size of the transaction, (iii) the complexity of the transaction, (iv) state of the market, and (v) client relationship dynamic.

#### *Global Markets*

We are licensed to provide underwriting services for equity and debt offerings in Hong Kong. Our underwriting capabilities have accelerated rapidly since October 2015.

We have built a solid track record and established our market position and brand recognition for issuers in Hong Kong, the United States, and the other international capital markets. From October 2015 when we commenced our investment banking business to March 31, 2022, we completed 80 equity offerings in Hong Kong, the United States, and Singapore, as an underwriter or financial advisor, with an aggregate transaction value of US\$33.4 billion, including through the exercise of over-allotment options. During the same period, we also completed 145 debt offerings, with an aggregate transaction value of US\$52 billion.

In line with market practice, we generally split fees and commissions with other underwriters in capital markets transactions based on (i) the percentages of our underwriting commitment, (ii) our other contributions to the transaction, (iii) trading profits from IPO stabilization actions in the aftermarket, (iv) commercial negotiations on a case by case basis, and (v) the strength of the client relationship. We may also charge brokerage fees to investors that subscribe to products that we distribute, which is usually 1% of the investment amount being sourced by us in Hong Kong IPOs and on a negotiated basis in other types of offerings. We may also charge financial advisory fees based on services provided on a negotiated basis.

Our equity and debt product offerings are distributed through our sales and channels team. For further details, see “Our Services—Investment Banking—Sales and Channels.”

#### *Financial Advisory and Execution*

We advise on both public and private financing and mergers and acquisitions transactions, covering companies at all stages of developments and value chains. Many of our advisory services involve tailored solutions in which we leverage our experience and the strength of our “AMTD SpiderNet” ecosystem to propose unique and innovative structures. We are able to introduce quality investors through our sales and channels team and potential strategic investors through our “AMTD SpiderNet” ecosystem.

In conjunction with any financial advisory role, we advise on the capital structure and assist in long-term capital planning and liability rearrangement. We believe that providing financial advisory services to growth-stage clients allows us to build relationships with our clients at an early stage and paves the way for us to provide a variety of additional services with higher fee returns through global markets as our relationship with the client deepens and as the client’s business and financing needs evolve.



The following table sets forth a breakdown of our investment banking revenue by fee type for the periods presented.

	For the Year Ended December 31,						
	2019		2020		2021		
	HK\$	%	HK\$	%	HK\$	US\$	%
	(in thousands, except for percentages)						
<b>Investment Banking Revenue</b>							
Underwriting commission and brokerage fee . . .	403,574	88.5	165,473	44.0	29,052	3,725	4.9
Financial advisory fee . . . . .	52,382	11.5	210,852	56.0	568,046	72,830	95.1
<b>Total . . . . .</b>	<b>455,956</b>	<b>100.0</b>	<b>376,325</b>	<b>100.0</b>	<b>597,098</b>	<b>76,555</b>	<b>100.0</b>

*Sales and Channels*

We have an experienced sales and channels team, which supports product distribution activities across our businesses. The sales and channels function focuses on institutional clients and family offices and is an important element of our overall distribution capabilities. Our institutional sales team actively participates in our investment banking transactions by introducing institutional clients and Asian families to the various products that we offer, and provides institutional investors and family offices with value-added corporate access services. In addition, we also provide a comprehensive trading platform for clients to trade various types of products available on the market, such as equity, fixed income, and mutual fund instruments.

*Research*

Research plays a critical part in defining our professional standpoints and demonstrating our industry insights. Our research team presents original ideas on company-specific valuations and research analyzes, as well as from industry and thematic perspectives. Our analysts hold an independent position on the research landscape, with coverage universe established through cooperation with key client-servicing businesses and utilizing our firm-wide “AMTD SpiderNet.”

Our research team covers a broad range of sectors, such as banking, financial technology, hardware, internet, real estate, and education sectors. Our research team is based in Hong Kong and focuses on research coverage on listed companies in Asia. Our research analysts provide investment insights, suggestions on valuation methodologies, and industry know-how to our institutional investor base across the world.

Our independent research capabilities constitute a key building element of our one-stop professional services and supports to institutional investors. By obtaining first-hand professional investment advices across various sectors, investors can establish referencing foundations for making investment decisions. Being viewed as a professional advisor, we believe that this encourages institutional investors to trust our investment banking team and potentially participate in offerings that our investment banking team underwrites or advises on.

*Asset Management*

Through our asset management business, we provide professional investment management and advisory services primarily to regional banks, corporate and other institutional clients, and family offices. We help manage offshore liquidity for many of our China-based clients, allowing them to tap the flexibility and diversity of investment products available only in the offshore markets. Our goal in the asset management business is to produce superior risk-adjusted investment returns and provide investment solutions customized for our clients’ unique needs.

Through our discretionary account services, we manage assets with diverse risk and return profiles, providing clients with comprehensive, customized investment strategies based on our understanding of their



investment needs, risk tolerance, investment goals, and expected return. Non-discretionary account services are managed pursuant to clients’ agreed methodology, conditions, requirements, and restrictions.

Where appropriate, we look to deploy our synergies and introduce clients to the broader network and resources within our “AMTD SpiderNet” ecosystem. Based on their specific needs and risk tolerance levels, our clients have exclusive access to products with tailor-made features to meet their financial and investment needs and optimize their asset allocation.

Our AUM decreased by 0.4% from HK\$26.2 billion as of December 31, 2019 to HK\$26.1 billion as of December 31, 2020 and was maintained at HK\$26.1 billion (US\$3.4 billion) as of December 31, 2021. As of December 31, 2021, 68.4% of the AUM was invested in fixed income products, 30.0% in equity products, and 1.6% in other products. 94.3% of the AUM was managed on behalf of corporate and other institutional clients, including banks, pension funds, insurance companies, and family offices, and 5.7% of the AUM was managed on behalf of individual client relationships, which are principally with high-net worth individuals.

We derive revenues from our asset management business primarily through (i) recurring management fees based on a fixed percentage of our AUM, which is negotiated on a case-by-case basis, (ii) performance-based income from assets with discretionary management, which usually is a split of the excess returns above a certain pre-agreed threshold, and (iii) trading and other fee income derived through the provision of services to our clients across various businesses.

The following table sets forth a breakdown of our asset management revenue by fee type for the periods presented.

	For the Year Ended December 31,						
	2019		2020		2021		
	HK\$	%	HK\$	%	HK\$	US\$	%
	(in thousands, except for percentages)						
<b>Asset Management Revenue</b>							
Management fee and performance-based incentive fees . . . . .	103,509	83.4	196,352	85.0	57,230	7,338	68.6
Brokerage, handling, and other fees . . . . .	20,541	16.6	34,586	15.0	26,150	3,352	31.4
<b>Total . . . . .</b>	<b>124,050</b>	<b>100.0</b>	<b>230,938</b>	<b>100.0</b>	<b>83,380</b>	<b>10,690</b>	<b>100.0</b>

**Strategic Investment**

We commenced our strategic investment business in 2015. Our strategic investment business focuses on long-term equity investments using our own capital. We view it as a natural extension of our other businesses, allowing us to deepen our relationship with clients by participating in their value creation and engaging them into the “AMTD SpiderNet.”

**Investment Approach**

We typically source investment opportunities identified through “AMTD SpiderNet,” and focus on investing in innovative digital platforms, financial technology companies, other new economy companies, and other financial institutions. Our buy-side resources allow us to stay close to the market and provide early access to leading players in key industries that benefit from China’s globalization developments and rapid growth in innovation industry.

- *Leveraging “AMTD SpiderNet.”* We leverage “AMTD SpiderNet” throughout the investment process to source investments, evaluate opportunities, and provide value added solutions to the investees alongside the whole value chain of their businesses after our investment. Our portfolio companies are our strategic partners.



- *Value investment.* We focus on long-term value creation from our investment and how the investments can contribute to our stakeholder of the “AMTD SpiderNet,” rather than looking for short-term returns. Therefore, we do not trade our investments frequently in the secondary market for profit. We have not disposed of any portion of the strategic investments in our current portfolio since the acquisition.
- *Synergy with portfolio companies.* We have an experienced team for post-investment value creation. We have a board seat in most of our portfolio companies and we devote a lot of our resources to work closely with their management to advise on their strategy, capital markets plan, and support them in their execution process.

### *Investment Process*

After a potential target with strategic significance is identified, our investment professionals assess the suitability and prospects of investing in the target considering a wide range of factors, including the track record of the target’s management team, the target’s operating market, macroeconomic conditions, market cycle and industry background, business model, and other quantitative financial analyzes. We also engage professional third parties, such as financial advisors, accountants, and lawyers, to conduct due diligence investigations prior to making an investment, as may be required on a case-by-case basis.

Although we make investment decisions on a case-by-case basis, we are generally interested in businesses that possess the following attributes:

- management team with strong track record and complementary industry expertise;
- high growth potential with sustainability;
- core competitive advantage in the relevant sector; and
- potential for significant synergies with our existing businesses.

We make strategic investment decisions through our investment committee, which consists of key management team members covering finance, operations, legal and compliance, investments, and examines and assesses investment proposals following consultations with senior management. All investment proposals will be presented to our investment committee following the satisfactory completion of assessment and due diligence investigation. Our investment committee also assesses, reviews, and modifies our investment strategies from time to time based on accumulated deal execution experience and the latest developments in the financial market, economic conditions, and government policies. Our investment committee is different and separate from that of our Controlling Shareholder.

We closely monitor our investee companies in accordance with the guidelines set by investment committee. Specifically, we track the business development, our holding positions, unrealized profit or loss, and our risk exposure of each investee. We will escalate any significant incidents in our investees to the investment committee and, for material incidents, to our board of directors.

### **Investment Portfolio**

As of December 31, 2021, our investment portfolio reached an aggregate fair value of HK\$3.8 billion (US\$0.5 billion), in which (i) our strategic investment in the Hong Kong- and Shenzhen-listed Bank of Qingdao accounted for 28.1%, (ii) derivative assets and our investment in other companies accounted for 42.1%, and (iii) our investment in AMTD Digital Inc. accounted for 29.8%.

Through investment in financial institutions with stable annual dividend distribution, we are able to connect more business partners in this sector, such as members of Regional Banks+ Strategic Cooperation Alliance.



The Regional Banks + Strategic Cooperation Alliance is a financial cooperation and communication platform as well as economic and social organization initiated by AMTD Group, and jointly established by four leading regional banks of China including Bank of Qingdao, Guangzhou Rural Commercial Bank, Jiangxi Bank and Zhongyuan Bank (arranged in alphabetical order). Rooted in China and embracing openness as well as inclusiveness, the Alliance includes major Chinese regional banks (including city commercial banks and rural commercial banks) and other strategically cooperated financial institutions and welcomes other similar global institutions and partners to join hands. The purpose of the Alliance is “Mutual Cooperation, Synergic Team-up, Innovated Developments”. Under the premise of complying with relevant laws and regulations as well as economic and financial policies, the Alliance operates with the principle of “Leading Innovation, Reciprocity, Fairness, Openness, and Independence”, empowers the traditional financial business to be promoted by fintech, develops the new model of fintech, smart finance, inclusive finance and green finance, as well as promotes the international innovation development and corporation models of the Alliance members.

Through the connection, we are able to provide the most efficient and effective professional financial solutions and promoting cooperation among them, which will in return contribute to our growth and create value through synergies.

We also expand our investments in new economy sectors globally for the discovery and incubation of outstanding enterprises with innovative technology, committing to serving as a “super-connector” to connect different capital market participants, innovation companies, and to match their needs in the area of capital and technology.

### **Intellectual Property**

As of the date of this annual report, we own one registered trademark. We are licensed by our Controlling Shareholder to use certain trademarks. We maintain seven registered domain names, including amtdinc.com.

### **Competition**

The financial services industry is intensely competitive, and we expect it to remain so. While we are based in Hong Kong, we compete both globally and on a regional basis. We compete on the basis of a number of factors, including strength of client relationships, reputation, industry expertise, and deal execution skills.

With respect to our investment banking and asset management businesses, our competitors are other investment banking firms and financial advisory firms. Our primary competitors in these businesses are international investment banking firms and other large financial institutions, many of which have greater financial and other resources as well as scale and are capable of offering a wider range of products and services, such as loans, deposit-taking, and a full range of investment banking services. Some of our competitors also have the ability to support investment banking (including financial advisory services) with revenues derived from commercial banking, insurance, and other financial services in an effort to gain market share. In addition, we operate these businesses in a highly competitive environment and the barriers to entry into these businesses are low. Nevertheless, we believe that we have a unique competitive edge and are capable of expanding rapidly by leveraging our “AMTD SpiderNet” network, relationships and comprehensive capabilities.

With respect to our strategic investment business, we believe that we do not compete with other private equity funds, specialized investment funds, hedge fund sponsors, financial institutions and other players. Our investments have been made primarily for strategic reasons rather than for pure financial gain, and the funds for the investments are entirely our own.

We face intense competition for the recruiting and retention of qualified, experienced professionals. Our ability to continue to compete effectively in our businesses will depend upon our ability to attract new employees and retain and motivate our existing employees.



For additional information concerning the competitive risks that we face, see “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry—The financial services industry is intensely competitive. If we are unable to compete effectively, we may lose our market share and our results of operations and financial condition may be materially and adversely affected.”

## **Regulation**

This section summarizes all of the significant laws and regulations that materially affect our business activities in Hong Kong.

### ***Introduction***

The Securities and Futures Ordinance (Cap. 571) of Hong Kong, or the HKSFO, including its subsidiary legislation, is the principal legislation regulating the securities and futures industry in Hong Kong, including the regulation of securities and futures markets and leveraged foreign exchange trading, the offering of investments to the public in Hong Kong, and intermediaries and their conduct of regulated activities. In particular, Part V of the HKSFO and the relevant guidelines and codes issued by the HKSFC deal with licensing and registration matter.

The HKSFO is administered by the HKSFC, which is the statutory regulatory body that governs the securities and futures markets and non-bank retail leveraged foreign exchange market in Hong Kong.

In addition, the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong including its subsidiary legislation also provides that the HKSFC is responsible for authorizing the registration of prospectuses for offerings of shares and debentures in Hong Kong and/or granting exemptions from strict compliance with the provisions in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong. The HKSFO provides that the HKSFC is also responsible for authorizing certain securities (including the relevant offering documents) that are not shares or debentures.

The Hong Kong securities and futures market (with respect to listed instruments) is also governed by the rules and regulations introduced and administered by the SEHK and the Hong Kong Futures Exchange Limited, or HKFE.

### ***The HKSFC***

The HKSFC is an independent statutory body which administers the HKSFO and is responsible for regulating the securities and the futures industry in Hong Kong. The HKSFC works to strengthen and protect the integrity and soundness of Hong Kong’s securities and futures markets for the benefit of investors and the industry.

As set out in the HKSFO, HKSFC’s regulatory objectives are:

- to maintain and promote the fairness, efficiency, competitiveness, transparency, and orderliness of the securities and futures industry;
- to promote understanding by the public of financial services including the operation and functioning of the securities and futures industry;
- to provide protection for members of the public investing in or holding financial products;
- to minimize crime and misconduct in the securities and futures industry;
- to reduce systemic risks in the securities and futures industry; and
- to assist the Financial Secretary of Hong Kong in maintaining the financial stability of Hong Kong by taking appropriate actions in relation to the securities and futures industry.





The HKSFCA has five operational divisions, which are corporate finance, enforcement, intermediaries (including licensing and intermediaries supervision), investment products, and supervision of markets. The HKSFCA is also supported by the corporate affairs and legal services divisions.

Below are some of the participants in the securities and futures market that HKSFCA regulates in achieving the regulatory objectives under the HKSFCA:

- Brokers, investment advisers, fund managers, and intermediaries carrying out the regulated activities as listed in “—Licensing Regime Under the HKSFCA—Types of Regulated Activities” below,
- Listed companies,
- Hong Kong Exchanges and Clearing Limited, and
- Market participants (including investors).

### *Licensing Regime Under the HKSFCA*

The functions of the HKSFCA, as a gatekeeper of standards for individuals and corporations seeking approval to enter into the securities and futures markets of Hong Kong, include the following:

- grant licenses to those who are appropriately qualified and can demonstrate their fitness and propriety to be licensed under the HKSFCA;
- maintain online a public register of licensed persons and registered corporations;
- monitor the ongoing compliance of licensing requirements by licensees, substantial shareholders of licensed corporations, and directors of licensed corporations; and
- initiate policies on licensing issues.

The HKSFCA operates a system of authorizing corporations and individuals (through licenses) to act as financial intermediaries. Under the HKSFCA, a corporation that is not an authorized financial institution (as defined in section 2(1) of the Banking Ordinance (Cap. 155) of Hong Kong) and is:

- carrying on a business in a regulated activity (or holding out as carrying on a regulated activity), or
- actively marketing, whether in Hong Kong or from a place outside Hong Kong, to the public such services it provides, would constitute a regulatory activity if provided in Hong Kong,

must be licensed by the HKSFCA to carry out that regulatory activity, unless one of the exemptions under the HKSFCA applies.

In addition to the licensing requirements on corporations, any individual who: (i) performs any regulated function in relation to a regulated activity carried on as a business, or (ii) holds himself out as performing such regulated activity, must be licensed separately under the HKSFCA as a Licensed Representative accredited to his principal.

### *Types of Regulated Activities*

The HKSFCA provides a licensing regime under which a person needs a license to carry on different types of regulated activities as specified in Schedule 5 of the HKSFCA. The different types of regulated activities are set out as follows:

Type 1: dealing in securities;

Type 2: dealing in futures contracts;



- Type 3: leveraged foreign exchange trading;
- Type 4: advising on securities;
- Type 5: advising on futures contracts;
- Type 6: advising on corporate finance;
- Type 7: providing automated trading services;
- Type 8: securities margin financing;
- Type 9: asset management;
- Type 10: providing credit rating services;
- Type 11: Dealing in OTC derivative products or advising on OTC derivative products; and
- Type 12: Providing client clearing services for OTC derivative transactions.

The amendments to the HKSFO in relation to Type 11 regulated activity is, as of the date of this annual report, not yet in operation. The day on which the Type 11 regulated activity will come into operation will be appointed by the Hong Kong Secretary for Financial Services and the Treasury by notice published in the Gazette.

The Type 12 regulated activity came into operation on September 1, 2016 pursuant to the Securities and Futures (Amendment) Ordinance 2014 (Commencement) Notice 2016 (L.N. 27 of 2016), in so far as it relates to paragraph (c) of the new definition of “excluded services” in Part 2 of Schedule 5 to the HKSFO. The licensing requirement with respect to Type 12 regulated activity is, as of the date of this annual report, not yet in operation and the effective date will be appointed by the Hong Kong Secretary for Financial Services and the Treasury by notice published in the Gazette.

As of the date of this annual report, our following subsidiaries were licensed under the HKSFO to conduct the following regulated activities:

<u>Company</u>	<u>Type of Regulated Activities</u>
AMTD Global Markets Limited <sup>(1)</sup> . . . . .	Type 1, Type 2, Type 4, Type 6, and Type 9
Asia Alternative Asset Partners Limited <sup>(2)</sup> . . . . .	Type 1, Type 4, and Type 9

Notes:

- (1) The following conditions are currently imposed on the HKSFC license of AMTD Global Markets Limited:
  - For Type 6 regulated activity, the licensee shall not act as sponsor in respect of an application for the listing on a recognized stock market of any securities.
  - For Type 6 regulated activity, the licensee shall not advise on matters/transactions falling within the ambit of the Codes on Takeovers and Mergers and Share Buy-backs issued by the HKSFC.
- (2) The following conditions are currently imposed on the HKSFC license of Asia Alternative Asset Partners Limited:
  - The licensee shall only provide services to professional investors. The term “professional investor” is as defined in the HKSFO and its subsidiary legislation.



- The licensee shall not hold client assets. The terms “hold” and “client assets” are as defined under the HKSF0.
- For Type 1 regulated activity, the licensee shall only carry on the business of dealing in collective investment schemes. The terms “collective investment scheme” and “dealing” are as defined under the HKSF0.

#### *Licensed Corporation*

For application as a licensed corporation, the applicant has to be incorporated in Hong Kong or an overseas company registered with the Companies Registry of Hong Kong. The licensed corporation has to satisfy the HKSF0 that it has proper business structure, good internal control systems and qualified personnel to ensure the proper management of risks that it will encounter in carrying on the proposed regulated activities as detailed in its business plan submitted to the HKSF0. Detailed guidelines to meet the requirements and expectations of the HKSF0 are contained in the following publications of the HKSF0:

- “Guidelines on Competence”;
- “the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission,” or the Code of Conduct;
- “the Management, Supervision and Internal Control Guidelines for Persons Licensed by or Registered with the HKSF0”;
- “Corporate Finance Adviser Code of Conduct”;
- “Fund Manager Code of Conduct.”

#### *Responsible Officers*

For each regulated activity conducted by a licensed corporation, it must appoint no less than two responsible officers, at least one of them must be an executive director, to directly supervise the business of such regulated activity. A responsible officer is an individual approved by the HKSF0 to supervise the regulated activity or activities of the licensed corporation to which he or she is accredited. For each regulated activity of a licensed corporation, it should have at least one responsible officer available at all times to supervise the business.

#### *Qualification and Experience Required for Being a Responsible Officer*

A person who intends to apply to be a responsible officer must demonstrate that he or she fulfills the requirements on both competence and sufficient authority. An applicant should possess appropriate ability, skills, knowledge, and experience to properly manage and supervise the corporation’s regulated activity or activities. Accordingly, the applicant has to fulfill certain requirements on academic and industry qualifications, relevant industry experience, management experience, and local regulatory framework paper as stipulated by the HKSF0.

#### *Managers-in-Charge of Core Functions, or MICs*

A licensed corporation is required to designate certain individuals as MICs and provide to the HKSF0 information about its MICs and their reporting lines. MICs are individuals appointed by a licensed corporation to be principally responsible, either alone or with others, for managing each of the following eight core functions of the licensed corporation:

- (a) overall management oversight;
- (b) key business lines;
- (c) operational control and review;



- (d) risk management;
- (e) finance and accounting;
- (f) information technology;
- (g) compliance; and
- (h) anti-money laundering and counter-terrorist financing.

The management structure of a licensed corporation (including its appointment of MICs) should be approved by the board of the licensed corporation. The board should ensure that each of the licensed corporation's MICs has acknowledged his or her appointment as MIC and the particular core function(s) for which he or she is principally responsible.

#### *Fit and Proper Requirement*

Persons who apply for licenses under the HKSFO must satisfy and continue to satisfy after the grant of such licenses by the HKSFC that they are fit and proper persons to be so licensed. Generally, a fit and proper person means one who is financially sound, competent, honest, reputable, and reliable.

Section 129(1) of the HKSFO sets out a number of matters that the HKSFC shall have regard to in assessing the fitness and properness of a person, an individual, corporation, or institution, which includes:

- financial status or solvency;
- educational or other qualifications or experience having regard to the nature of the functions to be performed;
- ability to carry on the regulated activity concerned competently, honestly, and fairly; and
- reputation, character, reliability, and financial integrity of the applicant and other relevant persons as appropriate.

The above fit and proper criteria serve as the fundamental basis when the HKSFC considers each license or registration application. Detailed guidelines are contained in “the Fit and Proper Guidelines,” “the Licensing Information Booklet,” and “the Guidelines on Competence” published by the HKSFC.

The Fit and Proper Guidelines apply to a number of persons including the following:

- an individual who applies for license or is licensed under Part V of the HKSFO;
- a licensed representative who applies for approval or is approved as a responsible officer under Part V of the HKSFO;
- a corporation which applies for license or is licensed under Part V of the HKSFO;
- an authorized financial institution which applies for registration or is registered under Part V of the HKSFO;
- an individual whose name is to be or is entered in the register maintained by the Hong Kong Monetary Authority under section 20 of the Banking Ordinance (Cap. 155) of Hong Kong; and
- an individual who applies to be or has been given consent to act as an executive director of a registered institution under section 71C of the Banking Ordinance (Cap. 155 of Hong Kong).

Section 129(2) of the HKSFO empowers the HKSFC to take into consideration any of the following in considering whether a person is fit and proper:

- decisions made by such relevant authorities as stated in section 129(2)(a) of the HKSFO or any other authority or regulatory organization, whether in Hong Kong or elsewhere, in respect of that person;



- in the case of a corporation, any information relating to:
  - any other corporation within the group of companies; or
  - any substantial shareholder or officer of the corporation or of any of its group companies;
- in the case of a corporation licensed under section 116 or 117 of the HKSFPO or registered under section 119 of the HKSFPO or an application for such license or registration:
  - any information relating to any other person who will be acting for or on its behalf in relation to the regulated activity; and
  - whether the person has established effective internal control procedures and risk management systems to ensure its compliance with all applicable regulatory requirements under any of the relevant provisions;
- in the case of a corporation licensed under section 116 or section 117 of the HKSFPO or an application for the license, any information relating to any person who is or to be employed by, or associated with, the person for the purposes of the regulated activity; and
- the state of affairs of any other business which the person carries on or proposes to carry on.

The HKSFPC is obliged to refuse an application to be licensed if the applicant fails to satisfy the HKSFPC that the applicant is a fit and proper person to be licensed. The onus is on the applicant to make out a case that the applicant is fit and proper to be licensed for the regulated activity.

#### *Continuing Obligations of Licensed Corporations*

Licensed corporations, licensed representatives, and responsible officers must remain fit and proper as defined under the HKSFPO at all times. They are required to comply with all applicable provisions of the HKSFPO and its subsidiary rules and regulations as well as the codes and guidelines issued by the HKSFPC.

Outlined below are some of the key continuing obligations of the licensed corporations within the Group under the HKSFPO:

- maintenance of minimum paid-up share capital and liquid capital, and submission of financial returns to the HKSFPC in accordance with the requirements under the Securities and Futures (Financial Resources) Rules (as discussed in more detail below);
- maintenance of segregated account(s), and custody and handling of client securities in accordance with the requirements under the Securities and Futures (Client Securities) Rules (Chapter 571H of the Laws of Hong Kong);
- maintenance of segregated account(s), and holding and payment of client money in accordance with the requirements under the Securities and Futures (Client Money) Rules (Chapter 571I of the Laws of Hong Kong);
- maintenance of proper records in accordance with the requirements prescribed under the Securities and Futures (Keeping of Records) Rules (Chapter 571J of the Laws of Hong Kong);
- maintenance of insurance against specific risks for specified amounts in accordance with the requirements under the Securities and Futures (Insurance) Rules (Chapter 571A1 of the Laws of Hong Kong); and
- payment of annual fees and submission of annual returns to the HKSFPC within one month after each anniversary date of the license; and implementation of appropriate policies and procedures relating to client acceptance, client due diligence, record keeping, identification, and reporting of suspicious transactions and staff screening, education, and training in accordance with the requirements under the Guideline on Anti-Money Laundering and Counter-Terrorist Financing issued by the HKSFPC.



*Obligation for substantial shareholders*

A person shall, in relation to a corporation, be regarded as a substantial shareholder of the corporation if he, either alone or with any of his associates—

- (a) has an interest in shares in the corporation—
  - (i) the aggregate number of which shares is equal to more than 10% of the total number of issued shares of the corporation; or
  - (ii) which entitles the person, either alone or with any of his associates and either directly or indirectly, to exercise or control the exercise of more than 10% of the voting power at general meetings of the corporation; or
- (b) holds shares in any other corporation which entitles him, either alone or with any of his associates and either directly or indirectly, to exercise or control the exercise of 35% or more of the voting power at general meetings of the other corporation, or of a further corporation, which is itself entitled, either alone or with any of its associates and either directly or indirectly, to exercise or control the exercise of more than 10% of the voting power at general meetings of the corporation.

A person shall be regarded as being entitled to exercise or control the exercise of 35% or more of the voting power at general meetings of a corporation indirectly if he, either alone or with any of his associates, has an interest in shares in a further corporation which entitles him, either alone or with any of his associates, to exercise or control the exercise of 35% or more of the voting power at general meetings of the further corporation which is itself entitled, either alone or with any of its associates, to exercise or control the exercise of 35% or more of the voting power at general meetings of the first-mentioned corporation.

Under section 132 of the HKSFPO, a person (including a corporation) has to apply for HKSFSC's approval prior to becoming or continuing to be, as the case may be, a substantial shareholder of a corporation licensed under section 116 of the HKSFPO. A person who has become aware that he has become a substantial shareholder of a licensed corporation without HKSFSC's prior approval should, as soon as reasonably practicable and in any event within three business days after he becomes so aware, apply to the HKSFSC for approval to continue to be a substantial shareholder of the licensed corporation.

An application to the HKSFSC regarding the change of substantial shareholders of AMTD Global Markets Limited and Asia Alternative Asset Partners Limited was made in February 2019 and was approved by the HKSFSC in April 2019.

*Supervision by the HKSFSC*

HKSFSC supervises licensed corporations and intermediaries operating in the market. HKSFSC conducts on-site inspections and off-site monitoring to ascertain and supervise intermediaries' business conduct and compliance with relevant regulatory requirements and to assess and monitor the financial soundness of intermediaries.

*Disciplinary Power of the HKSFSC*

Under Part IX of the HKSFPO and subject to the due process for exercising disciplinary powers laid down in section 198 of the HKSFPO, the HKSFSC may exercise any of the following disciplinary actions against a regulated person (including a licensed person or a registered institution) if that person is found to be guilty of misconduct or the HKSFSC is of the opinion that a regulated person is not fit and proper to be or remain the same type of regulated person (sections 194 and 196 of the HKSFPO):

- revocation or suspension of a license or a registration;



- revocation or suspension of part of a license or registration in relation to any of the regulated activities for which a regulated person is licensed or registered;
- revocation or suspension of the approval granted to a responsible officer;
- public or private reprimand on a regulated person;
- prohibition of a regulated person from applying to be licensed or registered or to be approved as a responsible officer;
- prohibition of a regulated person from applying to be given consent to act or continue to act as an executive officer of a registered institution;
- prohibition of a regulated person from re-entry to be licensed or registered; and
- pecuniary penalty of not exceeding the amount of HK\$10 million or three times the amount of the profit gained or loss avoided as a result of the misconduct.

***Exchange And Clearing Participanship***

As of the date of this annual report, AMTD Global Markets Limited is a participant of the following:

<u>Exchange / Clearing House</u>	<u>Type of Participanship</u>
The Stock Exchange of Hong Kong Limited	Participant
Hong Kong Securities Clearing Company Limited, or HKSCC	Direct Clearing Participant

***Trading Rights***

In addition to the licensing requirements under the HKSFO, the rules promulgated by the SEHK and the HKFE require any person who wishes to trade on or through their respective facilities to hold a trading right, or Trading Right. The Trading Right confers on its holder the eligibility to trade on or through the relevant exchange. However, the holding of a Trading Right does not, of itself, permit the holder to actually trade on or through the relevant exchange. In order to do this, it is also necessary for the person to be registered as a participant of the relevant exchange in accordance with its rules.

Stock Exchange Trading Rights and Futures Exchange Trading Rights are issued by the SEHK and HKFE at a fee and in accordance with the procedures set out in their respective rules. Alternatively, Stock Exchange Trading Rights and Futures Exchange Trading Rights can be acquired from existing Trading Right holders subject to the rules of the respective exchanges.

***Exchange Participanship***

The table below sets out a summary of the requirements for becoming an exchange participant of the relevant exchange:

	<u>Hong Kong Stock Exchange Participant / Stock Options / Exchange Participant</u>	<u>Future Exchange Participant</u>
Legal Status	Being a company limited by shares incorporated in Hong Kong	
HKSFC Registration	Being a licensed corporation qualified to carry out Type 1 regulated activity under the HKSFO	Being a licensed corporation qualified to carry out Type 2 regulated activity under the HKSFO
Trading Right	Holding a Stock Exchange Trading Right	Holding a Futures Exchange Trading Right
Financial Standing	Having good financial standing and integrity	
Financial Resources Requirement	Complying with the minimum capital requirement, liquid capital requirement and other financial resources requirements as specified by the FRR	



### *Clearing Participantship*

An entity must be an exchange participant of the relevant exchange before it can become a clearing participant of the following clearing houses, namely the HKSCC, HKFE Clearing Corporation Limited, and The SEHK Options Clearing House Limited.

### *HKSCC*

HKSCC has, among others, two categories of participantship: (i) the Direct Clearing Participant; and (ii) the General Clearing Participant. The requirements of Direct Clearing Participantship are as follows:

- to be an Exchange Participant of the SEHK;
- to undertake to (i) sign a participant agreement with HKSCC; (ii) pay to HKSCC an admission fee of HK\$50,000 in respect of each Stock Exchange Trading Right held by it; and (iii) pay to HKSCC its contribution to the Guarantee Fund of HKSCC as determined by HKSCC from time to time subject to a minimum cash contribution of the higher of HK\$50,000 or HK\$50,000 in respect of each Stock Exchange Trading Right held by it;
- to open and maintain a single current account with one of the Central Clearing and Settlement System, or CCASS, designated banks and execute authorizations to enable the designated bank to accept electronic instructions from HKSCC to credit or debit the account for CCASS money settlement, including making payment to HKSCC;
- to provide a form of insurance to HKSCC as security for liabilities arising from defective securities deposited by it into CCASS, if so required by HKSCC; and
- to have a minimum liquid capital of HK\$3,000,000.

### *Mandatory Provident Fund Scheme*

#### *Introduction*

The Mandatory Provident Fund Schemes Ordinance (Cap. 485) of Hong Kong, or MPFSO, including its subsidiary legislation, is the principal legislation to provide the framework for the establishment of a system of privately managed, employment-related mandatory provident fund, or MPF, schemes to accrue MPF benefits for members of the workforce of Hong Kong when they retire.

#### *The MPFA*

The Mandatory Provident Fund Schemes Authority, or the MPFA, is a statutory body established on September 17, 1998 under section 6 of MPFSO and its role is to regulate and supervise the operations of MPF schemes and occupational retirement schemes.

MPFA works with other financial regulators in Hong Kong in overseeing MPF products and MPF intermediaries to ensure efficient and effective operation of the MPF System. It is the authority to register MPF intermediaries, to issue guidelines on compliance with statutory requirements applicable to registered MPF intermediaries, and to impose disciplinary sanctions. Hong Kong Monetary Authority, Insurance Authority, and HKSFC are given the statutory role of frontline regulators responsible for the supervision and investigation of registered MPF intermediaries.

#### *Licensing Regime Under the MPFSO*

The MPFSO stipulates that no person shall, in the course of carrying on a business or his employment, engage in any regulated MPF sales and marketing activities, or hold himself out as doing so, unless the person is registered with MPFA (and the registration is not suspended) or is exempted from registration.





There are two types of MPF intermediaries, namely, principal intermediary, or PI, and subsidiary intermediary, or SI, both of which must register with MPFA.

### *MPF Intermediaries and Regulated Activities*

#### MPF Intermediaries

The MPFA may register any of the following business entities (i.e., Type A regulatees) as a PI for carrying on regulated activities:

- (a) an authorized financial institution registered under the HKSFO for Type 1 or Type 4 regulated activity, or both;
- (b) a corporation licensed under the HKSFO to carry on Type 1 or Type 4 regulated activity, or both;
- (c) an insurer authorized under the Insurance Ordinance (Cap. 41) of Hong Kong, or IO, to carry on long term insurance business; and
- (d) an authorized long term insurance broker under the IO.

The MPFA may register any of the following persons (i.e., Type B regulatees) as a SI attached to a PI for carrying on regulated activity on behalf of a PI, provided the individual fulfills relevant requirements (including but not limited to examination and training requirements):

- (a) an individual licensed under the HKSFO to carry on Type 1 or Type 4 regulated activity, or both;
- (b) an individual registered under the Banking Ordinance (Chapter 155, Laws of Hong Kong) to carry on Type 1 or Type 4 regulated activity, or both;
- (c) a licensed individual insurance agent, as defined under the IO, who is eligible to engage in long term business;
- (d) a licensed insurance agency, as defined under the IO, or Licensed Insurance Agency, who is eligible to engage in long term business;
- (e) a licensed technical representative (agent), as defined under the IO who is appointed as an agent by a Licensed Insurance Agency; and
- (f) a technical representative (broker), as defined under the IO, who is appointed as an agent by a licensed insurance broker company as defined under the IO.

#### Regulated Activities

A person is required to be registered with MPFA as an MPF intermediary before he can engage in MPF sales and marketing activities that may influence a prospective or existing participant of an MPF scheme in making a decision that affects the latter's benefits in an MPF scheme.

Registration is required for a person who engages in any of the following sales and marketing activities, or regulated activities, in the course of his employment, conducting business or for reward:

- (a) inviting or inducing, or attempting to invite or induce, another person to make a specified MPF decision; or
- (b) giving advice to another person concerning a specified MPF decision.

### *Approval Criteria for a Responsible Officer*

To be approved as a responsible officer, an SI must meet the following requirements:

- he or she must be attached to a PI and have sufficient authority within the PI, and will be provided with sufficient, resources, and support for carrying out specified responsibilities in relation to the PI;



- the approval of the SI as a responsible officer has not been revoked by MPFA under section 34ZW(4)(a)(i) of the MPFSO within one year immediately before the date of the application; and
- he or she is not disqualified by MPFA under section 34ZW(4)(a)(ii) of the MPFSO from being approved as a responsible officer with specified responsibilities in relation to a PI.

As of the date of this annual report, AMTD Global Markets Limited was licensed under the MPFSO as PI.

### ***Anti-Money Laundering And Counter-Terrorist Financing***

Licensed corporations are required to comply with the applicable anti-money laundering and counter-terrorist financing laws and regulations in Hong Kong (including Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (Cap. 615) of Hong Kong as well as the Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Licensed Corporations), or Anti-Money Laundering Guideline).

The Anti-Money Laundering Guideline provides practical guidance to assist licensed corporations and their senior management in designing and implementing their own anti-money laundering and counter-terrorist financing policies, procedures and controls in order to meet the relevant legal and regulatory requirements in Hong Kong. Under the Anti-Money Laundering Guideline, licensed corporations should, among other things:

- take all reasonable measures to ensure that proper safeguards exist to mitigate the risks of money laundering and terrorism financing, or ML/TF, and to prevent a contravention of any requirement;
- establish and implement adequate and appropriate anti-money laundering and counter-financing of terrorism systems;
- consider the characteristics of the products and wits that it offers end the extent to which these are vulnerable to ML/TF abuse;
- consider its delivery/distribution chattels end the testing to which these are vulnerable to ML/TF abuse;
- when assessing the customer risk, consider who their customers are, when they do and any other information that may suggest the customer is of higher risk;
- be vigilant where the customer is of such a legal form that enables individuals to divest themselves of ownership of property whilst retaining an element of control over it or the business/industrial sector to which a customer has business connections is more vulnerable to corruption;
- consider risks inherent in the nature of the activity of the customer sold the possibility that the transaction may itself be a criminal transaction; and
- pay particular attention to countries or geographical locations of operation with which its customers and intermediaries are connected where they are subject to high levels of organized crime, increased vulnerabilities to corruption and inadequate systems to prevent and detect ML/TF.





## Our Relationship with the Controlling Shareholder

As of the date of this annual report, our company is 50.6%-owned by our Controlling Shareholder, representing 88.2% of the total voting power in our company. Historically, our Controlling Shareholder has provided us with business premises, financial, accounting, administrative, legal, and human resources services, as well as the services of a number of its executive officers and other employees, the costs of which were allocated to us based on actual usage or proportion of revenues and infrastructure usage attributable to our business, among other things. We have begun to invest in our own financial, accounting, and legal functions separate from those of our Controlling Shareholder, and we will further establish other support systems of our own or contract with third parties to provide them to us after we become a stand-alone public company.

Treasury functions are conducted centrally under our Controlling Shareholder and intra-group treasury fund transfers were carried out among the entities within AMTD Group. The treasury function manages available funds at our Controlling Shareholder level and allocates the funds to various entities within AMTD Group for their operations. We may also leverage our Controlling Shareholder to settle receivables or payables arising from acquisitions or disposals of investments. As of December 31, 2021, the amount due from entities within AMTD Group in connection with intra-group treasury fund allocation was HK\$2.1 billion (US\$275.0 million).

We entered into agreements with our Controlling Shareholder with respect to our ongoing relationship in June 2019. These agreements include a master transaction agreement, a transitional services agreement, and a non-competition agreement. The following are summaries of these agreements.

### *Master Transaction Agreement*

Pursuant to the master transaction agreement, we are responsible for all financial liabilities associated with the current and historical investment banking, asset management, and strategic investment businesses and operations that have been conducted by or transferred to us, and our Controlling Shareholder is responsible for financial liabilities associated with all of our Controlling Shareholder's other current and historical businesses and operations, in each case regardless of the time those liabilities arise. The master transaction agreement also contains indemnification provisions under which we and our Controlling Shareholder agree to indemnify each other with respect to breaches of the master transaction agreement or any related inter-company agreement.

In addition, we agree to indemnify our Controlling Shareholder, its subsidiaries and each of their directors, officers and employees against liabilities arising from misstatements or omissions in our prospectus dated August 2, 2019 or the registration statement of which it is a part, except for misstatements or omissions relating to information that our Controlling Shareholder or any of its subsidiaries provided to us specifically for inclusion in our prospectus dated August 2, 2019 or the registration statement of which it forms a part. Our Controlling Shareholder will indemnify us including each of our subsidiaries, director, officers and employees against liabilities arising from misstatements or omissions with respect to information that our Controlling Shareholder or any of its subsidiaries provided to us specifically for inclusion in our prospectus dated August 2, 2019, the registration statement of which our prospectus dated August 2, 2019 forms a part of our annual reports or other SEC filings.

The master transaction agreement also contains a general release, under which the parties will release each other, including each party's subsidiaries, directors, officers and employees from any liabilities arising from events occurring on or before the initial filing date of the registration statement for our initial public offering, including in connection with the activities to implement our initial public offering. The general release does not apply to liabilities allocated between the parties under the master transaction agreement, the transitional services agreement, and the non-competition agreement.

The master transaction agreement sets forth the investment opportunity referral procedures, pursuant to which our Controlling Shareholder agrees to first present investment opportunities to us for consideration within



a specified period and to refrain from pursuing these investment opportunities. Our Controlling Shareholder agrees to pursue these investment opportunities for itself only after we forego pursuing these investment opportunities or upon expiration of the specified period should we fail to respond, with the exception of subsequent investments by our Controlling Shareholder in its existing investee companies. When determining whether or not to pursue an investment opportunity, members of our investment committee that have overlapping duties as directors or officers in our Controlling Shareholder will abstain from participating in the investment decision-making and approval process.

Furthermore, under the master transaction agreement, we agree to use our reasonable best efforts to select the same independent registered public accounting firm, or auditor, used by our Controlling Shareholder and provide to our Controlling Shareholder as much prior notice as reasonably practical of any change in our auditor until the first fiscal year end occurring after our Controlling Shareholder no longer owns in aggregate at least 20% of the voting power of our then outstanding shares.

Pursuant to the master transaction agreement, we are licensed by our Controlling Shareholder to use certain of its intellectual properties for free.

The master transaction agreement will automatically terminate on the date that is two years after the first date upon which our Controlling Shareholder ceases to own in aggregate at least 20% of the voting power of our then outstanding shares. This agreement can be terminated earlier or extended by mutual written consent of the parties. The termination of this agreement will not affect the validity and effectiveness of the transitional services agreement and the non-competition agreement.

#### *Transitional Services Agreement*

Under the transitional services agreement, our Controlling Shareholder agrees that, during the service period, as described below, our Controlling Shareholder will provide us with various corporate support services, including but not limited to:

- administrative support;
- marketing and branding support;
- technology support; and
- provision of office space and facilities.

Our Controlling Shareholder may also provide us with additional services that we and our Controlling Shareholder may identify from time to time in the future.

The price to be paid for the services provided under the transitional service agreement is determined according to the terms of the agreement. The transitional service agreement provides that the performance of a service according to the agreement will not subject the provider of such service to any liability whatsoever except as directly caused by the gross negligence or willful misconduct of the service provider. Liability for gross negligence or willful misconduct is limited to the lower of the price paid for the particular service or the cost of the service's recipient performing the service itself or hiring a third party to perform the service. Under the transitional services agreement, the service provider of each service is indemnified by the recipient against all third-party claims relating to provision of services or the recipient's material breach of a third-party agreement, except where the claim is directly caused by the service provider's gross negligence or willful misconduct.

The service period under the transitional services agreement commenced on June 20, 2019 for a period of 18 months, and had been renewed for an additional 18 months subsequently on December 20, 2020.



### *Non-competition Agreement*

Our non-competition agreement with our Controlling Shareholder provides for a non-competition period beginning upon our initial public offering and ending on the later of (i) two years after the first date when our Controlling Shareholder ceases to own in aggregate at least 20% of the voting power of our then outstanding shares and (ii) the fifth anniversary of our initial public offering. This agreement can be terminated earlier by mutual written consent of the parties.

Our Controlling Shareholder has agreed not to compete with us during the non-competition period in our investment banking and asset management businesses that are both primarily targeting institutional and corporate clients, except for owning non-controlling equity interest in any company competing with us. We have agreed not to compete with our Controlling Shareholder during the non-competition period in the businesses currently conducted by our Controlling Shareholder, except (i) for continuing to provide investment banking and asset management products and services to our existing individual clients, and (ii) for owning non-controlling equity interest in any company competing with our Controlling Shareholder.

The non-competition agreement also provides for a mutual non-solicitation obligation that neither our Controlling Shareholder nor we may, during the non-competition period, hire, or solicit for hire, any active employees of, or individuals providing consulting services to the other party, or any former employees of, or individuals providing consulting services to the other party within six months of the termination of their employment or consulting services, without the other party's consent, except for solicitation activities through generalized non-targeted advertisement not directed to such employees or individuals that do not result in a hiring within the non-competition period.

### *D. Property, Plants and Equipment*

Our principal executive offices are located on leased premises comprising approximately 18,260 square feet in Hong Kong as of December 31, 2021. Our principal executive offices are leased by our Controlling Shareholder from independent third parties. Our Controlling Shareholder shared with us part of its office space and certain office infrastructure, who plans to renew the lease from time to time as needed.

We intend to add new premises or expand our existing premises as we add employees and expand our organization. We believe that suitable additional or alternative space will be available in the future on commercially reasonable terms to accommodate our foreseeable future expansion.

## **ITEM 4A. UNRESOLVED STAFF COMMENTS**

We received a comment letter from the staff of the SEC's Division of Corporation Finance on September 23, 2021, November 18, 2021, January 13, 2022, and April 12, 2022, with respect to our annual report on Form 20-F for the fiscal year ended December 31, 2020 filed with the Commission on April 28, 2021, requesting us to provide certain disclosures relating to, among others, our results of operations, our corporate structure, risks associated with our corporate structure and with having operations in China, risk associated with the delisting of our securities under the Holding Foreign Companies Accountable Act and the Accelerating Holding Foreign Companies Accountable Act permission that we are required to obtain from PRC authorities to operate and issue securities to foreign investors, cash and asset transfer within our organization and dividends and distributions made by us, and regulatory development in China.

We filed responses on October 19, 2021, November 24, 2021, January 14, 2022 and April 14, 2022 and we are awaiting the SEC's response. As of the date of this annual report, we have not received confirmation from the staff of the Division of Corporation Finance of the SEC that its review process relating to our annual report on Form 20-F for the fiscal year ended December 31, 2020 filed with the Commission on April 28, 2021 has been completed. If we receive additional comments from the staff, we intend to resolve such additional comments promptly.



**ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS**

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included elsewhere in this annual report on Form 20-F. This discussion may contain forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under “Item 3. Key Information—D. Risk Factors” or in other parts of this annual report.

*A. Operating Results*

In 2019, 2020, and 2021, we derived total revenue of HK\$1.2 billion, HK\$1.1 billion and HK\$1.4 billion (US\$179.2 million), respectively, and derived total comprehensive income of HK\$830.9 million, HK\$1.1 billion and HK\$1.2 billion (US\$156.7 million), respectively.

Our business and results of operations are affected by a number of general factors affecting the financial services industry in Hong Kong, including the overall economic environment in Greater China, the conditions and trends of capital markets, and government policies and initiatives affecting the financial services industry in Greater China. Unfavorable changes in any of these general conditions could adversely affect demand for our services and materially and adversely affect our results of operations. However, the Hong Kong and PRC governments’ development plans and policies, including those relating to the development of the Greater Bay Area, are expected to boost the future development of the financial services industry in Hong Kong.

**Major Factors Affecting Our Results of Operations**

**Revenue**

Our revenue consists of (i) fee and commission income, (ii) dividend and gain related to disposed investment, and (iii) net fair value changes on financial assets at fair value through profit or loss, or FVTPL, and derivatives. The following table sets forth a breakdown of our revenue in absolute amount and as a percentage of total revenue for the periods presented.

	For the Year Ended December 31,						
	2019		2020		2021		
	HK\$	%	HK\$	%	HK\$	US\$	%
	(in thousands, except for percentages)						
<b>Revenue</b>							
Fee and commission income . . . . .	580,006	48.2	607,263	54.3	680,478	87,245	48.7
Dividend and gain related to disposed investments . . . . .	100,552	8.3	171,027	15.3	173,823	22,286	12.4
Net fair value changes on financial assets at FVTPL, stock loan and derivatives . . . . .	523,616	43.5	340,250	30.4	543,543	69,689	38.9
<b>Total . . . . .</b>	<b>1,204,174</b>	<b>100.0</b>	<b>1,118,540</b>	<b>100.0</b>	<b>1,397,844</b>	<b>179,220</b>	<b>100.0</b>



*Fee and commission income*

The following table sets forth a breakdown of our fee and commission income in absolute amount and as a percentage of total fee and commission income for the periods presented.

	For the Year Ended December 31,						
	2019		2020		2021		
	HK\$	%	HK\$	%	HK\$	US\$	%
	(in thousands, except for percentages)						
<b>Fee and Commission Income</b>							
Investment banking fees and commissions . . . .	455,956	78.6	376,325	62.0	597,098	76,555	87.7
Asset management fees and other income . . . . .	124,050	21.4	230,938	38.0	83,380	10,690	12.3
<b>Total</b> . . . . .	<b>580,006</b>	<b>100.0</b>	<b>607,263</b>	<b>100.0</b>	<b>680,478</b>	<b>87,245</b>	<b>100.0</b>

We derive fee and commission income from two business lines: investment banking and asset management. Investment banking business represents the primary source of our fee and commission income, which we earn primarily from (i) underwriting IPOs and bond offerings, (ii) advising on private financing, (iii) mergers and acquisitions transactions, and (iv) financial advisory services in relation to equity or bond disposals. We also derive asset management fees and other income from asset management business.

We charge asset management fees on a client-by-client basis with reference to the size of AUM. The following table sets forth the rollforward of our AUM for the periods presented.

	For the Year Ended December 31,			
	2019	2020	2021	
	HK\$	HK\$	HK\$	US\$
	(in thousands)			
<b>AUM</b>				
Balance at the beginning of the period . . . . .	18,263,267	26,199,526	26,097,459	3,346,000
Net change in clients' portfolio <sup>(1)</sup> . . . . .	7,936,259	(102,067)	(1,849)	(237)
Balance at the end of the period . . . . .	26,199,526	26,097,459	26,095,610	3,345,763

Note:

- (1) Net change in clients' portfolio represents net deposit of clients' cash and stock and net balance of dividend and coupon received, fee charges, and fair value change of clients' portfolio.

The following table sets forth the weighted average asset management fee rates for the periods presented.

	For the Year Ended December 31,		
	2019	2020	2021
Weighted Average Asset Management Fee Rate <sup>(1)</sup> . . . . .	0.55%	0.88%	0.32%

Note:

- (1) Calculated by dividing total asset management fee income for the period by average AUM for the corresponding period, which is in turn calculated by dividing the sum of AUM at the beginning and end of the relevant period by two.

The weighted average asset management fee rate increased from 0.55% in 2019 to 0.88% in 2020, primarily due to change in product mix and improvement in return. The weighted average asset management fee rate decreased from 0.88% in 2020 to 0.32% in 2021, primarily due to the fluctuation in the capital markets, which reflected the competitive fee rates we decided to charge over time.





*Dividend and gain related to disposed investment*

We make equity investments with our own capital in companies of our strategic choice. Our dividend and gain related to disposed investment in 2019 solely consisted of dividend attributable to our equity holdings in Bank of Qingdao. Our dividend and gain related to disposed investment in 2020 and 2021 consisted of various strategic and financial investments.

*Net fair value changes on investments and derivatives*

We record net fair value changes on financial assets at fair value through profit or loss and derivative investments with respect to our strategic investments, which primarily include equity investments in both public and private companies. For a discussion of fair value measurement of our financial assets, see “Item 5. Operating And Financial Review And Prospects—A. Operating Results—Critical Accounting Estimates—Fair value of unlisted equity investments and derivatives financial assets.”

**Other income**

Other income consists of (i) bank interest income, (ii) interest income from Controlling shareholder, and (iii) other non-recurring miscellaneous income.

**Other operating expenses**

Our other operating expenses consist of (i) marketing and brand promotional expenses relating to brand building and promotion, (ii) premises costs and office utilities, (iii) traveling and business development expenses, (iv) commissions paid to asset management sales personnel and bank charges, (v) administrative service fee, and office and maintenance expenses, (vi) professional and consulting fees for business development, (vii) staff welfare and recruitment expenses, (viii) professional indemnity expenses, and (ix) other miscellaneous expenses.

The following table sets forth a breakdown of our operating expenses in absolute amount and as a percentage of total operating expenses for the periods presented.

	For the Year Ended December 31,						
	2019		2020		2021		
	HK\$	%	HK\$	%	HK\$	US\$	%
	(in thousands, except for percentages)						
<b>Other Operating Expenses</b>							
Marketing and brand promotional expenses . . . .	12,904	11.3	5,697	5.5	598	77	0.7
Premises costs and office utilities . . . . .	21,118	18.4	20,846	20.1	22,048	2,827	26.3
Traveling and business development expenses . .	19,363	16.9	5,636	5.4	3,747	480	4.5
Commissions and bank charges . . . . .	2,307	2.0	1,957	1.9	1,308	168	1.6
Administrative service fee, and office and maintenance expenses . . . . .	13,431	11.7	24,505	23.6	24,385	3,126	29.1
Legal and professional fees . . . . .	23,179	20.2	36,315	35.0	24,663	3,162	29.4
Staff welfare and staff recruitment expenses . . . .	2,472	2.2	1,224	1.2	2,322	298	2.8
Stamp duty . . . . .	2,116	1.8	—	—	—	—	—
Others . . . . .	17,807	15.5	7,543	7.3	4,723	606	5.6
<b>Total . . . . .</b>	<b>114,697</b>	<b>100.0</b>	<b>103,723</b>	<b>100.0</b>	<b>83,794</b>	<b>10,744</b>	<b>100.0</b>



**Staff costs**

Staff costs consist of employee salaries, bonuses, and pension scheme contributions. The following table sets forth a breakdown of our staff costs for the periods presented.

	For the Year Ended December 31,			
	2019	2020	2021	
	HK\$	HK\$	HK\$	US\$
			(in thousands)	
<b>Staff Costs</b>				
Salaries and bonuses . . . . .	93,704	93,661	94,776	12,151
Pension scheme contributions (defined contribution schemes) . . . . .	903	749	810	104
<b>Total</b> . . . . .	<b>94,607</b>	<b>94,410</b>	<b>95,586</b>	<b>12,255</b>

**Finance costs**

Finance costs represent our interest expenses on our margin loans payable, convertible bond and bank borrowings.

**Seasonality**

Our results of operations are subject to fluctuations due to the nature of investment banking and asset management businesses. Seasonality of our business was not apparent historically.

**Taxation**

We had income tax expense of HK\$158.4 million, income tax credit of HK\$137.5 million and income tax expense of HK\$109.3 million (US\$14.0 million) for the years ended December 31, 2019, 2020, and 2021, respectively. The following summarizes our applicable tax rates in the Cayman Islands and Hong Kong.

**Cayman Islands**

The Cayman Islands currently levies no taxes on individuals or corporations outside of the Cayman Islands based upon profits, income, gains, or appreciation. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties, which may be applicable on instruments executed in, or, after execution, brought within the jurisdiction of the Cayman Islands. In addition, the Cayman Islands does not impose withholding tax on dividend payments.

**Hong Kong**

Our Hong Kong subsidiaries are subject to a 8.25% Hong Kong profit tax on the first HK\$2,000,000 of the taxable income generated from operations in Hong Kong. Any taxable income above HK\$2,000,000 will be subject to a 16.5% Hong Kong profit tax. Under the Hong Kong tax laws, our Hong Kong subsidiaries are exempted from the Hong Kong income tax on our foreign-derived income. In addition, payments of dividends from our Hong Kong subsidiaries to us are not subject to any Hong Kong withholding tax.

For more information on tax regulations, see “Item 10. Additional Information—E. Taxation.”

**Critical Accounting Estimates**

We prepare our financial statements in accordance with IFRS issued by the IASB, which requires us to make judgments, estimates, and assumptions. We continually evaluate these estimates and assumptions based on



the most recently available information, our own historical experience, and various other assumptions that we believe to be reasonable under the circumstances. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from our expectations as a result of changes in our estimates. Some of our accounting policies require a higher degree of judgment than others in their application and require us to make significant accounting estimates.

The following descriptions of critical judgments and estimates should be read in conjunction with our consolidated financial statements and other disclosures included in this annual report. When reviewing our financial statements, you should consider (i) our selection of significant accounting policies, (ii) the judgments and other uncertainties affecting the application of such policies, and (iii) the sensitivity of reported results to changes in conditions and assumptions.

Some of our significant accounting policies as disclosed in note 2.4 of consolidated financial statements require critical accounting estimates and judgements. We have identified and described the critical accounting estimates in the following section.

### ***Fair value of unlisted equity investments and derivatives financial assets***

Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety. The type and level of judgment required is dependent on the amount of observable market-based data available to the Company. For instruments valued using valuation models and techniques that use significant unobservable inputs and are therefore classified within level 3 of the fair value hierarchy, judgments used to estimate fair value are more significant than those required when estimating the fair value of instruments classified within levels 1 and 2.

In determining the estimate of fair value for an instrument within level 3, the management firstly determines the appropriate and reasonable valuation model and technique to use. Second, the lack of availability of market-based data requires management to assess relevant empirical data in deriving valuation inputs with significant judgements and assumption. Details of the significant unobservable inputs used in the level 3 valuation are presented in note 29 “Fair Value and Fair Value Hierarchy of Financial Instruments” in the consolidated financial statements.

Estimation of unobservable market inputs or other factors can affect the amount of gain or loss recorded in the reporting period and the amount of the position as at year end. The Company believes the estimates applied to be based on reasonable assumptions, but which are inherently uncertain. As a result, actual results may differ from the assumptions and judgments used to determine fair value of the financial instruments acquired. Changes in these estimates and assumptions and valuation model or techniques may have a material effect on our financial condition and results of operations. Details of the sensitivity of fair value of the level 3 instruments to the significant unobservable inputs are presented in note 29 “Fair Value and Fair Value Hierarchy of Financial Instruments” in the consolidated financial statements.

### ***Deferred taxation on investments***

Significant judgments on the tax treatment of unrealized gain on investments under the strategic investment segment are required in determining current and deferred tax provisions. Our intentions have always been to hold these investments for capital appreciation, however there is uncertainty on whether it is probable that the unrealized gain can be treated as capital in nature and not assessable for profits tax under the relevant tax laws. As such, deferred tax provisions have been recorded under certain circumstances. These investments have also been classified as current assets accordingly for the respective periods. We carried out periodical review based on the internal policy and re-evaluated the classification of these investments and recognition of the relevant tax treatment. In cases where changes in facts and circumstances, a material further recognition or reversal of current



and/or deferred tax liabilities may arise, which would be recognized in profit or loss for the period in which such further recognition or reversal takes place.

### Inflation

To date, inflation in Hong Kong has not materially affected our results of operations. According to the Census and Statistics Department of Hong Kong, the year-over-year percent changes in the consumer price index for December 2019, 2020, and 2021 were increases of 2.9%, 0.3%, and 2.4%, respectively. Although we have not been materially affected by inflation in the past, we may be affected if Hong Kong experiences higher rates of inflation in the future.

### Results of Operations

	For the Year Ended December 31,						
	2019		2020		2021		
	HK\$	%	HK\$	%	HK\$	US\$	%
	(in thousands, except for percentages)						
<b>Revenue</b>							
Fee and commission income . . . . .	580,006	48.2	607,263	54.3	680,478	87,245	48.7
Dividend and gain related to disposed investments . . . . .	100,552	8.3	171,027	15.3	173,823	22,286	12.4
Sub-total . . . . .	680,558	56.5	778,290	69.6	854,301	109,531	61.1
Net fair value changes on investments, stock loan and derivatives . . . . .	523,616	43.5	340,250	30.4	543,543	69,689	38.9
Total revenue . . . . .	<b>1,204,174</b>	<b>100.0</b>	<b>1,118,540</b>	<b>100.0</b>	<b>1,397,844</b>	<b>179,220</b>	<b>100.0</b>
Other income . . . . .	22,090	1.8	111,867	10.0	125,538	16,095	9.0
Impairment loss under expected credit loss made on financial assets . . . . .	—	—	(17,109)	(1.5)	—	—	—
Other operating expenses . . . . .	(114,697)	(9.5)	(103,723)	(9.3)	(83,794)	(10,743)	(6.0)
Staff costs . . . . .	(94,607)	(7.8)	(94,410)	(8.5)	(95,586)	(12,255)	(6.8)
Finance costs . . . . .	(27,706)	(2.3)	(21,510)	(1.9)	(12,826)	(1,644)	(0.9)
Net fair value changes on derivative financial liability . . . . .	—	—	7,765	0.7	—	—	—
Profit before tax . . . . .	<b>989,254</b>	<b>82.2</b>	<b>1,001,420</b>	<b>89.5</b>	<b>1,331,176</b>	<b>170,673</b>	<b>95.3</b>
Income tax (expense)/credit . . . . .	(158,350)	(13.2)	137,541	12.3	(109,295)	(14,013)	(7.8)
Profit for the year . . . . .	<b>830,904</b>	<b>69.0</b>	<b>1,138,961</b>	<b>101.8</b>	<b>1,221,881</b>	<b>156,660</b>	<b>87.5</b>



**Segment Information**

We report our results of operations in three reportable segments: investment banking, asset management, and strategic investment, which correspond to our business lines. The following table sets forth certain financial information of our reportable segments for the periods presented.

	For the Year Ended December 31,			
	2019	2020	2021	
	HK\$	HK\$	HK\$	US\$
	(in thousands)			
<b>Investment Banking</b>				
Segment revenue	455,956	376,325	597,098	76,555
Segment results <sup>(1)</sup>	413,354	339,933	580,773	74,462
<b>Asset Management</b>				
Segment revenue	124,050	230,938	83,380	10,690
Segment results <sup>(1)</sup>	109,182	225,338	77,731	9,966
<b>Strategic Investment</b>				
Segment revenue	624,168	511,277	717,367	91,975
Segment results <sup>(1)</sup>	624,168	511,277	717,367	91,975
<b>Total segment results</b>	<b>1,146,704</b>	<b>1,076,548</b>	<b>1,375,871</b>	<b>176,403</b>

Note:

- (1) The segment results represent segment revenue that excludes (i) unallocated corporate and other expenses, (ii) unallocated finance costs, and (iii) unallocated other income.

For reconciliation of segment revenue to consolidated revenue and reconciliation of segment results to consolidated profit before tax, see note 4 to our consolidated financial statements for the years ended December 31, 2019, 2020, and 2021.

**Year Ended December 31, 2021 Compared to Year Ended December 31, 2020**

*Revenue*

Fee and commission income. Our fee and commission income increased by 12.1% from HK\$607.3 million in 2020 to HK\$680.5 million (US\$87.2 million) in 2021, primarily due to:

- *Investment banking segment.* Our fee and commission income from the investment banking segment increased by 58.7% from HK\$376.3 million in 2020 to HK\$597.1 million (US\$76.6 million) in 2021, primarily due to our successful branching out to secondary markets as well as the maintenance of our core strengths to capture opportunities in the primary markets.
- *Asset management segment.* Our fee and commission income from the asset management segment decreased by 63.9% from HK\$230.9 million in 2020 to HK\$83.4 million (US\$10.7 million) in 2021, primarily due to the expiration of existing asset management agreement and our offering of more competitive fee rates in the middle of difficult market condition, globally.

Dividend and gain related to disposed investments. Our dividend and gain related to disposed investment increased by 1.6% from HK\$171.0 million in 2020 to HK\$173.8 million (US\$22.3 million) in 2021, primarily due to an increase in net gain from disposal of financial instruments .

Net fair value changes on investments, stock loan and derivatives. The net fair value gain amounted to HK\$543.5 million (US\$69.7 million) in 2021, representing an increase of 59.7% as compared to 2020, primarily due to an increase in the fair value of our investment portfolio partially offset by a reduction in derivative financial assets. The net fair value gain arising from investments in equity securities of related parties were HK\$545.2 million (US\$69.9 million) and HK\$336.4 million for the years ended December 31, 2021 and 2020, respectively.



#### *Other income*

Our other income increased by 12.2% from HK\$111.9 million in 2020 to HK\$125.5 million (US\$16.1 million) in 2021, primarily attributable to an increase in the net average outstanding balance due from our immediate holding company, which was interest bearing.

#### *Other operating expenses*

Our other operating expenses decreased by 19.2% from HK\$103.7 million in 2020 to HK\$83.8 million (US\$10.7 million) in 2021, primarily due to (i) a decrease in professional and consulting fees of HK\$11.7 million (US\$1.5 million), and (ii) a decrease of an aggregate of HK\$7.0 million (US\$0.9 million) in marketing and brand promotion expenses as well as traveling and business development expenses as a result of the persisting pandemic situation.

#### *Staff costs*

Our staff costs remained stable from HK\$94.4 million in 2020 to HK\$95.6 million (US\$12.3 million) in 2021.

#### *Finance costs*

Our finance costs decreased by 40.4% from HK\$21.5 million in 2020 to HK\$12.8 million (US\$1.6 million) in 2021, primarily due to the active liability management effected to proactively reduce the gearing ahead of maturities to continuously improve our financial metrics.

#### *Income tax (expense)/credit*

Income tax credit of HK\$137.5 million and income tax expense of HK\$109.3 million (US\$14.0 million) were recorded for 2020 and 2021, respectively. The change was primarily due to a reversal of deferred tax liability of HK\$242.9 million provided on fair value changes of certain investments in prior period, which were considered to be capital gains in nature and therefore not subject to profits tax.

#### *Profit for the year*

As a result of the foregoing, our profit increased by 7.3% from HK\$1,139.0 million in 2020 to HK\$1,221.9 million (US\$156.7 million) in 2021.

### ***Year Ended December 31, 2020 Compared to Year Ended December 31, 2019***

#### *Revenue*

Fee and commission income. Our fee and commission income increased by 4.7% from HK\$580.0 million in 2019 to HK\$607.3 million in 2020, primarily due to:

- *Investment banking segment.* Our fee and commission income from the investment banking segment decreased by 17.5% from HK\$456.0 million in 2019 to HK\$376.3 million in 2020, primarily due to a decrease in our fees and commissions for (i) equity offerings and financial advisory services, and (ii) debt capital market deals.
- *Asset management segment.* Our fee and commission income from the asset management segment increased by 86.1% from HK\$124.1 million in 2019 to HK\$230.9 million in 2020, primarily due to an increase in fee income attributable to new institutional clients and related performance fee charged.



Dividend and gain related to disposed investment. Our dividend and gain related to disposed investment increased by 70.0% from HK\$100.6 million in 2019 to HK\$171.0 million in 2020, primarily due to increase in net gain from disposed investment contributed by disposal of an equity linked note with a gain of HK\$82.9 million in 2020.

Net fair value changes on investment and derivative. The net fair value gain amounted to HK\$340.3 million in 2020, representing a decrease of 35.0% as compared to 2019, primarily due to the fluctuation in the fair value of strategic investment portfolio primarily driven by the market condition and the business development of the portfolio companies. The net fair value gain arising from investments in equity securities of related parties were HK\$336.4 million for the year ended December 31, 2020.

*Other income*

Our other income increased by 406.4% from HK\$22.1 million in 2019 to HK\$111.9 million in 2020, primarily attributable to the increase in interest income earned from our Controlling Shareholder. Starting from August 5, 2019 when our ADSs became listed on the NYSE, we charged an interest of 2% per annum on the net outstanding balance of advances to our Controlling Shareholder pursuant to the intercompany financing agreement. The increase in the average outstanding balance and the full year effect have resulted in the significant increase in interest income from our Controlling Shareholder of HK\$83.6 million in 2020.

*Impairment loss under expected credit loss made on accounts receivable*

Our impairment loss allowance on accounts receivable increased from nil in 2019 to HK\$17.1 million in 2020, primarily due to write off on receivables with gross amount of HK\$17.1 million arising from investment banking services without realistic prospect of recovery.

*Other operating expenses*

Our other operating expenses decreased by 9.6% from HK\$114.7 million in 2019 to HK\$103.7 million in 2020, primarily due to a decrease in net foreign exchange differences of HK\$9.4 million and traveling and business development expenses of HK\$13.7 million, and offset by an increase in administrative service fee of HK\$12.3 million.

*Income tax (expense)/credit*

Income tax expense of HK\$158.4 million and income tax credit of HK\$137.5 million were recorded for 2019 and 2020, respectively. The change was primarily due to reversal of deferred tax liability provided on fair value changes of certain investments which are concluded to be capital gains in nature and therefore not subject to profits tax charge.

*Profit for the year*

As a result of the foregoing, our profit increased by 37.1% from HK\$830.9 million in 2019 to HK\$1,139.0 million in 2020.



**Selected Items on the Consolidated Statements of Financial Position**

The following table sets forth certain selected consolidated statements of financial position data as of the dates indicated:

	As of December 31,			
	2019	2020	2021	
	HK\$	HK\$	HK\$	US\$
	(in thousands)			
<b>Selected Consolidated Statements of Financial Position Data</b>				
<b>Assets:</b>				
Accounts receivable	346,380	77,350	86,515	11,092
Due from immediate holding company	2,921,839	6,477,266	2,144,975	275,011
Financial assets at fair value through profit or loss—current	1,572,698	62,520	—	—
Stock loan—current	1,200,980	—	—	—
Financial assets at fair value through profit or loss—non-current	—	1,315,337	2,574,696	330,106
Stock loan—non-current	—	878,483	211,331	27,095
Derivative financial asset	1,165,220	1,023,903	969,895	124,352
<b>Total assets</b>	<b>8,270,693</b>	<b>10,526,291</b>	<b>6,686,838</b>	<b>857,331</b>
<b>Liabilities and Equity:</b>				
Accounts payable	492,039	201,986	155,021	19,875
Margin loans payable	317,722	—	—	—
Bank borrowings	—	232,280	388,871	49,857
<b>Total liabilities</b>	<b>1,442,198</b>	<b>802,115</b>	<b>897,965</b>	<b>115,129</b>
Perpetual securities	—	1,834,685	1,771,043	227,068
<b>Total equity</b>	<b>6,828,495</b>	<b>9,724,176</b>	<b>5,788,873</b>	<b>742,202</b>
<b>Total liabilities and equity</b>	<b>8,270,693</b>	<b>10,526,291</b>	<b>6,686,838</b>	<b>857,331</b>

**Accounts receivable**

Our accounts receivable consists of (i) receivable from investment banking services, (ii) receivable from brokers and clearing house, and (iii) clients' receivables. The following table sets forth a breakdown of our accounts receivable as of the dates indicated.

	As of December 31,			
	2019	2020	2021	
	HK\$	HK\$	HK\$	US\$
	(in thousands)			
<b>Accounts receivable:</b>				
Receivable from investment banking services	66,740	21,977	54,764	7,021
Receivable from brokers and clearing house	261,330	19,864	21,406	2,745
Clients' receivables	18,310	35,509	10,345	1,326
<b>Total</b>	<b>346,380</b>	<b>77,350</b>	<b>86,515</b>	<b>11,092</b>

Our accounts receivable increased by 11.8% from HK\$77.4 million as of December 31, 2020 to HK\$86.5 million (US\$11.1 million) as of December 31, 2021, primarily due to an increase in receivable from new businesses generated in investment banking services.

Our accounts receivable decreased significantly by 77.7% from HK\$346.4 million as of December 31, 2019 to HK\$77.4 million as of December 31, 2020, primarily due to a decrease in receivable from brokers and clearing house of HK\$241.5 million, which in turn was primarily attributable to the fluctuation in the unsettled trade





transactions near the year end from HK\$257.2 million as of December 31, 2019 to HK\$0.1 million as of December 31, 2020.

The settlement terms of our accounts receivable varied depending on the type of accounts receivable. The normal settlement terms of receivable from our investment banking services were specific terms ranging from due upon receipt to 120 days, which were mutually agreed between the contracting parties. Receivable from investment banking services did not bear interest. The normal settlement terms of our clients' receivable and receivable from brokers and clearing house relating to asset management services were either two days after trade date or at specific terms agreed with brokers and clearing house. Overdue clients' receivable was interest bearing.

The following table sets forth an aging analysis of accounts receivable as of the dates indicated, based on the invoice date, net of loss allowance.

	As of December 31,			
	2019	2020	2021	
	HK\$	HK\$	HK\$	US\$
	(in thousands)			
Not yet due	294,542	67,241	74,048	9,494
Past due				
– Within 1 month	41,032	7,797	54	7
– 1 to 3 months	5,232	221	5,166	662
– Over 3 months	5,574	2,091	7,247	929
<b>Total</b>	<b>346,380</b>	<b>77,350</b>	<b>86,515</b>	<b>11,092</b>

Our accounts receivable not yet past due increased by 10.1% from HK\$67.2 million as of December 31, 2020 to HK\$74.0 million (US\$9.5 million) as of December 31, 2021, primarily attributable to investment banking services completed close to the year end. The decrease in accounts receivable past due within 1 month was primarily due to settlement of clients' receivables of HK\$7.7 million (US\$993 thousand) in 2021. The increases in accounts receivable past due 1 to 3 months, and over 3 months were primarily due to increase in outstanding balances from certain asset management clients and investment banking services of HK\$8.9 million (US\$1.1 million) as of December 31, 2021.

Our accounts receivable not yet past due decreased significantly by 77.2% from HK\$294.5 million as of December 31, 2019 to HK\$67.2 million as of December 31, 2020, primarily attributable to the fluctuation in the unsettled trade transactions near the year end. The corresponding accounts receivable from brokers and clearing house decreased from HK\$261.3 million as of December 31, 2019 to HK\$19.9 million as of December 31, 2020. The decreases in accounts receivable past due within 1 month, 1 to 3 months, and over 3 months were primarily due to the settlement of outstanding balances of receivable from investment banking services of HK\$45.9 million in 2020.

***Due from immediate holding company***

Balances with immediate holding company were primarily attributable to inter-company fund transfers carried out among the entities within AMTD Group as part of the central treasury function. On August 5, 2019, we entered into an intercompany financing agreement with our immediate holding company. Any intercompany receivables and payables balances with the immediate holding company and other subsidiaries of AMTD Group would be settled on a net basis and the net balance bears an interest at 2% per annum. Our treasury function was conducted centrally under AMTD Group. The amount of our due from immediate holding company decreased from HK\$6.5 billion as of December 31, 2020 to HK\$2.1 billion (US\$0.3 billion) as of December 31, 2021, primarily due to the net effect of the followings (i) the share repurchase transactions amounting to HK\$5.0 billion



(US\$0.6 billion), (ii) the purchase transactions of financial assets at fair value through profit or loss amounting to HK\$174.7 million (US\$22.4 million), (iii) interest income amounting to HK\$116.0 million (US\$14.9 million), (iv) advances to immediate holding company amounting to HK\$348.7 million (US\$44.7 million), and (v) the disposal transaction of financial assets at fair value through profit or loss amounting to HK\$377.7 million (US\$48.4 million). The amount due from immediate holding company increased from HK\$2.9 billion as of December 31, 2019 to HK\$6.5 billion as of December 31, 2020 primarily due to advances to immediate holding company amounting to HK\$3.6 billion (US\$0.5 billion).

#### ***Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss primarily consist of (i) listed equity shares at quoted prices, (ii) unlisted equity shares, and (iii) unlisted equity linked note, all of which are related to our strategic investment business.

Our financial assets at fair value through profit or loss increased from HK\$1.4 billion as of December 31, 2020 to HK\$2.6 billion (US\$0.3 billion) as of December 31, 2021, primarily attributable to (i) a net appreciation in value of HK\$0.7 billion (US\$85.1 million), (ii) additional investments of HK\$0.8 billion (US\$100.7 million) made in 2021, and (iii) disposal of investments of HK\$0.3 billion (US\$32.4 million) in 2021.

Our financial assets at fair value through profit or loss decreased from HK\$1.6 billion as of December 31, 2019 to HK\$1.4 billion as of December 31, 2020, primarily attributable to (i) partial disposal of investment in Bank of Qingdao of HK\$972.2 million, (ii) additional investments of HK\$592.0 million made in 2020, and (iii) net appreciation in value of HK\$187.7 million in 2020.

During the year ended December 31, 2020, we carried out periodical review based on the internal policy and re-evaluated the classification of the investments. With the passage of time, we demonstrated our intention to hold these investments for long-term capital appreciation and hence re-classified the investments as non-current assets.

#### ***Stock loan***

Our stock loan mainly represents listed equity securities that we lent to a former shareholder of our Controlling Shareholder, in connection with relevant stock borrowing and lending arrangements. The fair value of our stock loan decreased by 75.9% from HK\$878.5 million as of December 31, 2020 to HK\$211.3 million (US\$27.1 million) as of December 31, 2021, primarily due to the settlement of stock loan from our related parties amounting to HK\$631.4 million (US\$80.9 million).

The fair value of our stock loan decreased by 26.9% from HK\$1.2 billion as of December 31, 2019 to HK\$878.5 million as of December 31, 2020, primarily due to depreciation in value of the loaned stocks.

During the year ended December 31, 2020, we carried out periodical review based on the internal policy and re-evaluated the classification of the investments. With the passage of time, we demonstrated our intention to hold the stock loan for long term capital appreciation and hence re-classified the stock loan as non-current assets.

#### ***Derivative financial asset***

Our derivative financial asset represented the derivative contracts of “Upside Participation and Profit Distribution Agreements” entered into with a counterparty in order to hedge against adverse movement in the share price of our investments in listed shares. The fair value of our derivative financial asset decreased by 5.3% from HK\$1,023.9 million as of December 31, 2020 to HK\$969.9 million (US\$124.4 million) as of December 31, 2021, primarily due to price movement of the underlying listed shares.



Our derivative financial asset decreased by 12.1% from HK\$1,165.2 million as of December 31, 2019 to HK\$1,023.9 million as of December 31, 2020, primarily due to price movement of the underlying listed shares.

**Accounts payable**

Our accounts payable consists of (i) clients' payables arising from brokerage business, (ii) payables to clearing house and brokers, and (iii) clients' monies held on trust. The following table sets forth a breakdown of our accounts payable as of the dates indicated.

	As of December 31,			
	2019	2020	2021	
	HK\$	HK\$	HK\$	US\$
	(in thousands)			
<b>Accounts payable:</b>				
Clients' payables .....	256,423	138	147	19
Payables to clearing house and brokers .....	9,063	1,312	8,590	1,101
Clients' monies held on trust .....	226,553	200,536	146,284	18,755
<b>Total</b> .....	<b>492,039</b>	<b>201,986</b>	<b>155,021</b>	<b>19,875</b>

Our accounts payable decreased by 23.3% from HK\$202.0 million as of December 31, 2020 to HK\$155.0 million (US\$19.9 million) as of December 31, 2021, primarily due to a decrease in the amount of clients' money held on trust. Our accounts payable decreased significantly by 58.9% from HK\$492.0 million as of December 31, 2019 to HK\$202.0 million as of December 31, 2020, primarily due to a significant decrease in clients' payable for HK\$256.3 million, which was in turn primarily attributable to the fluctuation in the trade volume near the year end.

Payables to clearing house and brokers, and clients' payable arising from assets management business were repayable two days after trade date or at pre-agreed specified terms. The following table sets forth an aging analysis of accounts payable as of the dates indicated.

	As of December 31,			
	2019	2020	2021	
	HK\$	HK\$	HK\$	US\$
	(in thousands)			
Within 1 month .....	265,486	1,450	155,021	19,875
Repayable on demand .....	226,553	200,536	—	—
<b>Total</b> .....	<b>492,039</b>	<b>201,986</b>	<b>155,021</b>	<b>19,875</b>

Our accounts payable aged within 1 month increased by 107 times from HK\$1.5 million as of December 31, 2020 to HK\$155.0 million (US\$19.9 million) as of December 31, 2021, primarily attributable to an increase in pending trades at the year end. Our accounts payable aged within 1 month decreased significantly by 99.5% from HK\$265.5 million as of December 31, 2019 to HK\$1.5 million as of December 31, 2020, attributable to the fluctuation in the unsettled trade transactions near the year end.

Our accounts payable repayable on demand decreased by 100% from HK\$200.5 million as of December 31, 2020 to nil as of December 31, 2021, primarily attributable to a decrease in the amount of client's money held on trust. Our accounts payable repayable on demand decreased slightly by 11.5% from HK\$226.6 million as of December 31, 2019 to HK\$200.5 million as of December 31, 2020, primarily attributable to decrease in clients' monies held on trust under custody arising from the asset management and other business, from HK\$225.4 million as of December 31, 2019 to HK\$194.9 million as of December 31, 2020.



### *Margin loans payable*

Margin loans payable were fully repaid during the year ended December 31, 2020. Margin loans payable was interest-bearing at a rate of 6.625% per annum and secured by our financial assets at fair value through profit or loss as of December 31, 2019.

### *Bank borrowings*

Bank borrowings were unsecured, repayable in one year or on demand and bore an average interest rate of 2.1% per annum. Our total bank borrowing facilities was US\$50.0 million (equivalent to HK\$389.8 million) as of December 31, 2021, of which HK\$388.9 million were utilized. Our total bank borrowing facilities was US\$30 million (equivalent to HK\$232.6 million) as of December 31, 2020, of which HK\$232.3 million were utilized.

### *Perpetual securities*

As at December 31, 2021, the total amount of active perpetual securities were US\$200 million and S\$38.8 million.

During the year ended December 31, 2020, we have issued US\$200 million (equivalent to HK\$1.6 billion) and S\$50 million (equivalent to HK\$272.9 million) perpetual securities at an initial distribution rates of 7.25% and 4.5% per annum, respectively.

### *C. Liquidity and Capital Resources*

Our principal sources of liquidity to finance our operating and investing activities have been issuances of equity and equity-linked securities in our initial public offering and private placements, and perpetual securities and bank borrowings, as well as net cash provided by operating activities. As of December 31, 2021, we had HK\$526.2 million (US\$67.5 million) in cash and cash equivalents. Our cash and cash equivalents primarily consist of cash on hand and general bank balances excluding segregated clients' bank account balances, which are unrestricted for withdrawal or use. We believe that our current cash and cash equivalents and our anticipated cash flows from operations will be sufficient to meet our anticipated working capital requirements, capital expenditures, and debt repayment obligations for at least the next 12 months. We may from time to time decide to enhance our liquidity position or increase our cash reserve for future operations and investments through additional financing. The issuance and sale of additional equity would result in further dilution to our shareholders. The incurrence of indebtedness would result in increasing fixed obligations and could result in operating covenants that would restrict our operations.

In August 2019, we completed our initial public offering of 23,873,655 ADSs representing 23,873,655 Class A ordinary shares and received approximately US\$192.6 million in net proceeds. In December 2019, we issued and sold (i) a total of 7,307,692 Class A ordinary shares and 4,526,627 Class B ordinary shares to Value Partners Greater China High Yield Income Fund, Ariana Capital Investment Limited, and Infinity Power Investments Limited, and (ii) the VP Note to Value Partners Greater China High Yield Income Fund, all in the form of private placement, and received approximately US\$115.0 million in net proceeds.

In May 2020, we issued US\$200 million 7.25% senior perpetual securities and S\$50 million 4.5% senior perpetual securities. In October 2021, we redeemed perpetual securities with a principal amount of approximately S\$11.2 million (US\$8.3 million) as part of our active balance sheet management targeting for early repayment of outstanding exposures.

In September 2020, we obtained a US\$30 million banking facility and have drawn down the loans. In December 2021, we obtained an additional US\$20 million banking facility and have drawn down the loan.



Subsequent to December 31, 2021, we issued an aggregate of 8,411,214 Class A ordinary shares and 3,271,028 Class B ordinary shares through a private placement of US\$50 million to a number of reputable professional investors.

### Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated:

	For the Year Ended December 31,			
	2019	2020	2021	
	HK\$	HK\$	HK\$	US\$
	(in thousands)			
<b>Summary Consolidated Cash Flow Data</b>				
Net cash generated from operating activities . . . . .	709,500	1,993,977	434,760	55,741
Net cash used in investing activities . . . . .	(2,957,940)	(3,581,341)	(358,669)	(45,986)
Net cash (used in)/generated from financing activities . . . . .	2,888,015	1,274,407	(6,660)	(854)
Net increase/(decrease) in cash and cash equivalents . . . . .	639,575	(312,957)	69,431	8,901
Cash and cash equivalents at the beginning of year . . . . .	126,856	766,431	453,967	58,204
Effect of foreign exchange rate change, net . . . . .		493	2,808	361
Cash and cash equivalents at the end of year . . . . .	766,431	453,967	526,206	67,466

### Operating Activities

Net cash generated from operating activities in 2021 was HK\$434.8 million (US\$55.7 million), which consists of our profit before tax of HK\$1,331.2 million (US\$170.7 million) as adjusted for non-cash items and the effects of changes in operating assets and liabilities. Adjustments for non-cash items primarily included HK\$668.7 million (US\$85.7 million) of fair value gain and disposal gain on financial assets at fair value through profit or loss, stock loan and derivative financial asset in connection with our strategic investment business, partially offset by HK\$12.8 million (US\$1.6 million) of finance costs relating to our bank borrowings and convertible bond. The principal items accounting for the changes in operating assets and liabilities were (i) HK\$9.2 million (US\$1.2 million) of increase in accounts receivable, and (ii) HK\$21.9 million (US\$2.8 million) of changes in accounts and other payables and other assets.

Net cash generated from operating activities in 2020 was HK\$1,994.0 million, which consists of our profit before tax of HK\$1,001.4 million as adjusted for non-cash items and the effects of changes in operating assets and liabilities. Adjustments for non-cash items primarily included HK\$423.2 million of fair value gain and disposal gain on financial assets at fair value through profit or loss, stock loan and derivative financial asset in connection with our strategic investment business, partially offset by HK\$21.5 million of finance costs relating to our margin loans payable, bank borrowings and convertible bond. The principal items accounting for the changes in operating assets and liabilities were (i) HK\$251.9 million of decrease in accounts receivable, mainly relating to the collection from brokers and clearing house, partially offset by HK\$291.6 million of decrease in accounts and other payables and accruals.

Net cash generated from operating activities in 2019 was HK\$709.5 million, which consists of our profit before tax of HK\$989.3 million as adjusted for non-cash items and the effects of changes in operating assets and liabilities. Adjustments for non-cash items primarily included HK\$523.6 million of fair value gain on financial assets at fair value through profit or loss, stock loan and derivative financial instrument in connection with our strategic investment business, partially offset by HK\$27.7 million of finance costs relating to our margin loans. The principal items accounting for the changes in operating assets and liabilities were (i) HK\$185.3 million of increase in accounts receivable, mainly relating to the operations of our investment banking business, partially offset by HK\$357.7 million of increase in accounts and other payables and accruals.



### *Investing Activities*

Net cash used in investing activities in 2021 was HK\$358.7 million (US\$46.0 million), which was mainly attributable to (i) a net increase in advance to immediate holding company for group treasury management purpose, and (ii) a result of net settlement of investment disposal proceeds collected by the immediate holding company on behalf of the Company, and consideration payable to the immediate holding company to repurchase treasury shares.

Net cash used in investing activities in 2020 was HK\$3.6 billion, which was attributable to an increase in advance to immediate holding company for group treasury management purpose.

Net cash used in investing activities in 2019 was HK\$3.0 billion, which was attributable to an increase in advance to immediate holding company for group treasury management purpose.

### *Financing Activities*

Net cash used in financing activities in 2021 was HK\$6.7 million (US\$0.9 million), which was mainly due to repayment of redemption and distribution to holders of perpetual securities and offset by net proceeds from our bank borrowings.

Net cash generated in financing activities in 2020 was HK\$1.3 billion, which was mainly due to net proceeds from our perpetual securities issued and bank borrowings and offset by repayment of margin loans and distribution to holders of perpetual securities.

Net cash generated in financing activities in 2019 was HK\$2.9 billion, which was mainly due to net proceeds from our initial public offering on the NYSE, issuance of warrants and convertible bond, and private placements.

### **Capital Expenditures**

Our capital expenditures were HK\$14 thousand in 2019, HK\$111 thousand in 2020 and nil in 2021. In these periods, our capital expenditures were primarily used for purchases of office equipment. We will continue to make capital expenditures to meet the expected growth of our business. We intend to fund our future capital expenditures with our existing cash balance and proceeds from our financing activities.

### **Holding Company Structure**

AMTD IDEA Group is a holding company with no material operations of its own. We conduct our operations primarily through our Hong Kong subsidiaries. As a result, our ability to pay dividends depends upon dividends paid by our Hong Kong subsidiaries. If our existing Hong Kong subsidiaries or any newly formed ones incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us.

#### *D. Research and Development, Patents and Licenses, etc.*

##### **Intellectual Property**

As of the date of this annual report, we own one registered trademark. We are licensed by our Controlling Shareholder to use certain trademarks. We maintain seven registered domain names, including amtdinc.com. We have applied for one trademark in Hong Kong.

#### *E. Trend Information*

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events for the period from January 1, 2021 to December 31, 2021 that are reasonably



likely to have a material adverse effect on our total revenues, profitability, liquidity, or capital resources, or that caused the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

F. *Off-Balance Sheet Arrangements*

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. In addition, we have not entered into any derivative contracts that are indexed to our shares and classified as shareholder's equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity, or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging, or product development services with us.

G. *Tabular Disclosure of Contractual Obligations*

The following table sets forth our contractual obligations as of December 31, 2021.

	<u>Total</u>	<u>Less Than 1 Year</u>	<u>1-3 Years</u>	<u>3-5 Years</u>	<u>More Than 5 Years</u>
	(HK\$ in millions)				
Convertible bond with principal and interest . . . . .	125.3	—	125.3	—	—
Bank borrowings, with principal and interest . . . . .	393.6	393.6	—	—	—
<b>Total</b> . . . . .	<u>518.9</u>	<u>393.6</u>	<u>125.3</u>	<u>—</u>	<u>—</u>

In December 2019, we issued the VP Note in an aggregate principal amount of US\$15 million, which may be converted at any time after six months following the date of issuance and prior to the close of business on the second business day immediately preceding the maturity date of June 2023 based on an initial conversion rate of 99.44 ADSs per US\$1,000 principal amount of notes, provided, however, that the holder can only exercise such right to convert no more than twice. The conversion rate is subject to adjustment upon the occurrence of certain events. The VP Note bears interest at a rate of 2.00% per year.

In March 2020, we listed our MTN Program by way of debt issuance to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on SEHK and in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) on the SEHK. Under the MTN Program, we may from time to time issue medium term notes or perpetual securities up to an aggregate amount of US\$1.0 billion. We intend to use the net proceeds from the issuances of debt securities under the MTN Program for long-term development needs, international expansion, and general corporate purposes. In April 2020, we dual-listed the MTN Program on the SGX-ST. Later in the same month, we extended an invitation to holders of the Existing Securities to offer exchange any and all of their outstanding Existing Securities for New Securities to be issued by us under our MTN Program. The amount of New Securities to be delivered in exchange for a principal amount of the Existing Securities offered and accepted for exchange shall be the product of (i) such principal amount of Existing Securities and (ii) the relevant exchange ratio pursuant to the exchange instruction, subject to a minimum offer amount of US\$200,000. The Exchange Offer expired on May 6, 2020. In May 2020, we issued US\$200 million 7.25% senior perpetual securities and S\$50 million 4.5% senior perpetual securities. In September 2020 and December 2021, we obtained a US\$30 million and a US\$20 million banking facility, respectively, and have drawn down the loans.

While the table above indicates our contractual obligations as of December 31, 2021, the actual amounts we are eventually required to pay may be different in the event that any agreements are renegotiated, canceled, or terminated.

**ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES****A. Directors and Senior Management**

The following table sets forth information regarding our directors and executive officers as of the date of this annual report.

<u>Directors and Executive Officers</u>	<u>Age</u>	<u>Position/Title</u>
Dr. Feridun Hamdullahpur <sup>(1)(2)(3)</sup>	67	Chairman of the Board of Directors and Independent Director
Dr. Timothy Tong <sup>(1)(2)(3)</sup>	68	Independent Director
Dr. Annie Koh <sup>(1)(3)</sup>	68	Independent Director
Marcellus Wong <sup>(2)</sup>	68	Director
Raymond Yung	61	Director
Frederic Lau	70	Chairman of Executive Management Committee
William Fung	41	Chief Executive Officer
Xavier Ho Sum Zee	47	Chief Financial Officer
Jason Man Chun Chiu	37	Co-Chief Financial Officer
Bert Chun Lung Tsang	35	Chief Accounting Officer
Ming Lin Cheung	37	Head of Global Markets

Notes:

- (1) Member of our audit committee.
- (2) Member of our compensation committee.
- (3) Member of our nominating and corporate governance committee.

Pursuant to the currently effective articles of association of our company, our board of directors consists of five directors. There are no arrangement or understanding with our shareholders or other third parties with respect to the election of a director or a member of senior management. There are no family relationships among any of the directors or executive officers of our company.

**Biographical Information**

*Dr. Feridun Hamdullahpur* is our chairman of the board of directors and independent director. Dr. Hamdullahpur has served as a director of our Controlling Shareholder since January 2019. Dr. Hamdullahpur has served as the sixth president and vice-chancellor of the University of Waterloo since 2010. Prior to that, he served as a vice-president academic and provost at the University of Waterloo from September 2009 to September 2010. Dr. Hamdullahpur has served as a member of the strategic advisory board of Sorbonne University since 2014, and member of the international advisory board of King Abdulaziz University since 2017. He has served as chair of the Waterloo Global Science Initiative since 2016. In 2015, Dr. Hamdullahpur was appointed chair of the Leadership Council for Digital Infrastructure in Canada. Dr. Hamdullahpur was named a fellow of the Canadian Academy of Engineering in July 2014. Dr. Hamdullahpur was awarded the Queen Elizabeth II Diamond Jubilee Medal in January 2013 in acknowledgement of his leadership in education and innovation. Dr. Hamdullahpur graduated from the Technical University of Nova Scotia with a bachelor's degree in mechanical engineering in 1976 and a master's degree in mechanical engineering from Technical University of Istanbul in 1979. Dr. Hamdullahpur received his Ph.D. in chemical engineer from the Technical University of Nova Scotia in 1985.

*Dr. Timothy Wai Cheung Tong* is our independent director and has been instrumental in the establishment of our various initiatives with academic institutions and other industry association types to enhance and step up our contributions and support to talents out of the AMTD SpiderNet ecosystem, such as the formation of AMTD FinTech Centre of PolyU Faculty of Business as one of the rare institutions across Asia to be able to award Ph.D. degrees in FinTech. Dr. Tong was appointed as our independent director in February 2022. Dr. Tong is also the





chairman and independent director of AMTD Digital Inc. Dr. Tong is the chief executive officer of AMTD Charity Foundation, and chairman of the Hong Kong Laureate Forum, which is an organization formed by distinguished personalities and academics of Hong Kong, with the full support of the Hong Kong SAR government. The mission is to connect the current and next generations of leaders in scientific pursuit, and to promote understanding and interests of the young generation in Hong Kong and around the world in various disciplines in science and technology. Dr. Tong is an internationally renowned educator and expert in heat transfer. He served as the President of The Hong Kong Polytechnic University from January 2009 to December 2018. He is also the former dean of the school of engineering and applied science at The George Washington University, the former chairman of the steering committee of the Pilot Green Transport Fund of the Environmental Protection Department, a fellow of the American Society of Mechanical Engineers, and a fellow and former president of the Hong Kong Academy of Engineering Sciences. Dr. Tong currently serves as an independent non-executive director of Airstar Bank, an independent non-executive director of Xiaomi Corporation (SEHK: 1810); an independent non-executive director of Gold Peak Industries (Holdings) Limited (SEHK: 40); a non-executive director of Freetech Road Recycling Technology (Holdings) Limited (SEHK: 6888); and an independent non-executive director of Gold Peak Industries Limited (SGX: G20). Dr. Tong has been a member of the National Committee of the Chinese People's Political Consultative Conference since March 2013 to present and a Justice of the Peace in Hong Kong since July 2010. Dr. Tong received a Ph.D. degree in mechanical engineering from the University of California at Berkeley in December 1980. Dr. Tong received a master of science degree in engineering from University of California Berkeley in June 1978 and a bachelor degree of science in mechanical engineering from Oregon State University in June 1976.

*Dr. Annie Koh* has served as our independent director since June 2020. Dr. Koh is a renowned conference speaker, panel moderator, and commentator. Dr. Koh is Professor Emeritus of Finance (Practice) at Lee Kong Chian School of Business of Singapore Management University (SMU) and a Senior Advisor to its Business Families Institute. Her previous portfolios at SMU included positions as Vice President for Business Development; V3 Group Professor of Family Entrepreneurship; Academic Director of Business Families Institute and International Trading Institute; Associate Dean, Lee Kong Chian School of Business; and Dean, Office of Executive and Professional Education. Dr Koh is appointed as Chairman of Prime US REIT, in addition to being a member of the World Economic Forum Global Future Council on New Agenda for Work, Wages and Job Creation. She also chairs the Asian Bond Fund 2 supervisory committee of the Monetary Authority of Singapore, and a committee member of Singapore's Customs Advisory Council and HR Transformation Advisory Panel. She is currently an independent director of PBA Group, Prudential Assurance Company Singapore Pte Ltd and Yoma Strategic Holdings Ltd. She previously served on GovTech, Singapore's CPF, HMI and K1 Ventures boards. Professor Koh also advises privately owned enterprises such as Flexxon Pte Ltd, Hendricks Corp. Pte Ltd, TOP International, and startups such as AvePoint EduTech, Dedoco, Elevate Tech, RootAnt Global, StashAway, StaffOnDemand, SWAT Mobility, and non-profits such as Cyber Youth Singapore and WWF Singapore. She has been an investment committee member of iGlobe Partners since July 2010 and advisor to CUBE3 Ventures since October 2021. Dr Koh was awarded the bronze and silver Singapore Public Administration medal in 2010 and 2016, respectively, and the Adult Education Prism Award in 2017 for her contributions to the education and public sectors. Dr. Koh received a Ph.D. degree in international finance with a Fulbright scholarship from Stern School of Business, New York University in 1988.

*Marcellus Wong* is our director and has over 40 years of experience in accounting and taxation. Mr. Wong was chairman of our executive management committee before he stepped from the position in November 2021. Since then, Mr. Wong has been a non-executive officer of ours. Mr. Wong has been serving as the vice chairman of the board of directors of our Controlling Shareholder since October 2015, and a member of the Board of Supervisors of SEHK-listed Jiangxi Bank Co., Ltd. (SEHK: 1916) since December 2020. Mr. Wong served in a number of other positions including, from June 2015 to June 2021, independent non-executive director of SEHK-listed Xinte Energy Co., Ltd. (SEHK: 1799); from July 2012 to June 2017, senior advisor of PricewaterhouseCoopers; and, from November 2001 to October 2021, a member of the Joint Liaison Committee on Taxation that advises the government of Hong Kong on tax issues. Mr. Wong has also served as a council member of the Taxation Institute of Hong Kong from 1995 to 2017, president from 1996 to 1999, and chairman



of advisory board since 2017. He was the president of CPA Australia-Hong Kong China Division from 2004 to 2005 and has served as its honorary adviser of Greater China region since July 2014. Mr. Wong joined PricewaterhouseCoopers in February 1990 and, prior to his retirement in June 2012, served as a partner and compliance leader in Hong Kong and Mainland China as well as risk and quality leader for its tax practice in the Asia Pacific region. Mr. Wong graduated from the Hong Kong Polytechnic (currently known as The Hong Kong Polytechnic University) with a higher diploma in accountancy in October 1977, and also obtained a degree through the external program from the University of London in the United Kingdom in August 1989. Mr. Wong was admitted as a fellow of the Hong Kong Institute of Certified Public Accountants in December 1987, a fellow of CPA Australia in October 2001, and a fellow of the Taxation Institute of Hong Kong in March 2004.

*Raymond Yung* is our director, and has over 40 years of experience in advising financial institutions in Hong Kong and Mainland China. Mr. Yung sits on the board of Citibank (Hong Kong) Limited as an independent non-executive director. Mr. Yung has extensive experience in the operational, risk management, internal controls, and financial reform of many large-scale financial institutions. Mr. Yung headed PricewaterhouseCoopers's financial services practice in China for over ten years, and has been serving on PwC's China, Hong Kong and Singapore Firm's Board of Partners until his retirement in 2016. From September 1992 to June 2002, Mr. Yung led Arthur Andersen's financial services group in Hong Kong. Mr. Yung was the lead engagement partner for the restructuring and IPO of eleven licensed banks which were merged to form the BOC Hong Kong (Holdings) Limited in 2002. Between 1991 and 1992, Mr. Yung was appointed as a special advisor to the deputy chief executive of the Hong Kong Monetary Authority in relation to internal controls and accounting matters, and was subsequently appointed to serve on its banking advisory committee. Mr. Yung is a member of the Hong Kong Institute of Certified Public Accountants and a certified accountant registered with the UK Chartered Association of Certified Accountants and CPA Australia. Mr. Yung graduated from The Hong Kong Polytechnic University with a higher diploma in accountancy in November 1980.

*Dr. Frederic Lau* is the chairman of our Executive Management Committee. Dr. Lau has over 30 years of experience in regulating and managing financial institutions, especially in areas such as industry development, regulatory framework, risk management, and internal control. Dr. Lau is also the executive vice chairman and chairman of the executive management committee of our Controlling Shareholder. Dr. Lau served as the executive director of the Airstar Bank since July 2018 until October 2020, since then, Dr. Lau is the non-executive director of the board. He also served as the founding chief executive since the banking license was granted in May 2019 to October 2020. Dr. Lau practiced as a regulatory professional in Hong Kong and U.S. banking sector governing agencies for years, including the Hong Kong Monetary Authority and the Office of Thrift Supervision (subsequently merged with the Office of the Comptroller of the Currency, OCC) of the U.S. Treasury Department. Dr. Lau is an independent director of Huzhou Gas Co., Ltd. Dr. Lau was an executive director and the group risk director at Dah Sing Banking Group, and a member of the board of directors of Dah Sing Bank from 2005 to 2011. Dr. Lau was also a member of board of directors of Shenzhen Development Bank (subsequently renamed as Ping An Bank) from 2011 to 2014. He was a managing director of Promontory Financial Group from 2011 to 2014. Dr. Lau received a Ph.D. in Business Management (Economics) from University of South Australia in 2004.

*William Fung* is our chief executive officer and group vice president of our Controlling Shareholder, and has over 16 years of experience in global capital markets including investing, syndicating, and executing global capital markets transactions; as well as managerial experience. Prior to becoming our chief executive officer, Mr. Fung served as our chief investment officer and head of asset management from June 2019 to December 2020. Mr. Fung has served as the group vice president of our Controlling Shareholder since September 2019 and the managing director of the chief investment officer of AMTD Global Markets Limited since March 2016. From September 2009 to February 2016, Mr. Fung worked at UBS AG Hong Kong as an executive director. Prior to that, he worked at Nomura International (Hong Kong) Limited from September 2008 to September 2009. From January 2005 to September 2008, Mr. Fung worked at Lehman Brothers Asia Limited. Prior to that, Mr. Fung also practiced professional engineering in the United States. Mr. Fung received a bachelor of science degree in



industrial engineering from Purdue University in May 2002 and a master of science degree in financial engineering from the University of Michigan in December 2004.

*Xavier Ho Sum Zee* is our chief financial officer and chief financial officer of our Controlling Shareholder. Mr. Zee joined our Controlling Shareholder in November 2020. Mr. Zee was admitted to the partnership of PricewaterhouseCoopers in July 2008, and has over 24 years of experience in providing assurance, business advisory, and capital market services to companies, especially in the financial service industry, in Mainland China and Hong Kong. Mr. Zee obtained his bachelor's degree in business administration with first class honors in The Chinese University of Hong Kong in December 1996. Mr. Zee is currently a member of Hong Kong Institute of Certified Public Accountants and American Institute of Certified Public Accountants, and is a Chartered Global Management Accountant.

*Jason Man Chun Chiu* is our co-chief financial officer. Mr. Chiu is specialized in financial reporting with more than five years of financial management experience in public companies and nine years of external auditing experience focusing on financial institutions including investment banks, securities brokerage companies and asset management companies. Mr. Chiu joined our Controlling Shareholder in January 2020 and was previously the finance director before being promoted to his current position as co-chief financial officer of our Company in April 2021. Prior to joining our Controlling Shareholder, Mr. Chiu worked as financial controller and company secretary for several listed companies in Hong Kong from July 2015 to January 2020. Mr. Chiu worked as an audit manager at Deloitte Touche Tohmatsu from September 2006 to July 2015. Mr. Chiu is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Chiu received a bachelor's degree in economics and finance from the University of Hong Kong in 2006.

*Bert Chun Lung Tsang* is our chief accounting officer who is specialized in financial reporting with six years of external auditing experience in property agency, retailing, securities dealings, investment advisory, asset management and corporate finance industries. Mr. Tsang joined our Controlling Shareholder in July 2016 and was previously the assistant manager before being promoted to his current position as chief accounting officer of our Company in April 2021. Prior to joining our Controlling Shareholder, Mr. Tsang worked as an audit senior at RSM Hong Kong from November 2011 to July 2016. Mr. Tsang is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Tsang received a bachelor's degree in business administration in accounting with first class honors from the City University of Hong Kong in July 2010.

*Ming Lin Cheung* is our head of global markets, and has over 11 years of experience in investment banking and equity capital markets. Since January 2017, Mr. Cheung has been serving as the head of advisory and equity capital markets of AMTD Global Markets Limited, where he served as vice president from December 2015 to December 2016. From September 2014 to December 2015, Mr. Cheung was an associate at Deutsche Bank AG Hong Kong branch. Prior to that, he worked at UBS AG Hong Kong branch with the latest position as associate director from July 2010 to September 2014. Mr. Cheung received his bachelor and master degrees in engineering, economics, and management from University of Oxford in July 2010.

### **Employment Agreements and Indemnification Agreements**

We have entered into employment agreements with our senior executive officers. Pursuant to these agreements, we are entitled to terminate a senior executive officer's employment for cause at any time without remuneration for certain acts of the officer, such as being convicted of any criminal conduct, any act of gross or willful misconduct or any serious, willful, grossly negligent or persistent breach of any employment agreement provision, or engaging in any conduct which may make the continued employment of such officer detrimental to our company. Each executive officer agrees that we shall own all the intellectual property developed by such officer during his or her employment. We also enter into standard confidentiality and non-compete agreements with our senior management in accordance with market practice.



We have entered into indemnification agreements with each of our directors and executive officers. Under these agreements, we agree to indemnify them against certain liabilities and expenses that they incur in connection with claims made by reason of their being a director or officer of our company.

#### B. *Compensation*

For the year ended December 31, 2021, we paid an aggregate of HK\$2.6 million (US\$335 thousand) in cash compensation (inclusive of directors' fees) to our directors. Directors are reimbursed for all expenses incurred in connection with each board of directors meeting and when carrying out their duties as directors of our company.

For the year ended December 31, 2021, we paid an aggregate of HK\$19.9 million (US\$2.5 million) in cash compensation to our executive officers, excluding compensation paid to the executive officers who also serve and receive compensation as our directors.

We have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our directors and executive officers. Our Hong Kong subsidiaries are required by the Hong Kong Mandatory Provident Fund Schemes Ordinance to make monthly contributions to the mandatory provident fund scheme in an amount equal to at least 5% of an employee's salary subject to a cap of HK\$1,500 per month per employee.

### **Stock Incentive Plan**

#### ***AMTD SpiderMan Share Incentive Plan***

In June 2019, our board of directors approved the AMTD SpiderMan Share Incentive Plan, or the 2019 Plan, to attract and retain the best available personnel, provide additional incentives to employees, directors, and consultants, and promote the success of our business. The maximum aggregate number of ordinary shares that may be issued under the Plan is initially 20,000,000 and on January 1 of each year after the effective date of the 2019 Plan, will automatically increase to the number of shares that is equal to ten percent (10%) of the total issued and outstanding share capital of our company as of December 31 of the preceding year. In addition, on January 1 of each year after the effective date of the Plan, the aggregate number of shares that may be issued under the 2019 Plan will automatically increase by the number of shares representing 1.0% of the total issued and outstanding share capital of our company as of December 31 of the preceding year, or such less number as our board of directors may determine. As of the date of this annual report, no awards have been granted under the Plan. As of the date of this annual report, no awards have been granted under the Plan.

The following paragraphs summarize the principal terms of the 2019 Plan.

*Type of Awards.* The 2019 Plan permits the awards of options, restricted share units, restricted shares, or other types of award approved by the plan administrator.

*Plan Administration.* Our board of directors or a committee appointed by the board of directors will administer the 2019 Plan. The plan administrator will determine the participants to receive awards, the type and number of awards to be granted to each participant, and the terms and conditions of each grant.

*Award Agreement.* Awards granted under the 2019 Plan are evidenced by an award agreement that sets forth the terms, conditions and limitations for each award, which may include the term of the award, the provisions applicable in the event that the grantee's employment or service terminates, and our authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind the award.

*Eligibility.* We may grant awards to our directors, employees and consultants.

*Vesting Schedule.* In general, the plan administrator determines the vesting schedule, which is specified in the relevant award agreement.



*Exercise of Options.* The plan administrator determines the exercise price for each award, which is stated in the relevant award agreement. Options that are vested and exercisable will terminate if they are not exercised prior to the time as the plan administrator determines at the time of grant. However, the maximum exercisable term is ten years from the date of grant.

*Transfer Restrictions.* Awards may not be transferred in any manner by the participant other than in accordance with the exceptions provided in the 2019 Plan or the relevant award agreement or otherwise determined by the plan administrator, such as transfers by will or the laws of descent and distribution.

*Termination and Amendment of the Plan.* Unless terminated earlier, the 2019 Plan has a term of ten years from the date of effectiveness of the 2019 Plan. Our board of directors has the authority to terminate, amend, suspend or modify the 2019 Plan in accordance with our articles of association. However, without the prior written consent of the participant, no such action may adversely affect in any material way any award previously granted pursuant to the 2019 Plan.

### C. Board Practices

#### **Board of Directors**

Our board of directors consists of five directors. A director is not required to hold any shares in our company to qualify to serve as a director. Subject to the NYSE rules and disqualification by the chairman of the board of directors, a director may vote with respect to any contract, proposed contract, or arrangement in which he or she is materially interested. A director may exercise all the powers of the company to borrow money, mortgage its business, property, and uncalled capital and issue debentures or other securities whenever money is borrowed or as security for any obligation of the company or of any third party.

#### **Executive Management Committee of the Board of Directors**

We have established an executive management committee under the board of directors as the core of our management decision hub and comprehensive and robust risk management system to conclude key management decisions, evaluate risks across our business lines, and ensure compliance with relevant laws and regulations.

Our executive management committee is responsible for (i) overseeing our operational and business activities, (ii) managing risks across all business units and mid-to-back office functions, and (iii) implementing and executing policies and strategies as determined by our board of directors. The executive management committee supervises our chief executive officer and the rest of the management team, and our chief executive officer regularly reports to the executive management committee as part of our overall corporate management and oversight.

Our executive management committee is chaired by Dr. Frederic Lau. Members of our executive management committee will be appointed on a rotation basis by the chairperson of the executive management committee or the chairman of the audit committee, among different members of the senior management team and/or invitation of external industry experts, depending on the specific agenda to be discussed and resolved by the executive management committee.

#### **Other Committees of the Board of Directors**

We have an audit committee, a compensation committee, and a nominating and corporate governance committee, under the board of directors. We have adopted a charter for each of these committees. Each committee's members and functions are described below.

*Audit Committee.* Our audit committee consists of Dr. Feridun Hamdullahpur, Dr. Timothy Tong, and Dr. Annie Koh, and is chaired by Dr. Feridun Hamdullahpur. Dr. Feridun Hamdullahpur, Dr. Timothy Tong, and



Dr. Annie Koh each satisfies the “independence” requirements of Section 303A of the Corporate Governance Rules of the New York Stock Exchange and meet the independence standards under Rule 10A-3 under the Exchange Act. We have determined that Dr. Timothy Tong qualifies as an “audit committee financial expert.” The audit committee will oversee our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee will be responsible for, among other things:

- selecting the independent registered public accounting firm and pre-approving all auditing and non-auditing services permitted to be performed by the independent registered public accounting firm;
- reviewing with the independent registered public accounting firm any audit problems or difficulties and management’s response;
- reviewing and approving all proposed related party transactions, as defined in Item 404 of Regulation S-K under the Securities Act;
- discussing the annual audited financial statements with management and the independent registered public accounting firm;
- reviewing major issues as to the adequacy of our internal controls and any special audit steps adopted in light of material control deficiencies;
- annually reviewing and reassessing the adequacy of our audit committee charter;
- meeting separately and periodically with management and the independent registered public accounting firm; and reporting regularly to the board.

All decisions at any meeting of the audit committee are decided by a majority of votes of the members presents and voting and such decision at all times exclude the vote, approval or recommendation of any member who has a conflict of interest in the subject matter under consideration.

**Compensation Committee.** Our compensation committee consists of Dr. Timothy Tong, Mr. Marcellus Wong, and Dr. Feridun Hamdullahpur, and is chaired by Dr. Timothy Tong. Dr. Timothy Tong and Dr. Feridun Hamdullahpur each satisfies the “independence” requirements of Section 303A of the Corporate Governance Rules of the New York Stock Exchange. The compensation committee will assist the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated upon. The compensation committee will be responsible for, among other things:

- reviewing the total compensation package for our executive officers and making recommendations to the board with respect to it;
- reviewing the compensation of our non-employee directors and making recommendations to the board with respect to it; and periodically reviewing and approving any long-term incentive compensation or equity plans, programs or similar arrangements, annual bonuses, and employee pension and welfare benefit plans.

All decisions at any meeting of the compensation committee are decided by a majority of votes of the members presents and voting and such decision at all times exclude the vote, approval or recommendation of any member who has a conflict of interest in the subject matter under consideration.

**Nominating and Corporate Governance Committee.** Our nominating and corporate governance committee consists of Dr. Feridun Hamdullahpur, Dr. Timothy Tong, and Dr. Annie Koh, and is chaired by Dr. Feridun Hamdullahpur. Dr. Feridun Hamdullahpur, Dr. Timothy Tong, and Dr. Annie Koh each satisfies the “independence” requirements of Section 303A of the Corporate Governance Rules of the New York Stock Exchange. The nominating and corporate governance committee will assist the board in selecting individuals



qualified to become our directors and in determining the composition of the board and its committees. The nominating and corporate governance committee will be responsible for, among other things:

- recommending nominees to the board for election or re-election to the board, or for appointment to fill any vacancy on the board;
- reviewing annually with the board the current composition of the board with regards to characteristics such as independence, age, skills, experience and availability of service to us;
- selecting and recommending to the board the names of directors to serve as members of the audit committee and the compensation committee, as well as of the nominating and corporate governance committee itself;
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance; and
- undertaking generally such other functions and duties as may be required by law or the Listing Manual of the SGX-ST, and by amendments made thereto from time to time.
- All decisions at any meeting of the nominating and corporate governance committee are decided by a majority of votes of the members presents and voting and such decision at all times exclude the vote, approval or recommendation of any member who has a conflict of interest in the subject matter under consideration.

### **Duties of Directors**

Under Cayman Islands law, our directors owe fiduciary duties to us, including a duty of loyalty, a duty to act honestly, in good faith and with a view to our best interests. Our directors must also exercise their powers only for a proper purpose. Our directors also owe to our company a duty to act with skill and care. English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association and the class rights vested thereunder in the holders of the shares. A shareholder may in certain limited exceptional circumstances have the right to seek damages in our name if a duty owed by our directors is breached.

Our board of directors has all the powers necessary for managing, and for directing and supervising, our business affairs. The functions and powers of our board of directors include, among others:

- convening shareholders' annual general meetings and reporting its work to shareholders at such meetings;
- declaring dividends and distributions;
- appointing officers and determining the term of office of the officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares in our company, including the registration of such shares in our share register.

### **Terms of Directors and Officers**

Members of our executive management committee will be appointed on a rotation basis by the chairperson of the executive management committee or the chairman of the audit committee, among different members of the senior management team and/or invitation of external industry experts, depending on the specific agenda to be discussed and resolved by the executive management committee.



Our other officers are elected by and serve at the discretion of the board of directors. Our directors are not subject to a term of office and hold office until such time as they are removed from office by ordinary resolution of the shareholders or by the board. A director will be removed from office automatically if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; or (ii) is found by our company to be or becomes of unsound mind.

**D. Employees**

We had 40, 46 and 39 employees as of December 31, 2019, 2020, and 2021, respectively. All of our employees are based in Hong Kong.

The following tables sets forth the number of our employees by function as of December 31, 2021.

<u>Function</u>	<u>Number of Employees</u>	<u>Percentage</u>
Executive officers .....	6	15.4%
Licensed professionals .....	21	53.8%
Supporting staff .....	12	30.8%
<b>Total</b> .....	<u>39</u>	<u>100.0%</u>

Our success depends on our ability to attract, retain, and motivate qualified employees. We offer employees competitive salaries, performance-based cash bonuses, comprehensive training and development programs, and other fringe benefits and incentives. We believe that we maintain a good working relationship with our employees, and we have not experienced any material labor disputes or work stoppages. None of our employees are represented by labor unions, and no collective bargaining agreement has been put in place.

As required by Hong Kong laws and regulations, we participate in a pension scheme under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance, or MPF Scheme, for all employees in Hong Kong. The contributions to the MPF Scheme are based on a minimum statutory contribution requirement of 5% of eligible employees' relevant aggregate income up to a maximum of HK\$1,500 per employee per month. The assets of this pension scheme are held separately from those of our group in independently administered funds. Other than the contributions, we have no further obligation for the payment of retirement and other post-retirement benefits of our employees in Hong Kong.

**Dual Appointments**

The nominating and corporate governance committee and the board are of the view that our directors and executive officers who hold dual-appointments on both our company and AMTD Group are able to devote sufficient time to the management of our company. In addition, majority of the management's time will rest with our company instead of AMTD Group with the management's attention to be focused on our company first, before AMTD Group.

**E. Share Ownership**

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of the date of this annual report by:

- each of our directors and executive officers; and
- each person known to us to own beneficially more than 5% of our ordinary shares.





The calculations in the shareholder table below are based on 377,604,189 ordinary shares issued and outstanding as of the date of this annual report, comprising of (i) 144,077,210 Class A ordinary shares, and (ii) 233,526,979 Class B ordinary shares.

	Class A Ordinary Shares	Class B Ordinary Shares	Percentage of Beneficial Ownership†	Percentage of Voting Power††
<b>Directors and Executive Officers:*</b>				
Dr. Feridun Hamdullahpur <sup>(1)</sup> . . . . .	—	—	—	—
Dr. Timothy Tong <sup>(2)</sup> . . . . .	—	—	—	—
Dr. Annie Koh <sup>(3)</sup> . . . . .	—	—	—	—
Marcellus Wong . . . . .	—	—	—	—
Raymond Yung . . . . .	—	—	—	—
Frederic Lau . . . . .	—	—	—	—
William Fung . . . . .	—	—	—	—
Xavier Ho Sum Zee . . . . .	—	—	—	—
Jason Man Chun Chiu . . . . .	—	—	—	—
Bert Chun Lung Tsang . . . . .	—	—	—	—
Ming Lin Cheung . . . . .	—	—	—	—
All directors and executive officers as a group . . . . .	—	—	—	—
<b>Principal Shareholders:</b>				
AMTD Group <sup>(4)</sup> . . . . .	41,729,647	149,322,836	50.6	88.2
Infinity Power Investments Limited <sup>(5)</sup> . . . . .	13,562,135	63,589,392	20.4	51.3
Century City International Holdings Limited <sup>(6)</sup> . . . . .	21,844,724	—	5.8	0.6

**Notes:**

- \* Less than 1% of our total outstanding ordinary shares.
- \*\* Except as indicated otherwise below, the business address of our directors and executive officers is 23/F Nexxus Building, 41 Connaught Road Central, Hong Kong.
- † Beneficial ownership is determined in accordance with the SEC rules, and includes voting or investment power with respect to the securities. For each person and group included in this column, percentage of beneficial ownership is calculated by dividing the number of shares beneficially owned by such person or group by the sum of the total number of shares outstanding and the number of shares such person or group has the right to acquire upon exercise of option, warrant, or other right within 60 days after the date of this annual report.
- †† For each person and group included in this column, percentage of voting power is calculated by dividing the voting power beneficially owned by such person or group by the voting power of all of our Class A and Class B ordinary shares as a single class. Each holder of Class B ordinary shares is entitled to twenty votes per share, and each holder of our Class A ordinary shares is entitled to one vote per share on all matters submitted to them for a vote. Our Class A ordinary shares and Class B ordinary shares vote together as a single class on all matters submitted to a vote of our shareholders, except as may otherwise be required by law. Our Class B ordinary shares are convertible at any time by the holder thereof into Class A ordinary shares on a one-for-one basis.
- (1) The business address of Dr. Feridun Hamdullahpur is University of Waterloo, 200 University Avenue, West Waterloo, Ontario, Canada N2L3G1.
- (2) The business address of Dr. Timothy Tong is 23/F-25/F, Nexxus Building, 41 Connaught Road Central, Hong Kong.
- (3) The business address of Dr. Annie Koh is Singapore Management University, 81 Victoria Street, Singapore 188065.
- (4) AMTD Group directly holds 149,322,836 Class B ordinary shares of the Company and indirectly and effectively holds 41,729,647 Class A ordinary shares of the Company through its subsidiaries including AMTD Assets Alpha Group and AMTD Education Group. AMTD Group is a British Virgin Islands company, with its registered address at the offices of Vistra (BVI) Limited, Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. The board of directors of AMTD Group consists of Dr. Calvin Choi, Marcellus Wong, Yu Gao, and Dr. Feridun Hamdullahpur.
- (5) Infinity Power Investments Limited directly holds (i) 15,059,470 Class B ordinary shares of the Company and (ii) 32.5% of the issued and outstanding shares of AMTD Group, which in turn effectively holds 41,729,647 Class A ordinary shares and 149,322,836 Class B ordinary shares of the Company. Infinity Power Investments Limited is a British Virgin Islands company wholly-owned by Dr. Calvin Choi. The registered address of Infinity Power Investments Limited is Vistra Corporate Services Center, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.
- (6) Century City International Holdings Limited, a Bermuda company with its shares listed on the Stock Exchange of Hong Kong (stock code: 355), through its subsidiaries, namely P&R Finance Limited, Clear Radiant Limited and Unicorn Star Limited, holds 21,844,724 Class A ordinary shares of the Company. Such shareholding information is based on the information set forth in the Schedule 13D filed by P&R Finance Limited, Clear Radiant Limited, Unicorn Star Limited and Century City International Holdings Limited jointly on



January 13, 2022. P&R Finance Limited is a Hong Kong company, with its registered address at 11/F, Yee Wo Street, Causeway Bay, Hong Kong. Clear Radiant Limited is a British Virgin Islands company, with its registered address at the offices of Vistra (BVI) Limited, Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands, and Unicorn Star Limited is a British Virgin Islands company, with its registered address at the offices of Vistra (BVI) Limited, Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.

To our knowledge and based on our review of our register of shareholders as of the date of this annual report, 23,333,310 Class A ordinary shares were held of record by one holder that reside in the United States, being The Bank of New York Mellon, the depository of our ADS program. The number of beneficial owners of our ADSs in the United States is likely to be much larger than the number of record holders of our Class A ordinary shares in the United States. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

### **Enforceability of Civil Liabilities**

Most of our operations are conducted in Hong Kong, and substantially all of our assets are located in Hong Kong. A majority of our directors and executive officers are nationals or residents of jurisdictions other than the United States and most of their assets are located outside the United States. As a result, it may be difficult for a shareholder to effect service of process within the United States upon these individuals, to bring an action against us or these individuals in the United States, or to enforce against us or them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States.

We have been informed by our Cayman Islands legal counsel that the United States and the Cayman Islands do not have a treaty providing for reciprocal recognition and enforcement of judgments of U.S. courts in civil and commercial matters and that there is uncertainty as to whether the courts of the Cayman Islands would (i) recognize or enforce judgments of U.S. courts obtained against us or our directors or officers, predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States, or (ii) entertain original actions brought in the Cayman Islands against us or our directors or officers, predicated upon the securities laws of the United States or any state in the United States. We have also been advised by our Cayman Islands legal counsel that a judgment obtained in any federal or state court in the United States will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided such judgment (i) is given by a foreign court of competent jurisdiction, (ii) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given, (iii) is final and conclusive, (iv) is not in respect of taxes, a fine or a penalty, and (v) was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands.

There is uncertainty as to whether the courts of the Cayman Islands would recognize or enforce judgments of United States courts obtained against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States. Such uncertainty relates to whether a judgment obtained from the United States courts under the civil liability provisions of the securities laws will be determined by the courts of the Cayman Islands as penal or punitive in nature. If such a determination is made, the courts of the Cayman Islands will not recognize or enforce the judgment against a Cayman Islands company or its directors and officers. Because the courts of the Cayman Islands have yet to rule on whether such judgments are penal or punitive in nature, it is uncertain whether such civil liability judgments from U.S. courts would be enforceable in the Cayman Islands.

Our Hong Kong legal counsel has advised us that judgment of United States courts will not be directly enforced in Hong Kong. There are currently no treaties or other arrangements providing for reciprocal enforcement of foreign judgments between Hong Kong and the United States. However, the common law permits an action to be brought upon a foreign judgment. That is to say, a foreign judgment itself may form the basis of a cause of action since the judgment may be regarded as creating a debt between the parties to it. In a common law



action for enforcement of a foreign judgment in Hong Kong, the enforcement is subject to various conditions, including but not limited to, that the foreign judgment is a final judgment conclusive upon the merits of the claim, the judgment is for a liquidated amount in a civil matter and not in respect of taxes, fines, penalties, or similar charges, the proceedings in which the judgment was obtained were not contrary to natural justice, and the enforcement of the judgment is not contrary to public policy of Hong Kong. Such a judgment must be for a fixed sum and must also come from a “competent” court as determined by the private international law rules applied by the Hong Kong courts. The defenses that are available to a defendant in a common law action brought on the basis of a foreign judgment include lack of jurisdiction, breach of natural justice, fraud, and contrary to public policy. However, a separate legal action for debt must be commenced in Hong Kong in order to recover such debt from the judgment debtor.

## **ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS**

### *A. Major Shareholders*

Please refer to “Item 6.E. Directors, Senior Management and Employees—Share Ownership.”

### *B. Related Party Transactions*

#### **Transactions with Our Controlling Shareholder**

Immediately following our initial public offering in August 2019, we entered into an intercompany financing agreement with our Controlling Shareholder, pursuant to which we may from time to time incur expenses for each other, settle each other’s liabilities, and/or transfer certain excess cash to each other at an interest rate of 2% per annum, repayable upon demand.

Our Controlling Shareholder recharged staff costs, premises costs, office utilities and office renovation, and certain other operating expenses to us. Beginning from the third quarter of fiscal year 2019, our Controlling Shareholder has charged a fixed service fee of HK\$6.0 million (US\$0.8 million) per quarter in place of certain recharging arrangement. For the year ended December 31, 2021, HK\$24.0 million (US\$3.1 million) was charged by our Controlling Shareholder.

In August 2019, we entered into an intercompany financing agreement with the Controlling Shareholder, we made unsecured, interest bearing advances with no fixed term of repayment to our Controlling Shareholder and its subsidiaries for fund allocation purposes. On September 30, 2021, HK\$5.0 billion (US\$0.6 billion) out of the amount of the outstanding balance due from our Controlling Shareholder and its subsidiaries was offset against the consideration for the 69,144,673 Class B ordinary shares repurchased from our Controlling Shareholder. As of December 31, 2021, the amount of outstanding balance due from our Controlling Shareholder and its subsidiaries was HK\$2.2 billion (US\$0.3 billion). For the year ended December 31, 2021, interest income of HK\$116.3 (US\$14.9 million) was charged to the Controlling Shareholder.

In June 2020 and July 2021, we acquired ordinary shares of other subsidiaries of AMTD Group from the immediate holding company at considerations of HK\$556.2 million and HK\$163.2 million (US\$20.9 million), respectively.

In February 2022, we acquired a total of 31,732,000 Class A ordinary shares and 24,202,000 Class B ordinary shares of AMTD Digital Inc., priced at US\$17.75 per share, from certain of its shareholders, including our Controlling Shareholder, for a total consideration of approximately US\$992.6 million (HK\$7,742.2 million). We issued a total of 67,200,330 Class A ordinary shares and 51,253,702 Class B ordinary shares in settlement of the consideration payable for the acquisition. AMTD Digital Inc. is a comprehensive one-stop digital solutions platform in Asia and was a subsidiary of AMTD Group prior to the acquisition. AMTD Digital Inc. became our consolidated subsidiary as a result of the acquisition.



### Other Transactions with Related Parties

For the year ended December 31, 2021, the total amount of financial advisory fees that we charged entities that were previously fellow subsidiaries of AMTD Group was HK\$104.3 million (US\$13.4 million).

In September 2017, we entered into certain stock lending agreements with a former shareholder of our Controlling Shareholder, pursuant to which we lent listed equity shares to the shareholder. As of December 31, 2020, the value of the listed equity shares was HK\$876.1 million and these shares were returned to us during the year ended December 31, 2021.

In December 2019, the controlling person of the counterparty with which we entered into certain derivative agreements in April 2019 was appointed as a director, therefore the counterparty has become a related party of our company. Pursuant to these derivative agreements, the counterparty is entitled to a certain percentage of the gain of certain underlying assets if the market price or disposal price is higher than the agreed underlying price, and shall pay a sum equivalent to the loss of certain underlying assets if the market price or disposal price is lower than the agreed underlying price. For the year ended December 31, 2020, the unrealized gain on the derivative financial asset entered into with the related party was HK\$321.8 million. In June 2020, we disposed certain underlying assets to the related party at a consideration of HK\$972.2 million and therefore part of the derivatives contracts have also been settled with a consideration of HK\$618.7 million. For the year ended December 31, 2020, the total amount of asset management service fee income and financial advisory fee income that we earned from the counterparty were HK\$2.7 million and HK\$95.5 million, respectively. In December 2020, the subject director resigned from our Board and the counterparty ceased to be a related party.

In December 2019, we issued 4,526,627 Class B ordinary shares to Infinity Power Investments Limited for an aggregate subscription price of US\$38.3 million in a private placement. Infinity Power Investments Limited is a British Virgin Islands company wholly owned by our founder, Dr. Calvin Choi, which owns 32.5% of the total outstanding shares of our Controlling Shareholder.

In March 2020, we listed the MTN Program on the SEHK and, subsequently in April 2020, we dual listed the MTN Program on the SGX-ST. Later in the same month, we extended the Exchange Offer under the MTN Program. For further details, see “Item 4.—Information on the Company—A. History and Development of the Company—Our Company.” In May 2020, we issued US\$200 million 7.25% senior perpetual securities and S\$50 million 4.5% senior perpetual securities. On October 27, 2021, approximately S\$11.2 million 4.5% senior perpetual securities were repurchased from other subsidiaries of AMTD Group.

In May 2020, we entered into a stock lending agreement with a former fellow subsidiary of AMTD Group, pursuant to which we lent listed equity shares to such entity. As of December 31, 2020, the value of the listed equity shares was HK\$2.4 million. The stock loan was settled during the year ended December 31, 2021.

In October and November 2020, we acquired two equity linked notes from former fellow subsidiaries of AMTD Group at a consideration of HK\$148.7 million. During the years ended December 31, 2020 and 2021, the aforesaid equity linked notes were settled at consideration of HK\$195.8 million and HK\$181.6 million (US\$23.3 million) respectively, and generated realized and unrealized gain of HK\$109.6 million and HK\$119.1 million (US\$15.3 million), respectively.

In July 2021, we disposed of an investment to a former fellow subsidiary of AMTD Group for a consideration of HK\$196.0 million (US\$25.1 million), generating a gain on disposal of HK\$6.0 million (US\$0.8 million).

In December 2021, we acquired an unlisted investment from another subsidiary of AMTD Group at a consideration of HK\$11.5 million (US\$1.5 million).



In December 2021, we entered into a stock lending agreement with an entity that was a former fellow subsidiary of AMTD Group, pursuant to which we lent listed equity shares to such entity. As of December 31, 2021, the value of the listed equity shares was HK\$211.3 million (US\$27.1 million).

### Employment Agreements

See “Item 6. Directors, Senior Management and Employees—A. Directors and Senior Management—Employment Agreements and Indemnification Agreements.”

### Share Options

See “Item 6. Directors, Senior Management and Employees—B. Compensation—Stock Incentive Plan.”

#### C. *Interests of Experts and Counsel*

Not applicable.

## ITEM 8. FINANCIAL INFORMATION

### A. *Consolidated Statements and Other Financial Information*

We have appended consolidated financial statements filed as part of this annual report.

### Legal Proceedings

From time to time, we may become a party to various legal or administrative proceedings arising in the ordinary course of our business, including actions with respect to intellectual property infringement, conflicts with regard to third-party license or other rights, exposures to disputes with regard to contracts, or labor and employment claims. We are currently not a party to, and we are not aware of any threat of, any legal or administrative proceedings that, in the opinion of our management, are likely to have a material and adverse effect on our business, financial condition or results of operations and cash flows.

### Other Matters

AMTD Global Markets Limited, or AMTD GM, our wholly-owned subsidiary, was penalized by the Hong Kong Confederation of Insurance Brokers, or HKCIB, four times from 2016 to 2019 in relation to the retail advisory business distributing investment-linked products for failure to do everything possible to satisfy the insurance requirements of client and to place the interests of client before all other considerations, as well as failure to ensure that its technical representative is a fit and proper person. HKCIB issued fines to AMTD GM ranging from HK\$50,000 to HK\$250,000.

AMTD Group, our Controlling Shareholder, was founded by CK Hutchison Holdings Limited in 2003. The management teams of AMTD Group as well as AMTD GM were appointed by CK Hutchison Holdings Limited. In late 2015, L.R. Capital Group Inc. (“L.R. Capital”) acquired a majority stake in AMTD Group and the then management team was replaced by the current management team in 2016. On December 31, 2020, AMTD Group and L.R. Capital entered into a share repurchase agreement, where AMTD Group repurchased certain shares in AMTD Group previously allotted to L.R. Capital. The remaining shares held by L.R. Capital in AMTD Group Company Limited were disposed to a third party with a completion on December 31, 2021. Subsequently, L.R. Capital ceased to be a shareholder of AMTD Group.

Three of four of the cases for which the AMTD GM had been penalized by HKCIB were in relation to matters of similar nature whereby the previous management team and its insurance staff had not carried out their



work in accordance with regulatory standards. Three separate cases occurred in 2011, 2012, and 2014, and were recorded as each case arose from a separate complaint. These cases were concluded in April 2016, September 2016, and April 2019, respectively. These cases concluded in fines of HK\$150,000, HK\$50,000, and HK\$250,000, respectively, on AMTD GM. Since the current management team had assumed its position in 2016, it had enhanced its internal control processes in order to prevent the reoccurrence of such lapses in proper procedures in the future.

Additionally, AMTD Group had terminated its retail advisory business distributing investment-linked products in May 2016, and had not been involved in the sale of investment-linked assurance schemes to new individual clients but remains focusing only on corporate and institutional clients.

In 2018, HKCIB had conducted a regular inspection on AMTD GM and the result was a clean report with no identified issues or follow-up items. In addition, the profit from insurance brokerage business constitutes around 1% of net profit to AMTD GM, which is immaterial.

### **Dividend Policy**

Although we intend to distribute dividends in the future, the amount, timing, and whether or not we actually distribute dividends at all is at the discretion of our board of directors.

We are a holding company incorporated in the Cayman Islands. We may rely on dividends from our subsidiaries in Hong Kong for our cash requirements, including any payment of dividends to our shareholders.

Our board of directors has complete discretion on whether to distribute dividends, subject to applicable laws. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of directors. Under the Cayman Islands law, a Cayman Islands company may pay a dividend either out of profit or share premium account, provided that in no circumstances may a dividend be paid if the dividend payment would result in the company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decides to pay dividends, the form, frequency, and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, and other factors that the board of directors may deem relevant.

If we pay any dividends on our ordinary shares, we will pay those dividends that are payable in respect of the ordinary shares underlying our ADSs to the depositary, as the registered holder of such ordinary shares, and the depositary then will pay such amounts to our ADS holders in proportion to the ordinary shares underlying the ADSs held by such ADS holders, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. Cash dividends on our ordinary shares, if any, will be paid in U.S. dollars.

### **B. Significant Changes**

Except as disclosed elsewhere in this annual report, we have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

## **ITEM 9. THE OFFER AND LISTING**

### **A. Offer and Listing Details**

The ADSs, each representing one Class A ordinary share, have been listed on NYSE since August 5, 2019. The ADSs were previously traded under the ticker symbol “HKIB” and are currently traded under the symbol “AMTD.” Our Class A ordinary shares have been listed on SGX-ST since April 8, 2020 under the symbol “HKB.”



B. *Plan of Distribution*

Not applicable.

C. *Markets*

The ADSs, each representing one Class A ordinary share, have been listed on NYSE since August 5, 2019. The ADSs are currently traded under the symbol “AMTD.” Our Class A ordinary shares have also been listed on SGX-ST since April 8, 2020 and trade under the symbol “HKB.”

D. *Selling Shareholders*

Not applicable.

E. *Dilution*

Not applicable.

F. *Expenses of the Issue*

Not applicable.

**ITEM 10. ADDITIONAL INFORMATION**

A. *Share Capital*

Not applicable.

B. *Memorandum and Articles of Association*

Our fourth amended and restated memorandum and articles of association became effective on March 1, 2022. The following are summaries of material provisions of our fourth amended and restated memorandum and articles of association and the Companies Act of the Cayman Islands (as revised) insofar as they relate to the material terms of our ordinary shares.

**Registered Office and Objects**

Pursuant to Article 2 of our fourth amended and restated memorandum of association, our registered office is at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands or at such other place as our board of directors may from time to time decide. Pursuant to Article 3 of our fourth amended and restated memorandum of association, the objects for which our company is established are unrestricted and our company has full power and authority to carry out any object not prohibited by the Companies Act of the Cayman Islands (as revised) as the same may be revised from time to time, or any other law of the Cayman Islands.

**Directors**

See “Item 6.C. Directors, Senior Management and Employees—Board Practices.”

**Ordinary Shares**

*General.* Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Holders of our Class A ordinary shares and Class B ordinary shares will have the same rights except for voting and



conversion rights. Each Class B ordinary share shall entitle the holder thereof to twenty votes on all matters subject to vote at our general meetings, and each Class A ordinary share shall entitle the holder thereof to one vote on all matters subject to vote at our general meetings. Our ordinary shares are issued in registered form and are issued when registered in our register of members.

*Conversion.* Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof. The right to convert shall be exercisable by the holder of the Class B ordinary share delivering a written notice to the Company that such holder elects to convert a specified number of Class B ordinary shares into Class A ordinary shares. Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Upon any sale, transfer, assignment or disposition of any Class B ordinary shares by a holder thereof to any person other than our founder, Dr. Calvin Choi, or any other person or entity designated by Dr. Choi, each of such Class B ordinary shares will be automatically and immediately converted into an equal number of Class A ordinary share.

*Dividends.* The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors or declared by our shareholders by ordinary resolution (provided that no dividend may be declared by our shareholders which exceeds the amount recommended by our directors). Our currently effective memorandum and articles of association provide that subject to any rights and restrictions for the time being attached to any shares, the directors of the Company may from time to time declare dividends (including interim dividends) and other distributions on shares in issue and authorize payment of the same out of funds of the Company lawfully available therefor. Under the laws of the Cayman Islands, our company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if the dividend payment would result in our company being unable to pay its debts as they fall due in the ordinary course of business.

*Voting Rights.* Our ordinary shares vote together as a single class on all matters submitted to a vote of our shareholders, except as may otherwise be required by law, or otherwise agreed in our currently effective memorandum and articles of association. On a poll, each holder of Class B ordinary shares is entitled to twenty votes per share, and each holder of our Class A ordinary shares is entitled to one vote per share on all matters submitted to them for a vote. On a show of hands, each holder of Class A ordinary shares or Class B ordinary shares has one vote. Voting at any shareholders' meeting is by show of hands unless a poll is demanded. A poll may be demanded by the chairman of such meeting or any one or more shareholders who together hold not less than 10% of the total number of votes attaching to all issued and outstanding ordinary shares which are present in person or by proxy entitled to vote at the meeting.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast at a general meeting of our company, while a special resolution requires the affirmative vote of no less than two-thirds of the votes cast by such shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorized representatives, at a general meeting of our company. A special resolution will be required for important matters such as a change of name or making changes to our currently effective memorandum and articles of association. Our shareholders may, among other things, divide or combine their shares by ordinary resolution.

*General Meetings of Shareholders.* As a Cayman Islands exempted company with limited liability, we are not obliged by the Companies Act (as revised) to call shareholders' annual general meetings. Our currently effective memorandum and articles of association provide that we may (but are not obliged to) in each year hold a general meeting as our annual general meeting in which case we shall specify the meeting as such in the notices calling it, and the annual general meeting shall be held at such time and place as may be determined by our directors.

Shareholders' general meetings may be convened by a majority of our board of directors. Advance notice of at least seven days is required for the convening of our annual general shareholders' meeting (if any) and any





other general meeting of our shareholders. A quorum required for any general meeting of shareholders consists of at least one shareholder present or by proxy, representing not less than one-third of all votes attaching to all of our shares in issue and entitled to vote.

The Companies Act of the Cayman Islands (as revised) provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our currently effective memorandum and articles of association provide that upon the requisition of any one or more of our shareholders who together holds shares at the date of deposit of the requisite shares which carry in aggregate not less than one-third of all issued and outstanding shares of the Company that as at the date of the deposit carry the right to vote at general meetings of our company, our board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. However, our currently effective memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

*Election, Removal and Remuneration of Directors.* Unless otherwise determined by our company in general meeting, our currently effective memorandum and articles of association provide that our board will consist of not less than three directors. There are no provisions relating to retirement of directors upon reaching any age limit.

The directors have the power to appoint any person as a director either to fill a vacancy on the board or as an addition to the existing board. Our shareholders may also appoint any person to be a director by ordinary resolution. A director shall not be required to hold any Shares in the Company by way of qualification.

A director may be removed with or without cause by ordinary resolution.

The remuneration of the directors may be determined by the directors or by ordinary resolution of shareholders.

*Transfer of Ordinary Shares.* Subject to the restrictions set out below, any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board of directors.

Our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which we have a lien. Our board of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of shares;
- the instrument of transfer is properly stamped, if required;
- in the case of a transfer to joint holders, the number of joint holders to whom the ordinary share is to be transferred does not exceed four; and a fee of such maximum sum as the NYSE may determine to be payable or such lesser sum as our directors may from time to time require is paid to us in respect thereof.

If our directors refuse to register a transfer they shall, within three months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, after compliance with any notice required of the NYSE, be suspended and the register closed at such times and for such periods as our board of directors may from time to time determine,



provided, however, that the registration of transfers shall not be suspended nor the register closed for more than 30 days in any year as our board may determine.

*Liquidation.* On the winding up of our company, if the assets available for distribution amongst our shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst our shareholders in proportion to the par value of the shares winding up, the surplus shall be distributed amongst our shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to our company for unpaid calls or otherwise. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders in proportion to the par value of the shares held by them.

*Calls on Shares and Forfeiture of Shares.* Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their shares in a notice served to such shareholders at least 14 days prior to the specified time and place of payment. The shares that have been called upon and remain unpaid are subject to forfeiture.

*Redemption, Repurchase and Surrender of Shares.* We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders of these shares, on such terms and in such manner as may be determined by our board of directors. Our company may also repurchase any of our shares on such terms and in such manner as have been approved by our board of directors or by an ordinary resolution of our shareholders. Under the Companies Act of the Cayman Islands (as revised), the redemption or repurchase of any share may be paid out of our company's profits or out of the proceeds of a new issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if our company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Act of the Cayman Islands (as revised) no such share may be redeemed or repurchased (a) unless it is fully paid up, (b) if such redemption or repurchase would result in there being no shares outstanding or (c) if the company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.

*Variations of Rights of Shares.* If at any time, our share capital is divided into different classes or series of shares, the rights attached to any such class or series of shares may, subject to any rights or restrictions for the time being attached to any classes or series, only be materially adversely varied with the consent in writing of the holders of all of the issued shares of that class or series or with the sanction of an ordinary resolution passed at a separate meeting of the holders of the shares of that class or series. The rights conferred upon the holders of the shares of any class or series issued with preferred or other rights will not, subject to any rights or restrictions for the time being attached to the shares of that class or series, be deemed to be materially adversely varied by the creation, allotment, or issue of further shares ranking pari passu with or subsequent to them. The rights of the holders of shares will not be deemed to be materially adversely varied by the creation or issue of class or series of shares with preferred or other rights including, without limitation, the creation of class or series of shares with enhanced or weighted voting rights.

*Issuance of Additional Shares.* Our currently effective memorandum and articles of association authorizes our board of directors to issue additional shares from time to time as our board of directors shall determine, to the extent of available authorized but unissued shares.

Our currently effective memorandum and articles of association also authorizes our board of directors to create from time to time one or more classes or series of preferred shares and to determine, with respect to any such class or series of preferred shares, the terms and rights of that class or series, including:

- the designation of the class or series;
- the number of shares of the class or series;



- the dividend rights, dividend rates, conversion rights, voting rights; and the rights and terms of redemption and liquidation preferences.

Our board of directors may issue preferred shares without action by our shareholders to the extent authorized but unissued. Issuance of these shares may dilute the voting power of holders of ordinary shares.

*Inspection of Books and Records.* Holders of our ordinary shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records. However, we will provide our shareholders with annual audited financial statements.

*Anti-Takeover Provisions.* Some provisions of our currently effective memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including provisions that:

- authorize our board of directors to create and issue new classes or series of shares (including preferred shares) and to designate the price, rights, preferences, privileges and restrictions of such preferred shares without any further vote or action by our shareholders; and
- limit the ability of shareholders to requisition and convene general meetings of shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our currently effective memorandum and articles of association for a proper purpose and for what they believe in good faith to be in the best interests of our company.

*Exempted Company.* We are incorporated as an exempted company with limited liability under the Companies Act of the Cayman Islands (as revised). The Companies Act of the Cayman Islands (as revised) distinguishes between ordinary resident companies and exempted companies. Any company that is incorporated in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be incorporated as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except that an exempted company:

- does not have to file an annual return of its shareholders with the Registrar of Companies;
- is not required to open its register of members for inspection;
- does not have to hold an annual general meeting;
- may issue negotiable or bearer shares or shares with no par value;
- may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- may register as a limited duration company; and may register as a segregated portfolio company.

“Limited liability” means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil)

### C. *Material Contracts*

Other than in the ordinary course of business and other than those described under this item, in “Item 4. Information on the Company,” “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions,” or elsewhere in this annual report, we have not entered into any material contract during the two years immediately preceding the date of this annual report.



#### D. Exchange Controls

There are currently no foreign exchange control restrictions in Hong Kong or similar laws, decrees, regulatory or other requirements that may affect the following:

- (a) The ability to transfer funds by or to the Company in the form of repatriation of capital and remittance of profits;
- (b) The availability of cash and cash equivalents for use by the Company; and

The remittance of dividends, interest or other payments to holders of the Company's securities.

#### E. Taxation

##### Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations outside of the Cayman Islands based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or after execution brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of the shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of our ADSs or ordinary shares, nor will gains derived from the disposal of our ADSs or ordinary shares be subject to Cayman Islands income or corporation tax.

##### Hong Kong Taxation

The following summary of certain relevant taxation provisions under the laws of Hong Kong is based on current law and practice and is subject to changes therein. This summary does not purport to address all possible tax consequences relating to purchasing, holding or selling the ADSs and/or Class A ordinary shares, and does not take into account the specific circumstances of any particular investors, some of whom may be subject to special rules. Accordingly, holders or prospective purchasers (particularly those subject to special tax rules, such as banks, dealers, insurance companies and tax-exempt entities) should consult their own tax advisers regarding the tax consequences of purchasing, holding or selling the ADSs and/or Class A ordinary shares. Under the current laws of Hong Kong:

- No profit tax is imposed in Hong Kong in respect of capital gains from the sale of the ADSs and/or Class A ordinary shares.
- Revenue gains from the sale of ADSs and/or Class A ordinary shares by persons carrying on a trade, profession or business in Hong Kong where the gains are derived from or arise in Hong Kong from the trade, profession or business will be chargeable to Hong Kong profits tax, or Assessable Profits. Corporations will be subject to a 8.25% profit tax on the first HK\$2,000,000 of any generated Assessable Profits, and any Assessable Profits above HK\$2,000,000 will be subject to a 16.5% profit tax. Unincorporated businesses will be subject to a 7.5% profit tax on the first HK\$2,000,000 of any generated Assessable Profits, and any Assessable Profits above HK\$2,000,000 will be subject to a 15% profit tax.
- Purchases and sales of ADSs and/or Class A ordinary shares are effected outside of Hong Kong such as, for example, on the NYSE, should not be subject to Hong Kong profits tax.



According to the current tax practice of the Hong Kong Inland Revenue Department, dividends paid on the ADSs and/or Class A ordinary shares would not be subject to any Hong Kong tax.

No Hong Kong stamp duty is payable on the purchase and sale of the ADSs and/or Class A ordinary shares.

### United States Federal Income Tax Considerations

The following discussion is a summary of U.S. federal income tax considerations generally applicable to the ownership and disposition of our ADSs or ordinary shares by a U.S. Holder (as defined below) that holds our ADSs or ordinary shares as “capital assets” (generally, property held for investment) under the U.S. Internal Revenue Code of 1986, as amended, or the Code. This discussion is based upon existing U.S. federal tax law, which is subject to differing interpretations or change, possibly with retroactive effect. No ruling has been sought from the Internal Revenue Service, or the IRS, with respect to any U.S. federal income tax considerations described below, and there can be no assurance that the IRS or a court will not take a contrary position. This discussion, moreover, does not address the U.S. federal estate, gift, and alternative minimum tax considerations, the Medicare tax on certain net investment income, information reporting or backup withholding or any state, local, and non-U.S. tax considerations, relating to the ownership or disposition of our ADSs or ordinary shares. The following summary does not address all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances or to persons in special tax situations such as:

- banks and other financial institutions;
- insurance companies;
- pension plans;
- cooperatives;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders that elect to use a mark-to-market method of accounting;
- certain former U.S. citizens or long-term residents;
- tax-exempt entities (including private foundations);
- individual retirement accounts or other tax-deferred accounts;
- persons liable for alternative minimum tax;
- persons who acquire their ADSs or ordinary shares pursuant to any employee share option or otherwise as compensation;
- investors that will hold their ADSs or ordinary shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes;
- investors that have a functional currency other than the U.S. dollar;
- persons that actually or constructively own 10% or more of our ADSs or ordinary shares (by vote or value); or
- partnerships or other entities taxable as partnerships for U.S. federal income tax purposes, or persons holding the ADSs or ordinary shares through such entities,

all of whom may be subject to tax rules that differ significantly from those discussed below.



Each U.S. Holder is urged to consult its tax advisor regarding the application of U.S. federal taxation to its particular circumstances, and the state, local, non-U.S., and other tax considerations of the ownership and disposition of our ADSs or ordinary shares.

### ***General***

For purposes of this discussion, a “U.S. Holder” is a beneficial owner of our ADSs or ordinary shares that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created in, or organized under the laws of the United States or any state thereof or the District of Columbia;
- an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust (i) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust, or (ii) that has otherwise validly elected to be treated as a U.S. person under the Code.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of our ADSs or ordinary shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding our ADSs or ordinary shares and their partners are urged to consult their tax advisors regarding an investment in our ADSs or ordinary shares.

The discussion below assumes that the representations contained in the deposit agreement are and will continue to be true, and that the obligations in the deposit agreement and any related agreement have been and will be complied with in accordance with the terms. For U.S. federal income tax purposes, a U.S. Holder of ADSs will generally be treated as the beneficial owner of the underlying shares represented by the ADSs. The remainder of this discussion assumes that a U.S. Holder of our ADSs will be treated in this manner. Accordingly, deposits or withdrawals of ordinary shares for ADSs will generally not be subject to U.S. federal income tax.

### ***Passive Foreign Investment Company Considerations***

A non-U.S. corporation, such as our company, will be classified as a PFIC for U.S. federal income tax purposes for any taxable year if either (i) 75% or more of its gross income for such year consists of certain types of “passive” income or (ii) 50% or more of the value of its assets (determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income, or the asset test. Passive income generally includes, among other things, dividends, interest, rents, royalties, and gains from the disposition of passive assets. Passive assets are those which give rise to passive income, and include assets held for investment, as well as cash, assets readily convertible into cash, and working capital. We will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which we own, directly or indirectly, 25% or more (by value) of the stock.

Based upon our current and projected income and assets and our market capitalization, we do not believe we were a PFIC in 2021 and do not expect to be one for the foreseeable future. However, no assurance can be given in this regard because the determination of whether we are or will become a PFIC is a factual determination made annually that will depend, in part, upon the composition and classification of our income and assets, including the relative amounts of income generated by our strategic investment business as compared to our other businesses, and the value of the assets held by our strategic investment business as compared to our other businesses. Because there are uncertainties in the application of the relevant rules, it is possible that the IRS may challenge our classification of certain income and assets as non-passive, which may result in our being or



becoming classified as a PFIC in any single year. Furthermore, fluctuations in the market price of our ADSs or ordinary shares may cause us to become a PFIC for subsequent taxable years because the value of our assets for purposes of the asset test, including the value of our goodwill and unbooked intangibles, may be determined by reference to our market capitalization, which is based on the market price of our ADSs or ordinary shares from time to time (which may be volatile). In estimating the value of our goodwill and other unbooked intangibles, we have taken into account our market capitalization. Among other matters, if our market capitalization is less than anticipated or subsequently declines, we may be or become a PFIC for future taxable years. The composition of our income and assets may also be affected by how, and how quickly, we use our liquid assets. Under circumstances where our revenue from activities that produce passive income significantly increases relative to our revenue from activities that produce non-passive income, or where we determine not to deploy significant amounts of cash for active purposes, our risk of becoming a PFIC may substantially increase.

If we are a PFIC for any year during which a U.S. Holder holds our ADSs or our ordinary shares, there is uncertainty whether we will be treated as a PFIC for succeeding years during which such U.S. Holder holds our ADSs or our ordinary shares unless, in such case, we cease to be treated as a PFIC and such U.S. Holder makes a deemed sale election.

The discussion below under “—Dividends” and “—Sale or Other Disposition” is written on the basis that we will not be or become classified as a PFIC for U.S. federal income tax purposes. The U.S. federal income tax rules that apply generally if we are treated as a PFIC are discussed below under “—Passive Foreign Investment Company Rules.”

### ***Dividends***

Any cash distributions paid on our ADSs or ordinary shares out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, will generally be includible in the gross income of a U.S. Holder as dividend income on the day actually or constructively received by the U.S. Holder, in the case of ordinary shares, or by the depository, in the case of ADSs. Because we do not intend to determine our earnings and profits on the basis of U.S. federal income tax principles, any distribution we pay will generally be treated as a “dividend” for U.S. federal income tax purposes. Dividends received on our ADSs or ordinary shares will not be eligible for the dividends received deduction allowed to corporations in respect of dividends received from U.S. corporations.

Individuals and other non-corporate U.S. Holders may be subject to tax on any such dividends at the lower capital gain tax rate applicable to “qualified dividend income,” provided that certain conditions are satisfied, including that (i) our ADSs or ordinary shares on which the dividends are paid are readily tradable on an established securities market in the United States, (ii) we are neither a PFIC nor treated as such with respect to a U.S. Holder for the taxable year in which the dividend is paid and the preceding taxable year, and (iii) certain holding period requirements are met. The ADSs are listed on the NYSE, and therefore are considered to be readily tradeable on an established securities market in the United States. There can be no assurance that the ADSs will continue to be considered readily tradable on an established securities market in later years. Because the ordinary shares will not be listed on a U.S. exchange, we do not believe that dividends received with respect to ordinary shares that are not represented by ADSs will be treated as qualified dividends. U.S. Holders are urged to consult their tax advisors regarding the availability of the lower rate for dividends paid with respect to the ADSs or ordinary shares.

For U.S. foreign tax credit purposes, dividends paid on our ADSs or ordinary shares will generally be treated as income from foreign sources and will generally constitute passive category income. The rules governing the foreign tax credit are complex and U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit in their particular circumstances.



### *Sale or Other Disposition of ADSs or Ordinary Shares*

A U.S. Holder will generally recognize gain or loss upon the sale or other disposition of ADSs or ordinary shares in an amount equal to the difference between the amount realized upon the disposition and the holder's adjusted tax basis in such ADSs or ordinary shares. Such gain or loss will generally be capital gain or loss. Any such capital gain or loss will be long term if the ADSs or ordinary shares have been held for more than one year. Non-corporate U.S. Holders (including individuals) generally will be subject to U.S. federal income tax on long-term capital gain at preferential rates. The deductibility of a capital loss may be subject to limitations. Any such gain or loss that the U.S. Holder recognizes will generally be treated as U.S. source income or loss for foreign tax credit limitation purposes, which could limit the availability of foreign tax credits. Each U.S. Holder is advised to consult its tax advisor regarding the tax consequences if a foreign tax is imposed on a disposition of our ADSs or ordinary shares, including the applicability of any tax treaty and the availability of the foreign tax credit under its particular circumstances.

### *Passive Foreign Investment Company Rules*

If we are classified as a PFIC for any taxable year during which a U.S. Holder holds our ADSs or ordinary shares, and unless the U.S. Holder makes a mark-to-market election (as described below), the U.S. Holder will generally be subject to special tax rules on (i) any excess distribution that we make to the U.S. Holder (which generally means any distribution paid during a taxable year to a U.S. Holder that is greater than 125 percent of the average annual distributions paid in the three preceding taxable years or, if shorter, the U.S. Holder's holding period for the ADSs or ordinary shares), and (ii) any gain realized on the sale or other disposition, including, under certain circumstances, a pledge, of ADSs or ordinary shares. Under the PFIC rules:

- the excess distribution or gain will be allocated ratably over the U.S. Holder's holding period for the ADSs or ordinary shares;
- the amount allocated to the taxable year of the sale or other disposition and to any taxable years in the U.S. Holder's holding period prior to the first taxable year in which we are classified as a PFIC (each, a "pre-PFIC year"), will be taxable as ordinary income; and
- the amount allocated to each prior taxable year, other than a pre-PFIC year, will be subject to tax at the highest tax rate in effect for individuals or corporations, as appropriate, for that year, increased by an additional tax equal to the interest on the resulting tax deemed deferred with respect to each such taxable year.

As an alternative to the foregoing rules, a U.S. Holder of "marketable stock" (as defined below) in a PFIC may make a mark-to-market election with respect to such stock. If a U.S. Holder makes this election with respect to our ADSs, the holder will generally (i) include as ordinary income for each taxable year that we are a PFIC the excess, if any, of the fair market value of ADSs held at the end of the taxable year over the adjusted tax basis of such ADSs and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of the ADSs over the fair market value of such ADSs held at the end of the taxable year, but such deduction will only be allowed to the extent of the net amount previously included in income as a result of the mark-to-market election. The U.S. Holder's adjusted tax basis in the ADSs would be adjusted to reflect any income or loss resulting from the mark-to-market election. If a U.S. Holder makes a mark-to-market election in respect of our ADSs and we cease to be classified as a PFIC, the holder will not be required to take into account the gain or loss described above during any period that we are not classified as a PFIC. If a U.S. Holder makes a mark-to-market election, any gain such U.S. Holder recognizes upon the sale or other disposition of our ADSs in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as ordinary loss, but such loss will only be treated as ordinary loss to the extent of the net amount previously included in income as a result of the mark-to-market election.

The mark-to-market election is available only for "marketable stock," which is stock that is traded in other than de minimis quantities on at least 15 days during each calendar quarter, or regularly traded, on a qualified





exchange or other market, as defined in applicable U.S. Treasury regulations. Our ADSs, but not our ordinary shares, will be treated as marketable stock.

Because a mark-to-market election cannot technically be made for any lower-tier PFICs that we may own, a U.S. Holder may continue to be subject to the PFIC rules with respect to such U.S. Holder's indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes.

We do not intend to provide information necessary for U.S. Holders to make qualified electing fund elections which, if available, would result in tax treatment different from (and generally less adverse than) the general tax treatment for PFICs described above.

If a U.S. Holder owns our ADSs or ordinary shares during any taxable year that we are a PFIC, the holder must generally file an annual IRS Form 8621. You should consult your tax advisor regarding the U.S. federal income tax consequences of owning and disposing of our ADSs or ordinary shares if we are or become a PFIC.

*F. Dividends and Paying Agents*

Not applicable.

*G. Statement by Experts*

Not applicable.

*H. Documents on Display*

We have filed with SEC a registration statement on Form F-1 (File No. 333-232224), including relevant exhibits and securities under the Securities Act with respect to underlying ordinary shares represented by the ADSs. We have also filed with SEC a related registration statement on Form F-6 (File No. 333-232822) to register the ADSs.

We are subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. Accordingly, we are required to file reports, including annual reports on Form 20-F, and other information with SEC. All information filed with SEC can be obtained over the Internet at SEC's website at <https://www.sec.gov>.

As a foreign private issuer, we are exempt from the rules of the Exchange Act prescribing the furnishing and content of proxy statements to shareholders, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. However, we intend to furnish the depositary with our annual reports, which will include a review of operations and annual audited consolidated financial statements prepared in conformity with IFRS, and all notices of shareholders' meeting and other reports and communications that are made generally available to our shareholders. The depositary will make such notices, reports, and communications available to holders of ADSs and, upon our written request, will mail to all record holders of ADSs the information contained in any notice of a shareholders' meeting received by the depositary from us.

*I. Subsidiary Information*

Not applicable.



## ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

### Interest Rate Risk

Our exposure to interest rate risk primarily relates to the bank balances, loans receivable and bank borrowings. We have not been exposed to material risks due to changes in interest rates, and we have not used any derivative financial instruments to manage our interest risk exposure. However, our future interest income may fall short of expectations due to changes in market interest rates.

### Foreign Exchange Risk

Most of our revenues and expenses are denominated in Hong Kong dollar or U.S. dollar. Certain of our transactions are denominated in foreign currencies and therefore we are exposed to foreign currency risk. We do not believe that we currently have any significant direct foreign exchange risk and have not used any derivative financial instruments to hedge exposure to such risk. Although our exposure to foreign exchange risks should be limited in general, the value of your investment in our ADSs will be affected by the exchange rate between U.S. dollar and Hong Kong dollar because the value of our business is mainly denominated in Hong Kong dollar, while our ADSs will be traded in U.S. dollars.

In addition, foreign exchange risk also arises from the possibility that fluctuations in foreign exchange rates can impact the value of financial instruments. We are exposed to minimal foreign exchange risk since Hong Kong dollars are pegged against U.S. dollars. The impact of foreign exchange fluctuations in our earnings is included in foreign exchange differences, net in the consolidated statements of cash flows.

To the extent we need to convert U.S. dollars into Hong Kong dollars for our operations, appreciation of Hong Kong dollar against the U.S. dollar would reduce the amount in Hong Kong dollars we receive from the conversion. Conversely, if we decide to convert Hong Kong dollars into U.S. dollars for the purpose of making payments for dividends on our Class A ordinary shares or ADSs, servicing our outstanding debt, or for other business purposes, appreciation of the U.S. dollar against the Hong Kong dollar would reduce the U.S. dollar amounts available to us.

## ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

### A. *Debt Securities*

Not applicable.

### B. *Warrants and Rights*

Not applicable.

### C. *Other Securities*

Not applicable.

### D. *American Depositary Shares*

#### **Fees and Charges Our ADS Holders May Have to Pay**

The Bank of New York Mellon, as depositary, will register and deliver American Depositary shares, also referred to as ADSs. Each ADS will represent one ordinary share (or a right to receive one ordinary share) deposited with The Hong Kong and Shanghai Banking Corporation Limited, as custodian for the depositary in Hong Kong. Each ADS will also represent any other securities, cash or other property which may be held by the depositary. The deposited shares together with any other securities, cash or other property held by the depositary are referred to as the deposited securities. The depositary's office at which the ADSs will be administered is located at 240 Greenwich Street, New York, New York 10286.



**Persons depositing or withdrawing shares or ADS holders must pay:**

**For:**

\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)

Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property  
Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates

\$0.05 (or less) per ADS

Any cash distribution to ADS holders

A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs \$0.05 (or less) per ADS per calendar year

Distribution of securities distributed to holders of deposited securities (including rights) that are distributed by the depository to ADS holders  
Depository services

Registration or transfer fees

Transfer and registration of shares on our share register to or from the name of the depository or its agent when you deposit or withdraw shares

Expenses of the depository

Cable and facsimile transmissions (when expressly provided in the deposit agreement)  
Converting foreign currency to U.S. dollars

Taxes and other governmental charges the depository or the custodian has to pay on any ADSs or shares underlying ADSs, such as stock transfer taxes, stamp duty or withholding taxes

As necessary

Any charges incurred by the depository or its agents for servicing the deposited securities

As necessary

**Fees and Other Payments Made by the Depository to Us**

The depository has agreed to reimburse us for a portion of certain expenses we incur that are related to establishment and maintenance of the ADR program, including investor relations expenses. There are limits on the amount of expenses for which the depository will reimburse us, but the amount of reimbursement available to us is not related to the amounts of fees the depository collects from investors. Further, the depository has agreed to reimburse us certain fees payable to the depository by holders of ADSs. Neither the depository nor we can determine the exact amount to be made available to us because (i) the number of ADSs that will be issued and outstanding, (ii) the level of service fees to be charged to holders of ADSs and, (iii) our reimbursable expenses related to the program are not known at this time.

We did not receive any payments from the depository for its ADR program, in 2021.

**PART II.**

**ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES**

None.

**ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS**

**Material Modifications to the Rights of Security Holders**

See “Item 10. Additional Information” for a description of the rights of securities holders, which remain unchanged.



## Use of Proceeds

The following “Use of Proceeds” information relates to the registration statement on Form F-1 (File Number: 333-232224) relating to our initial public offering of 20,759,700 ADSs representing 20,759,700 Class A ordinary shares, and the underwriters’ full exercise of their option to purchase from us 3,113,955 additional ADSs representing 3,113,955 Class A ordinary shares, at an initial offering price of US\$8.38 per ADS. The registration statement was declared effective by the SEC on August 2, 2019. AMTD Global Markets Limited and Loop Capital Markets LLC were the representatives of the underwriters.

We raised approximately US\$192.6 million in net proceeds from our initial public offering, after deducting underwriting commissions and the offering expenses payable by us, including the net proceeds we received from the underwriters’ full exercise of their option to purchase from us additional ADSs. For the period from August 2, 2019 to December 31, 2021, we have used approximately US\$6.2 million of the net proceeds from our initial public offering for business and infrastructure expansion, branding and marketing activities and other general administrative matters.

We still intend to use the proceeds from our initial public offering, as disclosed in our registration statements on Form F-1, to invest in our business and infrastructure expansion, fund potential acquisitions and investments, and use the remainder for general corporate purposes.

## ITEM 15. CONTROLS AND PROCEDURES

### Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Exchange Act, our senior management, with the participation of our chief executive officer and chief financial officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures within the meaning of Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Based upon that evaluation, our senior management has concluded that, as of December 31, 2021, our disclosure controls and procedures were effective.

Disclosure controls and procedures means controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in SEC’s rule and forms and that such information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosures.

### Management’s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) under the Exchange Act. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Our management, with the participation of our chief executive officer and our chief financial officer, evaluated the effectiveness of our internal control over financial reporting based on criteria established in the framework in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based upon its evaluation, our senior management has concluded that, as of December 31, 2021, our internal control over financial reporting was effective.

As a company with less than US\$1.07 billion in revenue for our last fiscal year, we qualify as an “emerging growth company” pursuant to the JOBS Act. An emerging growth company may take advantage of specified



reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company’s internal control over financial reporting.

**Attestation Report of the Registered Public Accounting Firm**

See “—Management’s Annual Report on Internal Control over Financial Reporting.”

**Changes in Internal Control over Financial Reporting**

There were no changes in our internal controls over financial reporting that occurred during the period covered by this annual report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT**

See “Item 6.C. Directors, Senior Management and Employees—Board Practices.”

**ITEM 16B. CODE OF ETHICS**

Our board of directors has adopted a code of ethics that applies to all of the directors, officers and employees of us and our subsidiaries, whether they work for us on a full-time, part-time, consultative, or temporary basis. In addition, we expect those who do business with us, such as consultants, suppliers and collaborators, to also adhere to the principles outlined in the code of ethics. Certain provisions of the code of ethics apply specifically to our chief executive officer, chief financial officer, senior finance officer, controller, vice presidents and any other persons who perform similar functions for us. We have filed our code of business conduct and ethics as an exhibit to our registration statement on Form F-1 (No. 333-232224) in connection with our initial public offering in August 2019, which was incorporated by reference thereto in this annual report.

**ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by Ernst & Young and Deloitte Touche Tohmatsu, our principal accountants, for the periods indicated. We did not pay or accrue for payment any other fees to our principal accountants during the periods except as indicated below.

	2020		2021	
	HK\$	US\$	HK\$	US\$
	(in thousands)			
Audit Fees <sup>(1)</sup>				
- Ernst & Young	4,650	1,137	146	
- Deloitte Touche Tohmatsu	6,000	6,300	808	
Audit-Related Fees <sup>(2)</sup>				
- Ernst & Young	1,419	—	—	

(1) “Audit Fees” represent the aggregate fees billed for each of the fiscal years listed for professional services rendered by our principal accountant for the audit of our annual consolidated financial statements, review of quarterly financial information, and audit services that are normally provided by the principal accountant in connection with regulatory filings or engagements for those fiscal years.

(2) “Audit-Related Fees” represent the aggregate fees billed in each of the fiscal years listed for assurance and related services by our principal accountant that are reasonably related to the performance of the audit or review of our financial statements and are not reported under “Audit Fees.”



All audit and permitted non-audit services provided by our principal accountant, including audit services, audit-related services, tax services, and other services as described above, must be and have been approved in advance by our audit committee.

**ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES**

None.

**ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS**

In September 2021, we repurchased approximately 69.1 million Class B ordinary shares from AMTD Group for HK\$5 billion (US\$0.6 billion). No shares were repurchased by or on behalf of the Company or any affiliated purchaser in the open market in 2021.

**ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT**

Effective from January 22, 2021, we engaged Deloitte Touche Tohmatsu, or Deloitte, as our independent registered public accounting firm to rotate out Ernst & Young ("EY"), to audit our consolidated financial statements as of and for the fiscal year ended December 31, 2020. Our financial statements as of and for the fiscal year ended December 31, 2019 had previously been audited by EY. The retirement of EY and the appointment of Deloitte were made as part of the global auditor rotation process being initiated by the audit committee and approved by our board to conform with international best practices on auditor independence.

EY has issued unqualified opinions on the Company's consolidated financial statements for the fiscal year ended December 31, 2019.

During the fiscal year ended December 31, 2019 through to December 24, 2020, which is the date of EY's letter to the PCAOB confirming that the client-auditor relationship has ceased, there were no disagreements between the Company and EY on, any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures, which, if not resolved to EY's satisfaction, would have caused EY to make reference thereto in their reports on the financial statements for such years. In addition, there were no "reportable events" as defined in Form 20-F Item 16F(a)(1)(v) other than the material weaknesses reported in the Company's 2019 Form 20-F filed with the U.S. Securities and Exchange Commission on April 30, 2020.

The audit committee of our board discussed the material weaknesses with EY and authorized EY to fully respond to the inquiries of Deloitte on the material weaknesses, if any. There is no disagreement with EY on the above matters.

We provided EY with a copy of the disclosures under this Item 16F and requested from EY a letter addressed to the Securities and Exchange Commission indicating whether it agrees with such disclosures. A copy of EY's letter dated April 28, 2021, is attached as Exhibit 16.1.

During the Company's three most recent fiscal years and through the subsequent interim period on or prior to the engagement of Deloitte, neither the Company nor anyone on its behalf consulted with Deloitte on either (a) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's financial statements, and neither a written report nor oral advice was provided to us that Deloitte concluded was an important factor considered by the Company in reaching a decision as to any accounting, auditing or financial reporting issue, or (b) any matter that was the subject of a disagreement, as that term is defined in Item 16F(a)(1)(iv) of Form 20-F (and the related instructions thereto) or a reportable event as set forth in Item 16F(a)(1)(v)(A) through (D) of Form 20-F.



**ITEM 16G. CORPORATE GOVERNANCE**

As a “controlled company” as defined under the NYSE Listed Company Manual, we are permitted to, and we have elected, not to comply with certain corporate governance requirements. We have elected to rely on exemptions with respect to the requirement that we have a compensation committee that is composed entirely of independent directors. We followed home country practice with respect to annual general meetings and did not hold an annual general meeting of shareholders in 2021. We also relied upon the relevant home country exemption in lieu of the requirement for shareholder approval of share issuances (i) to certain related parties where the number of shares issued exceeded either one percent of the number of shares or of the voting power outstanding before the issuance, and (ii) where such share are issued as consideration in a transaction or series of related transactions in which a related party has a five percent or greater interest (or such persons collectively have a ten percent or greater interest), directly or indirectly, in the company or assets to be acquired or in the consideration to be paid in the transaction or series of related transactions and the issuance exceeded either five percent of the number of shares or of the voting power outstanding before the issuance.

Other than as described above, we are not aware of any significant differences between our corporate governance practices and those followed by domestic companies under the NYSE Listed Company Manual.

**ITEM 16H. MINE SAFETY DISCLOSURE**

Not applicable.

**PART III.**

**ITEM 17. FINANCIAL STATEMENTS**

We have elected to provide financial statements pursuant to Item 18.

**ITEM 18. FINANCIAL STATEMENTS**

The consolidated financial statements of AMTD IDEA Group are included at the end of this annual report.

**ITEM 19. EXHIBITS**

<u>Exhibit Number</u>	<u>Document</u>
1.1	Fourth Amended and Restated Memorandum and Articles of Association of the Registrant (incorporated by reference to Exhibit 3.1 of Form 6-K furnished with the Securities and Exchange Commission on March 2, 2022)
1.2	Registrant’s Specimen American Depositary Receipt (incorporated by reference to Exhibit 4.1 of our Registration Statement on Form F-1 (File No. 333-232224), as amended, initially filed with the Securities and Exchange Commission on June 20, 2019)
2.1	Registrant’s Specimen Certificate for Ordinary Shares (incorporated by reference to Exhibit 4.2 to our Registration Statement on Form F-1 (File No. 333-232224), as amended, initially filed with the Securities and Exchange Commission on June 20, 2019)
2.2	Form of Deposit Agreement among the Registrant, the depositary and all holders of the American Depositary Receipts of the Registrant (incorporated by reference to Exhibit 4.3 to our Registration Statement on Form F-1 (File No. 333-232224) filed with the Securities and Exchange Commission on June 20, 2019)
2.3	AMTD SpiderMan Share Incentive Plan (incorporated by reference to Exhibit 10.1 to our Registration Statement on Form F-1 (File No. 333-232224), as amended, initially filed with the Securities and Exchange Commission on June 20, 2019)



<u>Exhibit Number</u>	<u>Document</u>
2.4	Description of Securities (incorporated by reference to Exhibit 2.4 to the annual report on Form 20-F filed by the Registrant with the Securities and Exchange Commission on April 30, 2019)
4.1	Form of Employment Agreement between the Registrant and the executive officers of the Registrant (incorporated by reference to Exhibit 10.2 to our Registration Statement on Form F-1 (File No. 333-232224) filed with the Securities and Exchange Commission on June 20, 2019)
4.2	Form of Indemnification Agreement between the Registrant and the directors and executive officers of the Registrant (incorporated by reference to Exhibit 10.3 to our Registration Statement on Form F-1 (File No. 333-232224) filed with the Securities and Exchange Commission on June 20, 2019)
4.3	Master Transaction Agreement between the Registrant and its controlling shareholder dated June 20, 2019 (incorporated by reference to Exhibit 10.4 to our Registration Statement on Form F-1 (File No. 333-232224) filed with the Securities and Exchange Commission on June 20, 2019)
4.4	Transitional Services Agreement between the Registrant and its controlling shareholder dated June 20, 2019 (incorporated by reference to Exhibit 10.5 to our Registration Statement on Form F-1 (File No. 333-232224) filed with the Securities and Exchange Commission on June 20, 2019)
4.5	Non-Competition Agreement between the Registrant and its controlling shareholder dated June 20, 2019 (incorporated by reference to Exhibit 10.6 to our Registration Statement on Form F-1 (File No. 333-232224) filed with the Securities and Exchange Commission on June 20, 2019)
4.6	Intercompany Financing Agreement between the Registrant and AMTD Group Company Limited dated August 5, 2019 (incorporated herein by reference to Exhibit 4.22 to our annual report on Form 20-F (File No. 001-39006) filed with the SEC on April 30, 2020)
4.7	Share Purchase Agreement between the Registrant and Value Partners Greater China High Yield Income Fund dated December 19, 2019 (incorporated herein by reference to Exhibit 4.23 to our annual report on Form 20-F (File No. 001-39006) filed with the SEC on April 30, 2020)
4.8	Share Purchase Agreement between the Registrant and Ariana Capital Investment Limited dated December 19, 2019 (incorporated herein by reference to Exhibit 4.24 to our annual report on Form 20-F (File No. 001-39006) filed with the SEC on April 30, 2020)
4.9	Share Purchase Agreement between the Registrant and Infinity Power Investments Limited dated December 19, 2019 (incorporated herein by reference to Exhibit 4.25 to our annual report on Form 20-F (File No. 001-39006) filed with the SEC on April 30, 2020)
4.10	Convertible Note Purchase Agreement between the Registrant and Value Partners Greater China High Yield Income Fund dated December 19, 2019 (incorporated herein by reference to Exhibit 4.26 to our annual report on Form 20-F (File No. 001-39006) filed with the SEC on April 30, 2020)
4.11	Fiscal Agency Agreement between the Registrant, The Bank of New York Mellon, London Branch, The Bank of New York Mellon SA/NV, Luxembourg Branch, and The Bank of New York Mellon, Hong Kong Branch dated March 30, 2020 (incorporated herein by reference to Exhibit 4.27 to our annual report on Form 20-F (File No. 001-39006) filed with the SEC on April 28, 2021)
4.12	Facility Letter between Nanyang Commercial Bank, Limited and the Registrant dated September 22, 2020 (incorporated herein by reference to Exhibit 4.28 to our annual report on Form 20-F (File No. 001-39006) filed with the SEC on April 28, 2021)





<u>Exhibit Number</u>	<u>Document</u>
4.13*	Share Purchase Agreement between AMTD Group Company Limited and the Registrant dated July 9, 2021
4.14*	Share Repurchase Agreement between AMTD Group Company Limited and the Registrant dated September 30, 2021
4.15*	Share Purchase Agreement between the Registrant and Cheng Huang dated December 27, 2021
4.16*	Business Loan Agreement between the Registrant and East West Bank dated December 28, 2021
4.17*	Share Purchase Agreement between the Registrant and Unicorn Star Limited dated December 29, 2021
4.18*	Share Purchase Agreement between the Registrant and Longling Capital Ltd dated December 29, 2021
4.19*	Share Purchase Agreement between the Registrant and EverGlory Strategic Investment Limited dated December 29, 2021
4.20*	Share Purchase Agreement between the Registrant and Infinity Power Investments Limited dated December 29, 2021
4.21*	Share Purchase Agreement between the Registrant and NGSP Holdings Limited dated January 15, 2022
4.22*	Share Purchase Agreement between the Registrant and Value Partners Greater China High Yield Income Fund dated January 19, 2022
4.23*	Share Purchase Agreement between the Registrant and Maoyan Entertainment dated January 19, 2022
4.24*	Share Purchase Agreement between the Registrant and Chestnut Business Limited dated January 19, 2022
4.25*	Share Purchase Agreement between the Registrant and EverGlory Strategic Investment Limited dated January 19, 2022
4.26*	Share Purchase Agreement between the Registrant and AMTD Education Group dated January 19, 2022
4.27*	Share Purchase Agreement between the Registrant and AMTD Assets Alpha Group dated January 19, 2022
4.28*	Share Purchase Agreement between the Registrant and AMTD Group Company Limited dated January 19, 2022
4.29*	Share Purchase Agreement between the Registrant and Infinity Power Investments Limited dated January 19, 2022
4.30*	Share Purchase Agreement between the Registrant and Poly Platinum Enterprises Limited dated January 21, 2022
8.1*	List of Subsidiaries of the Registrant
11.1	Code of Business Conduct and Ethics of the Registrant (incorporated by reference to Exhibit 99.1 to our Registration Statement on Form F-1 (File No. 333-232224), as amended, initially filed with the Securities and Exchange Commission on June 20, 2019)
12.1*	Chief Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	Chief Financial Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002



<u>Exhibit Number</u>	<u>Document</u>
13.1**	Chief Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2**	Chief Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
16.1	Letter from Ernst & Young to the Securities and Exchange Commission (incorporated herein by reference to Exhibit 16.1 to our annual report on Form 20-F (File No. 001-39006) filed with the SEC on April 28, 2021)
101.INS*	Inline XBRL Instance Document-the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline Taxonomy Extension Scheme Document
101.CAL*	Inline Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline Taxonomy Extension Label Linkbase Document
101.PRE*	Inline Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

\* Filed with this annual report on Form 20-F.

\*\* Furnished with this annual report on Form 20-F.



**SIGNATURES**

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

AMTD IDEA Group

By: /s/ William Fung \_\_\_\_\_

Name: William Fung  
Title: Chief Executive Officer  
Date: April 18, 2022



**AMTD IDEA GROUP**  
**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of AMTD IDEA Group

### Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of AMTD IDEA Group and subsidiaries (the “Company”) as of December 31, 2021 and 2020, the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for each of the two years in the period ended December 31, 2021, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2021, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte Touche Tohmatsu  
Certified Public Accountants  
Hong Kong, the People’s Republic of China  
April 18, 2022  
We have served as the Company’s auditor since 2021.



## Report of Independent Registered Public Accounting Firms

### To the Shareholders and the Board of Directors of AMTD International Inc.

#### Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of AMTD International Inc. (the Company) as of December 31, 2019, the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year ended December 31, 2019, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2019, and the results of its operations and its cash flows for the year ended December 31, 2019, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

#### Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young

We served as the Company’s auditor from 2019 to 2020.

Hong Kong

April 30, 2020



**AMTD IDEA GROUP**  
**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2019, 2020 and 2021**

	Notes	Year ended December 31,		
		2019	2020	2021
		HK\$	HK\$	HK\$
<b>REVENUE</b>				
Fee and commission income (including income generated from related parties of HK\$46,046,698, HK\$128,419,020 and HK\$105,448,459 for the years ended December 31, 2019, 2020 and 2021, respectively) . . . . .		580,006,276	607,263,125	680,477,636
Dividend and gain related to disposed financial assets at fair value through profit or loss (including net disposal gain generated from related parties of HK\$ Nil, HK\$82,948,508 and HK\$125,112,176 for the years ended December 31, 2019, 2020 and 2021, respectively) . . . . .		100,551,728	171,026,667	173,823,384
		<u>680,558,004</u>	<u>778,289,792</u>	<u>854,301,020</u>
Net fair value changes on financial assets at fair value through profit or loss (except derivative financial assets) and stock loan . . . . .	27(A)(ii)	(641,603,993)	(31,054,945)	597,551,244
Net fair value changes on derivative financial asset . . . . .	14	1,165,220,000	371,305,326	(54,008,047)
	5	1,204,174,011	1,118,540,173	1,397,844,217
Other income . . . . .	5	22,090,268	111,867,468	125,538,171
Impairment losses under expected credit loss model on financial assets . . . . .	11	—	(17,109,001)	—
Other operating expenses . . . . .	6	(114,696,855)	(103,723,211)	(83,794,012)
Staff costs . . . . .	7	(94,607,497)	(94,410,281)	(95,585,898)
Finance costs . . . . .	8	(27,705,955)	(21,510,079)	(12,825,923)
Net fair value changes on derivative financial liability . . . . .	23	—	7,765,148	—
<b>PROFIT BEFORE TAX</b> . . . . .		<u>989,253,972</u>	<u>1,001,420,217</u>	<u>1,331,176,555</u>
Income tax (expense)/credit . . . . .	9	(158,349,518)	137,540,767	(109,295,037)
<b>PROFIT FOR THE YEAR</b> . . . . .		<u>830,904,454</u>	<u>1,138,960,984</u>	<u>1,221,881,518</u>
<b>Attributable to:</b>				
Owners of the parent:				
- Ordinary shareholders . . . . .		938,272,885	1,059,973,270	1,096,452,084
- Holders of perpetual securities . . . . .	25	—	78,987,714	125,742,843
Non-controlling interests . . . . .		(107,368,431)	—	(313,409)
		<u>830,904,454</u>	<u>1,138,960,984</u>	<u>1,221,881,518</u>

The accompanying notes are an integral part of the consolidated financial statements.



AMTD IDEA GROUP  
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2019, 2020 and 2021

	Notes	Year ended December 31,		
		2019 HK\$	2020 HK\$	2021 HK\$
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>				
Class A ordinary shares:				
Basic (HK\$ per share) . . . . .	10	4.34	4.34	4.81
Diluted (HK\$ per share) . . . . .	10	4.34	4.22	4.81
Class B ordinary shares:				
Basic (HK\$ per share) . . . . .	10	4.34	4.34	4.81
Diluted (HK\$ per share) . . . . .	10	4.34	4.34	4.81
<b>PROFIT FOR THE YEAR . . . . .</b>		830,904,454	1,138,960,984	1,221,881,518
<b>OTHER COMPREHENSIVE INCOME</b>				
Item that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations . . . . .		—	1,022,840	738,972
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR . . . . .</b>		—	1,022,840	738,972
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR . . . . .</b>		830,904,454	1,139,983,824	1,222,620,490
<b>Attributable to:</b>				
Owners of the parent:				
- Ordinary shareholders . . . . .		938,272,885	1,060,996,110	1,096,896,235
- Holders of perpetual securities . . . . .	25	—	78,987,714	125,742,843
Non-controlling interests . . . . .		(107,368,431)	—	(18,588)
		830,904,454	1,139,983,824	1,222,620,490

The accompanying notes are an integral part of the consolidated financial statements.





**AMTD IDEA GROUP**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2020 AND 2021**

	Notes	December 31,	
		2020	2021
		HK\$	HK\$
<b>Assets</b>			
<b>Current assets</b>			
Accounts receivable . . . . .	11	77,350,250	86,514,680
Prepayments, deposits and other receivables . . . . .	12	24,872,391	21,916,382
Due from immediate holding company . . . . .	27(B)(i)	6,477,266,499	2,144,975,230
Financial assets at fair value through profit or loss . . . . .	13	62,519,937	—
Derivative financial asset . . . . .	14	1,023,902,566	969,894,519
Other assets . . . . .	15	197,309,175	136,065,738
Cash and bank balances . . . . .	16	453,966,764	526,206,108
Total current assets . . . . .		<u>8,317,187,582</u>	<u>3,885,572,657</u>
<b>Non-current assets</b>			
Property, plant and equipment . . . . .	17	111,357	67,131
Intangible assets . . . . .	18	15,171,170	15,171,170
Financial assets at fair value through profit or loss . . . . .	13	1,315,336,778	2,574,695,685
Stock loan . . . . .	13	878,483,400	211,331,400
Total non-current assets . . . . .		<u>2,209,102,705</u>	<u>2,801,265,386</u>
Total assets . . . . .		<u>10,526,290,287</u>	<u>6,686,838,043</u>
<b>Equity and liabilities</b>			
<b>Current liabilities</b>			
Accounts payable . . . . .	19	201,986,202	155,020,918
Bank borrowings . . . . .	20	232,280,000	388,870,500
Other payables and accruals . . . . .	21	128,325,893	92,225,549
Tax payable . . . . .		123,289,855	136,124,845
Total current liabilities . . . . .		<u>685,881,950</u>	<u>772,241,812</u>
<b>Non-current liabilities</b>			
Derivative financial liability . . . . .	23	12,954,313	13,752,673
Convertible bond . . . . .	23	103,278,429	111,970,384
Total non-current liabilities . . . . .		<u>116,232,742</u>	<u>125,723,057</u>
Total liabilities . . . . .		<u>802,114,692</u>	<u>897,964,869</u>
<b>Equity</b>			
Class A ordinary shares (par value of US\$0.0001 as of December 31, 2020 and 2021; 8,000,000,000 shares authorized as of December 31, 2020 and 2021; 62,327,851 shares as of December 31, 2020 and 2021) . . . . .	24	48,838	48,838
Class B ordinary shares (par value of US\$0.0001 as of December 31, 2020 and 2021; 2,000,000,000 shares authorized as of December 31, 2020 and 2021; 183,283,628 shares as of December 31, 2020 and 2021) . . . . .	24	143,864	143,864
Treasury shares . . . . .	24	—	(5,000,000,000)
Capital reserve . . . . .		4,551,187,228	4,551,183,728
Exchange reserve . . . . .		1,022,840	1,466,991
Retained profits . . . . .		3,337,088,284	4,449,489,995
Total equity attributable to ordinary shareholders of the Company . . . . .		<u>7,889,491,054</u>	<u>4,002,333,416</u>
Non-controlling interests . . . . .		—	15,496,320
Perpetual securities . . . . .	25	1,834,684,541	1,771,043,438
Total equity . . . . .		<u>9,724,175,595</u>	<u>5,788,873,174</u>
Total liabilities and equity . . . . .		<u>10,526,290,287</u>	<u>6,686,838,043</u>

The accompanying notes are an integral part of the consolidated financial statements.

**AMTD IDEA GROUP**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2019, 2020 AND 2021**

	Share capital	Capital reserve	Treasury shares	Exchange reserve	Retained profits	Equity attributable to ordinary shareholders of the Company	Equity attributable to holders of perpetual securities	Non-controlling interests	Total equity
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
As of January 1, 2019	156,998	1,312,802,676	—	—	1,338,842,129	2,651,801,803	—	542,600,297	3,194,402,100
Deemed disposal of non-controlling interest (Note)	—	435,231,866	—	—	—	435,231,866	—	(435,231,866)	—
Exercise of warrants	1,308	94,196,292	—	—	—	94,197,600	—	—	94,197,600
Pre-IPO financing	6,451	419,375,698	—	—	—	419,382,149	—	—	419,382,149
Initial public offering	18,681	1,507,196,460	—	—	—	1,507,215,141	—	—	1,507,215,141
Capital injection to a subsidiary	—	9	—	—	—	9	—	—	9
New issuance of shares	9,264	782,384,227	—	—	—	782,393,491	—	—	782,393,491
Profit for the year and total comprehensive income for the year	—	—	—	—	938,272,885	938,272,885	—	(107,368,431)	830,904,454
As of December 31, 2019	192,702	4,551,187,228	—	—	2,277,115,014	6,828,494,944	—	—	6,828,494,944
As of January 1, 2020	192,702	4,551,187,228	—	—	2,277,115,014	6,828,494,944	—	—	6,828,494,944
Profit for the year	—	—	—	—	1,059,973,270	1,059,973,270	78,987,714	—	1,138,960,984
Exchange differences on translation of foreign operations	—	—	—	1,022,840	—	1,022,840	—	—	1,022,840
Total comprehensive income for the year	—	—	—	1,022,840	1,059,973,270	1,060,996,110	78,987,714	—	1,139,983,824
Issuance of perpetual securities (Note 25)	—	—	—	—	—	—	1,818,450,452	—	1,818,450,452
Distribution to holders of perpetual securities (Note 25)	—	—	—	—	—	—	(62,753,625)	—	(62,753,625)
As of December 31, 2020	192,702	4,551,187,228	—	1,022,840	3,337,088,284	7,889,491,054	1,834,684,541	—	9,724,175,595

The accompanying notes are an integral part of the consolidated financial statements.



**AMTD IDEA GROUP**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2019, 2020 AND 2021**

	Share capital	Capital reserve	Treasury shares	Exchange reserve	Retained profits	Equity attributable to ordinary shareholders of the Company	Equity attributable to holders of perpetual securities	Non-controlling interests	Total equity
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
As of January 1, 2021	192,702	4,551,187,228	—	1,022,840	3,337,088,284	7,889,491,054	1,834,684,541	—	9,724,175,595
Profit for the year	—	—	—	—	1,096,452,084	1,096,452,084	125,742,843	(313,409)	1,221,881,518
Exchange differences on translation of foreign operations	—	—	—	444,151	—	444,151	—	294,821	738,972
Total comprehensive income for the year	—	—	—	444,151	1,096,452,084	1,096,896,235	125,742,843	(18,588)	1,222,620,490
Redemption of perpetual securities (Note 25)	—	—	—	—	15,949,627	15,949,627	(65,104,192)	—	(49,154,565)
Distribution to holders of perpetual securities (Note 25)	—	—	—	—	—	—	(124,279,754)	—	(124,279,754)
Capital injection by non-controlling interest	—	(3,500)	—	—	—	(3,500)	—	15,514,908	15,511,408
Repurchase of shares from a shareholder	—	—	(5,000,000,000)	—	—	(5,000,000,000)	—	—	(5,000,000,000)
As of December 31, 2021	192,702	4,551,183,728	(5,000,000,000)	1,466,991	4,449,489,995	4,002,333,416	1,771,043,438	15,496,320	5,788,873,174

Note: AMTD ISG and AMTD SI were indirectly held by AMTD Group for 79.13% before the Reorganization (see note 1.2). In March 2019, due to the Reorganization, the non-controlling shareholders surrendered their indirect interests in AMTD ISG and AMTD SI amounting to HK\$435,231,866 which represented 20.87% of the total net assets of AMTD ISG and AMTD SI. Thereafter AMTD ISG and AMTD SI became wholly-owned subsidiaries of the Company. The non-controlling interests were reclassified into capital reserves as deemed acquisition of additional interest in AMTD ISG and AMTD SI.

The accompanying notes are an integral part of the consolidated financial statements.



**AMTD IDEA GROUP**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2019, 2020 AND 2021**

	Notes	Year ended December 31,		
		2019	2020	2021
		HK\$	HK\$	HK\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before tax		989,253,972	1,001,420,217	1,331,176,555
Adjustments for:				
Interest income	5	(18,677,943)	(101,226,862)	(116,078,163)
Finance costs	8	27,705,955	21,510,079	12,825,923
Depreciation	6	113,919	30,374	44,226
Dividend income	5	(92,316,548)	(88,078,159)	(48,711,208)
Gain related to disposed investments	5	(8,235,180)	(82,948,508)	(125,112,176)
Net fair value changes on financial assets at fair value through profit or loss (except derivative financial assets) and stock loan	5	641,603,993	31,054,945	(597,551,244)
Net fair value changes on derivative financial asset	14	(1,165,220,000)	(371,305,326)	54,008,047
Net fair value changes on derivative financial liability	23	—	(7,765,148)	—
Impairment losses under expected credit loss model on financial asset	11	—	17,109,001	—
Operating cash flows before changes in working capital		374,228,168	419,800,613	510,601,960
(Increase)/decrease in accounts receivable		(185,286,520)	251,920,323	(9,164,430)
(Increase)/decrease in prepayments, deposits and other receivables		(3,097,113)	11,568,581	2,956,009
Increase/(decrease) in other payables and accruals		97,893,906	(49,718,674)	(36,178,634)
Decrease in financial assets at fair value through profit or loss		81,711,180	972,215,580	—
Decrease in derivative financial asset		—	618,682,641	—
Changes in accounts payable and other assets		259,825,630	(241,859,529)	14,278,153
Cash generated from operations		625,275,251	1,982,609,535	482,493,058
Profits tax paid		(9,207,649)	(76,778,218)	(96,460,047)
Dividend received		92,316,548	88,078,159	48,711,208
Interest received		1,115,839	67,783	15,379
Net cash generated from operating activities		709,499,989	1,993,977,259	434,759,598
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of items of property, plant and equipment	17	(13,710)	(110,734)	—
Purchase of financial assets at fair value through profit or loss		—	—	(9,968,000)
Increase in amount due from immediate holding company		(2,957,926,150)	(3,581,230,632)	(348,701,497)
Net cash used in investing activities		(2,957,939,860)	(3,581,341,366)	(358,669,497)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of shares		2,767,254,756	—	—
Share issue expenses		(58,263,976)	—	—
Proceeds from issue of warrants		15,699,600	—	—
Exercise of warrants		78,498,000	—	—
Proceeds from issue of convertible bond		116,809,500	—	—
Repayment of margin loans		(4,277,101)	(317,722,438)	—
Redemption of perpetual securities		—	—	(49,154,565)
Proceeds from bank borrowings		—	232,280,000	155,926,000
Net proceeds from perpetual securities		—	1,436,368,339	—
Distribution to perpetual securities holders		—	(62,753,625)	(124,279,754)
Financing costs paid		(27,705,955)	(13,765,758)	(4,662,214)
Capital injection by non-controlling interest		—	—	15,511,408
Net cash flows generated from/(used in) financing activities		2,888,014,824	1,274,406,518	(6,659,125)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		639,574,953	(312,957,589)	69,430,976
Cash and cash equivalents at beginning of year		126,855,518	766,430,471	453,966,764
Effect of foreign exchange rate change, net		—	493,882	2,808,368
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		766,430,471	453,966,764	526,206,108
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>				
Cash and bank balances	16	766,430,471	453,966,764	526,206,108

The accompanying notes are an integral part of the consolidated financial statements.



**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**1.1 CORPORATE INFORMATION**

AMTD IDEA Group (the “Company”) (formerly known as AMTD International Inc. or AMTD Inc.) is a limited liability company incorporated in Cayman Islands on 4 February 2019. The Company completed its initial public offering on New York Stock Exchange on August 5, 2019 and its shares are listed through admission on Singapore Exchange on April 8, 2020.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are involved in investment banking, the provision of financial advisory services, assets management services and strategic investments.

The Company’s immediate holding company is AMTD Group Company Limited (“AMTD Group”), a private company incorporated in the British Virgin Islands (“BVI”).

The Company’s ultimate holding company was L.R. Capital Group Inc. (“L.R. Capital”), a private company incorporated in the Cayman Islands. On December 31, 2020, AMTD Group and L.R. Capital entered into a share repurchase agreement, where AMTD Group has repurchased certain shares previously allotted to L.R. Capital. From then onwards, AMTD Group became the ultimate holding company of the Group. The remaining shares held by L.R. Capital in AMTD Group were disposed to a third party on December 31, 2021. With effect from December 31, 2021, L.R. Capital ceased to be a shareholder of AMTD Group.

Information about principal subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Name	Place of incorporation	Issued and registered share capital	Percentage of equity and voting rights attributable to the Company				Principal activities
			2020		2021		
			Direct	Indirect	Direct	Indirect	
AMTD International Holding Group Limited (formerly known as AMTD Financial Planning Limited) (“AMTD IHG”)	Hong Kong (“HK”)	HK\$ 500,000	100%	—	100%	—	Investment holding
AMTD Securities Limited	HK	HK\$ 1	—	100%	—	100%	Investment holding
AMTD Global Markets Limited (formerly known as AMTD Asset Management Limited) (“AMTD GM”)	HK	HK\$ 1,561,610,980	—	100%	—	100%	Provision of investment banking, financial advisory services and asset management services
AMTD Global Markets Pte. Ltd.	Singapore	SGD 5,000,000	—	100%	—	100%	Provision of investment banking, financial advisory services
Asia Alternative Asset Partners Limited (“AMTD AAAPL”)	HK	HK\$ 5,000,000	—	100%	—	100%	Provision of investment advisory services
AMTD Strategic Investment Limited (“AMTD SI”)	HK	HK\$ 1	—	100%	—	100%	Strategic investment
AMTD Investment Solutions Group Limited (“AMTD ISG”)	HK	HK\$ 1	—	100%	—	100%	Strategic investment



**AMTD IDEA GROUP**  
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**1.1 CORPORATE INFORMATION (CONTINUED)**

Information about principal subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Name	Place of incorporation	Issued and registered share capital	Percentage of equity and voting rights attributable to the Company				Principal activities	
			2020		2021			
			Direct	Indirect	Direct	Indirect		
AMTD Overseas Limited (formerly known as AMTD Europe Holdings Limited) ("AMTD Overseas")	HK	HK\$	1	—	100%	—	100%	Strategic investment
AMTD Fintech Investment Limited ("AMTD FI")	HK	HK\$	1	—	100%	—	100%	Strategic investment
AMTD Investment Inc. ("AMTD Investment")	Cayman Islands	US\$	1	100%	—	100%	—	Investment holding
AMTD Strategic Investment (BVI) Limited	BVI	US\$	1	—	100%	—	100%	Investment holding
AMTD Investment Solutions Group (BVI) Limited	BVI	US\$	1	—	100%	—	100%	Investment holding
AMTD IDEA International Limited (formerly known as AMTD Overseas (BVI) Limited)	BVI	US\$	1	—	100%	—	100%	Investment holding
AMTD Fintech Investment (BVI) Limited	BVI	US\$	1	—	100%	—	100%	Investment holding
尚乘(珠海)股权投资基金管 理有限公司	People's Republic of China	US\$	3,990,000	—	100%	—	50.13%	Private fund management
AMTD Capital Co. Ltd*								

\* The translation is for identification purpose only

**1.2 REORGANIZATION**

In order to facilitate the Company's initial public offering at the New York Stock Exchange, AMTD Group completed a Reorganization (the "Reorganization") whereby, certain operating and their respective immediate holding entities under AMTD Group's common control, were ultimately contributed to the Company:

- On February 8, 2019, AMTD Investment was incorporated in Cayman Islands and directly held by the Company;
- From March 12, 2019 to March 14, 2019, four wholly-owned subsidiaries were incorporated in the BVI and were held indirectly by the Company through AMTD Investment;



**AMTD IDEA GROUP**  
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**1.2 REORGANIZATION (CONTINUED)**

- On March 18, 2019, the Company entered into sale and purchase agreements with AMTD Group and its subsidiaries which held the shares of AMTD ISG, AMTD SI, AMTD Overseas and AMTD FI (collectively referred to as the “transferred entities”), pursuant to which AMTD Group and its subsidiaries agreed to contribute 100% of the share capital of the transferred entities to the Company for a total of 199,990,000 newly issued Class B ordinary shares of the Company. For AMTD ISG and AMTD SI with non-controlling interests, all shareholders had passed a resolution to provide consent to enter the sale and purchase agreements that involved the two entities and agreed that shareholders other than AMTD Group would not receive any consideration from the disposal of the two entities. The Company issued 199,990,000 Class B ordinary shares and holds the equity interests of AMTD ISG, AMTD SI, AMTD Overseas and AMTD FI indirectly through the four newly set up BVI entities.
- On April 1, 2019, the Securities and Futures Commission (“SFC”) approved the shareholder change of AMTD IHG, which holds two licensed subsidiaries (AMTD GM and AMTD AAAPL) governed by the SFC in Hong Kong, from AMTD Group to the Company. The sale and purchase agreement with respect to the transfer of AMTD IHG became effective automatically upon the approval from the SFC. AMTD Group transferred 100% of share capital of AMTD IHG to the Company. In return, the Company issued one Class B ordinary share to AMTD Group.

The Reorganization was completed on April 1, 2019. Through the Reorganization, the Company became the holding company of the companies now comprising the Group. Accordingly, for the purpose of preparation of the consolidated financial statements of the Group, the Company is considered as the holding company of the companies now comprising the Group throughout the years ended December 31, 2019, 2020 and 2021.

Through the Reorganization, the Company became the holding company of the contributed businesses now comprising the Group, which were under the common control of the controlling shareholder before and after the Reorganization. Accordingly, the financial statements were prepared on a consolidated basis by applying the principles of the pooling of interest method as if the Reorganization had been completed at the date when contributed business first came under the control of the controlling party.

The consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group included the results and cash flows of all companies now comprising the Group from the earliest date presented or since the date when the subsidiaries and/or businesses first came under the common control of the controlling shareholder, whenever the period is shorter.

Equity interests in subsidiaries and/or businesses held by parties other than the controlling shareholder, and changes therein, prior to the Reorganization are presented as non-controlling interests in equity applying the principles of the pooling of interest method.

**2.1 BASIS OF PRESENTATION**

*Basis of preparation*

The Group’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) and the Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) issued by the International Accounting Standards Board (“IASB”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decision made by primary users.



**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**2.1 BASIS OF PRESENTATION (CONTINUED)**

*Basis of preparation (continued)*

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss, stock loan, derivative financial asset and derivative financial liability which are measured at fair value. The consolidated financial statements are presented in Hong Kong Dollars (“HK\$”) unless otherwise stated, which is also the functional currency of the Company.

**2.2 APPLICATION OF AMENDMENTS TO IFRSs**

Amendments to IFRSs that are mandatorily effective for current year

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board (“IASB”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendment to IFRS 16	Covid-19-Related Rent Concession
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2

Except as described below, the application of the amendments to IFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

***Impacts on application of Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS16 Interest Rate Benchmark Reform – Phase 2***

The Group has applied the amendments for the first time in the current year. The amendments relate to changes in the basis for determining the contractual cash flows of financial assets, financial liabilities as a result of interest rate benchmark reform, specific hedge accounting requirements and the related disclosure requirements applying IFRS 7 “Financial Instruments: Disclosures” (“IFRS 7”).

As at January 1, 2021, the Group has outstanding bank borrowing denominated in US\$ at the carrying amount of HK\$116,280,000 with maturity date in March 2022, the interest rate of which is indexed to benchmark rate (London Interbank Offered Rate “LIBOR”), which is still available before the maturity date of the outstanding bank borrowing. Thus, it will not be subject to the interest rate benchmark reform.

The amendments have had no impact on the consolidated financial statements as none of the relevant contract has been transitioned to the relevant replacement rates during the year.





**AMTD IDEA GROUP  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
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**2.2 APPLICATION OF AMENDMENTS TO IFRSs (CONTINUED)**

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs and International Accounting Standards (“IASs”) that have been issued but are not yet effective:

IFRS 17	Insurance Contracts and the related Amendments <sup>3</sup>
Amendments to IFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendment to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 <sup>1</sup>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current <sup>3</sup>
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies <sup>3</sup>
Amendments to IAS 8	Definition of Accounting Estimate <sup>1</sup>
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>3</sup>
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use <sup>2</sup>
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>2</sup>
Amendments to IFRSs	Annual Improvements to IFRS Standards 2018-2020 <sup>2</sup>

- <sup>1</sup> Effective for annual periods beginning on or after April 1, 2021
- <sup>2</sup> Effective for annual periods beginning on or after January 1, 2022
- <sup>3</sup> Effective for annual periods beginning on or after January 1, 2023
- <sup>4</sup> Effective for annual periods beginning on or after a date to be determined

Except for the impact mentioned below, the directors of the Company anticipate that the application of the other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

**2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs**

**Amendments to IFRS 3 “Reference to the Conceptual Framework”**

The amendments:

- update a reference in IFRS 3 “Business Combinations” so that it refers to the Conceptual Framework for Financial Reporting 2018 issued in June 2018 (the “Conceptual Framework”) instead of Framework for the Preparation and Presentation of Financial Statements (replaced by the Conceptual Framework for Financial Reporting 2010 issued in October 2010);
- add a requirement that, for transactions and other events within the scope of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” or IFRIC - Int 21 Levies, an acquirer applies IAS 37 or IFRIC - Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination; and
- add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The Group will apply the amendments prospectively to business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022.



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**2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (CONTINUED)**

**Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”**

The amendments provide clarification and additional guidance on assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:
  - (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and
  - (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and
- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognizes the option separately as an equity instrument applying IAS 32 “Financial Instruments: Presentation”.

Based on the Group’s outstanding liabilities as at 31 December 2021, the application of the amendments will not result in reclassification of the Group’s liabilities as the convertible bond has been converted in January 2022.

**Amendments to IAS 1 and IFRS Practice Statement 2 “Disclosure of Accounting Policies”**

IAS 1 is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 “Making Materiality Judgements” (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group’s significant accounting policies.

**Amendments to IAS 8 “Definition of Accounting Estimates”**

The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty — that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.



**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (CONTINUED)**

**Amendments to IAS 8 “Definition of Accounting Estimates” (continued)**

In addition, the concept of changes in accounting estimates in IAS 8 is retained with additional clarifications.

The application of the amendments is not expected to have significant impact on the Group’s consolidated financial statements.

**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the years ended December 31, 2019, 2020 and 2021. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group has power over investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each item of other comprehensive income, if any, is attributed to the owners of the parent of the Group (including ordinary shareholders and holders of perpetual securities) and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions among members of the Group are eliminated in full on consolidation.

**Fair value measurement**

The Group measures its derivative financial instruments, debt and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level



**AMTD IDEA GROUP**  
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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Fair value measurement (continued)

input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest



**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)**  
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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Impairment of non-financial assets (continued)

of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the year in which it is incurred. In situations



**AMTD IDEA GROUP  
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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property, plant and equipment and depreciation (continued)

where the recognition criteria are satisfied, the expenditure for a major inspection is capitalized in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on a straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Furniture and fixtures	20%
Computer equipment	33 1/3%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognized in profit or loss in the year the asset is derecognized is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination or asset acquisition is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

*Licenses*

Purchased licenses are stated at cost less any impairment losses and have indefinite useful life.

Financial instruments — Investments and other financial assets

*Initial recognition and measurement*

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 Revenue from Contracts with Customers (“IFRS 15”) in accordance with the policies set out for “Revenue recognition” below.



**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Financial instruments — Investments and other financial assets (continued)

*Initial recognition and measurement (continued)*

In order for a financial asset to be classified and measured at amortized cost, the contractual terms needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding and the financial asset needs to be held within a business model whose objective is to collect contractual cash flows.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows. Financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective to hold financial assets in order to sell and collect contractual cash flows. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

*Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:

*Financial assets at amortized cost (debt instruments)*

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the consolidated statements of profit or loss when the asset is derecognized, modified or impaired.

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are carried in the consolidated statements of financial position at fair value with net changes in fair value recognized in profit or loss.

This category includes debt investments at fair value through profit or loss, derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividend income which is derived from Group’s ordinary course of business is recognized as revenue in the consolidated statements of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.



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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e., removed from the Group’s consolidated statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a “pass-through” arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (“ECLs”) for debt instruments or financial assets at amortized cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

*General approach*

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial asset as of the reporting date with the risk of a default occurring on the financial asset as of the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information available without undue cost of effort.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external





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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Impairment of financial assets (continued)

*General approach (continued)*

information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Financial assets at amortized cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for accounts receivable arising from IFRS 15 which apply the simplified approach as detailed below.

- Stage 1 — Financial assets for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 — Financial assets for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortized cost of the financial asset.

*Simplified approach*

For accounts receivable arising from IFRS 15 that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

Financial liabilities

*Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at amortized cost or at fair value through profit or loss (warrants and derivative financial instruments), as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of financial liabilities at amortized cost, net of directly attributable transaction costs. Transaction costs directly attributable to the acquisition of financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

The Group's financial liabilities include accounts payable, bank borrowings, financial liabilities included in other payables and accruals, derivative financial liability and convertible bond.



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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Financial liabilities (continued)

*Subsequent measurement*

The subsequent measurement of financial liabilities depends on their classification as follows:

*Financial liabilities at amortized cost*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs in profit or loss.

*Convertible bonds*

If the conversion option of convertible bond exhibits characteristics of an embedded derivative (when the conversion option that will be settled other than by the exchange of a fixed amount of another financial asset for a fixed number of the Group's own equity instruments, it is a conversion option derivation), it is separated from its liability component. On initial recognition, the derivative component of the convertible bond is measured at fair value and presented separately as derivative financial instruments. Transaction costs are apportioned between the liability and derivative components of the convertible bond based on the allocation of proceeds to the liability and derivative components when the instruments are initially recognized. The portion of the transaction costs relating to the liability component is recognized initially as part of the liability. The portion relating to the derivative component is recognized immediately in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognized in profit or loss.

Derivative financial instruments

Derivative financial asset is initially recognized at fair value on the date on which a derivative contract is entered into and is subsequently remeasured at fair value. Derivative financial instruments are carried as an asset when the fair value is positive and as a liability when the fair value is negative. Any gain or loss arising from changes in fair value of the derivative financial instruments is taken directly to profit or loss.

*Day 1 profit or loss*

If the fair value of the derivative financial instrument at initial recognition differs from the transaction price and the fair value is not evidenced by a quoted price in an active market for an identical asset or liability



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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Derivative financial instruments (continued)

*Day 1 profit or loss (continued)*

(i.e. a Level 1 input) or a valuation technique that uses only data from observable markets, the difference between the fair value at initial recognition and the transaction price is deferred and is only recognized as a gain or loss during the term of the derivative financial instrument using a systematic basis that reflects a change in a factor (including time) that market participants would take into account when pricing the derivative financial instrument.

*Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Perpetual instruments, which include no contractual obligation for the Group to deliver cash or other financial assets or the Group has the sole discretion to defer payment of distribution and redemption of principal amount indefinitely are classified as equity instruments.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

*Changes in the basis for determining the contractual cash flows as a result of interest rate benchmark reform*

For changes in the basis for determining the contractual cash flows of a financial asset or financial liability to which the amortized cost measurement applies as a result of interest rate benchmark reform, the Group applies the practical expedient to account for these changes by updating the effective interest rate. Such change in effective interest rate normally has no significant effect on the carrying amount of the relevant financial asset or financial liability.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if and only if, both these conditions are met:

- the change is necessary as a direct consequence of interest rate benchmark reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately preceding the change).

Cash and cash equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known



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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Cash and cash equivalents (continued)

amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits with original maturity within 3 months, which are not restricted as to use.

Provisions

A provision is recognized when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognized for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognized in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognized in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognized outside profit or loss is recognized outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.



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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Income tax (continued)

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilized, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxable entity by the same taxation authority in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Revenue recognition

*Revenue from contracts with customers*

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a



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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue recognition (continued)

*Revenue from contracts with customers (continued)*

significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The primary components of fee and commission income are investment banking fee and income and asset management fee.

(a) *Investment banking fee and income*

Investment banking service income is composed of underwriting commission, brokerage fee and financial advisory fee. Underwriting commission earned from underwriting equity and debt securities is recognized at the point in time when the Group's performance under the terms of a contractual arrangement is completed, which is typically at the closing of a transaction if there is no uncertainty or contingency related to the amount to be paid. The normal credit term is 60 to 120 days upon the completion of performance.

Brokerage fee earned from sales of equity and debt securities from underwriting is recognized at the point in time when the associated service is fulfilled, generally on the trade execution date.

Financial advisory fee is recognized as or when the services are rendered based on the contractual arrangement.

(b) *Asset management fee*

Asset management fee primarily includes fees associated with asset management, performance-based incentive fee, brokerage and handling fee. The management fee and the performance-based incentive fee are earned for the provision of asset management services, which include portfolio diversification and rebalancing. These services represent a single performance obligation comprised of a series of distinct services which are substantially the same, being provided continuously over the contract period. Asset management fees consist of management and performance fees that are fixed or variable. Variable consideration is determined based on underlying assets under management, i.e. AUM, of a customer's account at a specified period end. At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period. Management fee is recognized when services are performed. Fixed consideration is recognized over the schedule period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Company. Performance-based incentive fee is recognized when the performance target is met and the revenue is not probable of a significant reversal.

For asset management services, when a single contract contains two performance obligations, the stand-alone selling prices of each of the distinct services underlying the performance obligations (i.e. management fee and performance-based incentive fee for asset management service and brokerage and handling fee for transaction processing service) are stated separately in the contract. These are the observable prices of services when the Company sells each of them separately.

Brokerage and handling fees are recognized at the point in time when the associated service is fulfilled, generally on the trade execution date.



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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue recognition (continued)

*Revenue from other sources*

Fair value changes on financial assets at fair value through profit or loss, stock loan and derivative financial asset are recognized in the period in which they arise. Gain/loss recognized during the current period is recognized as gain/loss related to disposed investment, whereas gain/loss recognized for those financial assets at fair value through profit or loss, stock loan and derivative financial asset held at the end of the reporting period is recognized as net fair value changes on financial assets at fair value through profit or loss and stock loan and net fair value changes on derivative financial asset.

Dividend income is recognized when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract liabilities

A contract liability is recognized when the payment is made and received or the payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

For certain customers of asset management service, the Company requires upfront payment of management fee and recorded such upfront fee as contract liabilities in other payables and accruals. Upfront fee is recognized as revenue based on the time elapsed for the service period. Asset management contracts normally cover periods of one to three years.

Government Grant

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognized as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. Such grants are presented under other income.

Employee benefits

*Retirement benefit cost*

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they



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**2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Employee benefits (continued)

*Retirement benefit cost (continued)*

become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognized in other comprehensive income or profit or loss is also recognized in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in an exchange reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.





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3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Deferred tax and current/non-current classification of investments

Significant judgements on the tax treatment of unrealized gain on certain investments under strategic investment segment are required in determining current income and deferred tax provisions. The Group's intention has always been to hold these investments for capital appreciation. However, there is uncertainty on whether it is probable that the unrealized gain can be treated as capital in nature and not assessable for profit tax under the relevant tax laws. As such, deferred tax provisions have been recorded under certain circumstances. These investments have also been classified as current assets accordingly for the respective periods. Periodical reviews are performed by the Group to assess the intention of the Group and classification of the investments.

During the year ended December 31, 2020, the Group carried out periodical review based on the internal policy and re-evaluated the classification of these investments. With the passage of time, the Group considered there is sufficient evidential circumstance to justify the Group's intention to hold these investments for long term capital appreciation, and re-classified these investments as non-current assets. As the unrealized gain arising from the receipts of non-current assets should be treated as capital in nature under the relevant tax laws, accordingly deferred tax liabilities of HK\$242,913,577 on the unrealized gain on investments is reversed and recognized as deferred tax credit during the year ended December 31, 2020. In cases where there are changes in facts and circumstances, a material further recognition or reversal of current and/or deferred tax liabilities may arise, which would be recognized in profit or loss for the period in which such further recognition or reversal takes place.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Fair value of unlisted equity investments

As of December 31, 2020 and 2021, the fair value of the unlisted equity investment-Investment B (Note 13) and Investment C (Note 13) were estimated using an equity valuation allocation ("EVA") valuation technique relying on the hybrid method, considering two scenarios in a probability weighted expected return method ("PWERM") framework, and using the option pricing method ("OPM") to allocate value in the IPO exit scenario. The valuation requires the management to consider two scenarios in its PWERM analysis which was non-IPO exit event and IPO exit event and hence they were subject to uncertainty. The input of



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**3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)**

Estimation uncertainty (continued)

Fair value of unlisted equity investments (continued)

the equity value of unlisted equity investment-Investment B and Investment C were estimated using forward price/earnings (“P/E”) ratio as the valuation multiple.

As of December 31, 2020, the fair value of unlisted equity investment-Investment D (Note 13) was determined by considering the prices of recent transactions of the same instruments with the same rights of the same issuers.

As of December 31, 2020, the fair value of unlisted equity investment-Investment E (Note 13) was based on the prices of recent transactions of the same instruments with the same rights of the same issuers. During the year ended December 31, 2021, the valuation technique for the fair value of Investment E has been changed due to the lack of recent transaction price. Thus, the instruments were transferred from Level 2 to Level 3 category. The fair value of this investment as at December 31, 2021 was measured using an EVA valuation technique relying on P/E ratio as the valuation multiple.

As of December 31, 2021, the fair value of unlisted equity investment-Investment G (Note 13) was estimated using an asset-based valuation. The asset-based approach measures the value of Investment G by making reference to the value of individual assets and liabilities. Adjustments are made to the balance sheet based on the differences between the fair value and book value of the assets and liabilities. The adjusted net asset value represents the fair value of Investment G.

As of December 31, 2021, the fair value of unlisted equity investment-Investment F (Note 13) and Investment H (Note 13) were determined by the recent transaction price.

As of December 31, 2020, the fair value of unlisted equity investment-Investment I (Note 13) was estimated with reference to the unadjusted market price of the underlying listed equity securities.

Fair value of derivative financial instrument

The fair value of the derivative financial assets was estimated using the Geometric Brownian Motion and simulated using the Monte Carlo Simulation (“MCS”) and was determined based on significant observable and unobservable inputs including the current stock price, dividend yield, risk-free rate, volatility of the underlying equity securities and the credit rating of the counterparty on the valuation date. MCS is a financial model that is commonly used to simulate variables that are highly unpredictable. The valuations performed using the MCS require management to estimate the volatility of the underlying equity securities and the credit rating of the counterparty and hence the valuations are subject to estimation uncertainty. The Group classifies the fair value of derivative financial instrument as Level 3.

**4. OPERATING SEGMENT INFORMATION**

For management purposes, the Group is organized into business units based on their products and services and has three reportable operating segments as follows:

- (a) The investment banking segment assists customers in raising funds through equity and debt financing, providing underwriting for initial public offerings (“IPOs”), private placements and debt issuances and providing financial advisory services (including but not limited to domestic and cross border advisory services for merger and acquisitions).



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**4. OPERATING SEGMENT INFORMATION (CONTINUED)**

- (b) The asset management segment provides a wide range of asset management products and services, including in relation to listed equity, fixed income securities, hedge funds, structured products, foreign exchange, private equities, alternative investments, discretionary account services, investment advisory services and external asset management services.
- (c) The strategic investment segment engages in proprietary investments and management of investment portfolio in Hong Kong, China and Singapore.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment result, which is a measure of profit before tax from operations. The profit before tax from operations is measured after allocation of ECL, attributable costs of specialized staff, commission paid to asset management segment and finance costs to strategic investment segment consistently with the Group's profit before tax from operations. Net fair value change on derivative financial liability, other income and corporate expenses such as staff costs not directly attributable to segment, office rental and administrative expenses are excluded from such measurement.

Segment assets exclude property, plant and equipment, amounts due from immediate holding company, prepayments, deposits and other receivables, cash and bank balances and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, convertible bond, derivative financial liability, bank borrowings and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

**Segment revenue and results**

**For the year ended December 31, 2019**

	<u>Investment banking</u>	<u>Asset management</u>	<u>Strategic investment</u>	<u>Total</u>
	HK\$	HK\$	HK\$	HK\$
<b>Segment revenue (Note 5)</b>				
Revenue				
—from contract with customers . . . .	455,955,912	124,050,364	—	580,006,276
—others . . . . .	—	—	624,167,735	624,167,735
	<u>455,955,912</u>	<u>124,050,364</u>	<u>624,167,735</u>	<u>1,204,174,011</u>
<b>Segment results . . . . .</b>	<u>413,354,182</u>	<u>109,182,198</u>	<u>624,167,734</u>	<u>1,146,704,114</u>
Unallocated other income . . . . .				22,088,780
Unallocated finance costs . . . . .				(27,705,955)
Corporate and other unallocated expenses . . . . .				<u>(151,832,967)</u>
Profit before tax . . . . .				<u>989,253,972</u>
<b>Other segment information</b>				
Depreciation . . . . .				113,919
Capital expenditure . . . . .				<u>13,710</u>



AMTD IDEA GROUP  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2019, 2020 AND 2021

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (continued)

For the year ended December 31, 2020

	Investment banking HK\$	Asset management HK\$	Strategic investment HK\$	Total HK\$
<b>Segment revenue (Note 5)</b>				
Revenue				
—from contract with customers . . . .	376,324,880	230,938,245	—	607,263,125
—others . . . . .	—	—	511,277,048	511,277,048
	<u>376,324,880</u>	<u>230,938,245</u>	<u>511,277,048</u>	<u>1,118,540,173</u>
<b>Segment results . . . . .</b>	<u>339,933,098</u>	<u>225,338,122</u>	<u>511,277,048</u>	<u>1,076,548,268</u>
Unallocated other income . . . . .				111,867,468
Unallocated finance costs . . . . .				(21,510,079)
Unallocated net changes in fair value on derivative financial liability . . . . .				7,765,148
Corporate and other unallocated expenses . . . . .				(173,250,588)
Profit before tax . . . . .				<u>1,001,420,217</u>
<b>Other segment information</b>				
Depreciation . . . . .				30,374
Capital expenditure . . . . .				<u>110,734</u>

For the year ended December 31, 2021

	Investment banking HK\$	Asset management HK\$	Strategic investment HK\$	Total HK\$
<b>Segment revenue (Note 5)</b>				
Revenue				
—from contract with customers . . . . .	597,097,663	83,379,973	—	680,477,636
—others . . . . .	—	—	717,366,581	717,366,581
	<u>597,097,663</u>	<u>83,379,973</u>	<u>717,366,581</u>	<u>1,397,844,217</u>
<b>Segment results . . . . .</b>	<u>580,773,498</u>	<u>77,730,949</u>	<u>717,366,581</u>	<u>1,375,871,028</u>
Unallocated other income . . . . .				125,538,171
Unallocated finance costs . . . . .				(12,825,923)
Corporate and other unallocated expenses . . . . .				(157,406,721)
Profit before tax . . . . .				<u>1,331,176,555</u>
<b>Other segment information</b>				
Depreciation . . . . .				<u>44,226</u>



**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2019, 2020 AND 2021**

**4. OPERATING SEGMENT INFORMATION (CONTINUED)**

**Segment assets and liabilities**

	December 31,	
	2020	2021
	HK\$	HK\$
<b>Segment assets</b>		
Investment banking .....	21,976,920	54,763,265
Asset management .....	265,452,001	182,765,945
Strategic investment .....	3,280,242,681	3,755,921,604
Total segment assets .....	3,567,671,602	3,993,450,814
Unallocated corporate assets .....	6,958,618,685	2,693,387,229
Total assets .....	<u>10,526,290,287</u>	<u>6,686,838,043</u>
<b>Segment liabilities</b>		
Asset management .....	249,257,201	155,651,880
Unallocated corporate liabilities .....	552,857,491	742,312,989
Total liabilities .....	<u>802,114,692</u>	<u>897,964,869</u>

**Geographical information**

The following table sets forth the Group's revenue from contract with customer by geographical areas based on the location of the customers:

**For the year ended December 31, 2019**

	Investment banking	Asset management	Total
	HK\$	HK\$	HK\$
Hong Kong .....	118,086,900	21,441,042	139,527,942
Mainland China .....	300,078,498	92,797,260	392,875,758
United States .....	30,342,514	3,229,613	33,572,127
Others .....	7,448,000	6,582,449	14,030,449
	<u>455,955,912</u>	<u>124,050,364</u>	<u>580,006,276</u>

**For the year ended December 31, 2020**

	Investment banking	Asset management	Total
	HK\$	HK\$	HK\$
Hong Kong .....	212,766,711	21,836,318	234,603,029
Mainland China .....	163,447,101	192,391,853	355,838,954
Others .....	111,068	16,710,074	16,821,142
	<u>376,324,880</u>	<u>230,938,245</u>	<u>607,263,125</u>



**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2019, 2020 AND 2021**

**4. OPERATING SEGMENT INFORMATION (CONTINUED)**

**Geographical information (continued)**

**For the year ended December 31, 2021**

	<u>Investment banking</u>	<u>Asset management</u>	<u>Total</u>
	HK\$	HK\$	HK\$
Hong Kong .....	567,806,733	13,407,540	581,214,273
Mainland China .....	29,290,930	66,206,429	95,497,359
Others .....	—	3,766,004	3,766,004
	<u>597,097,663</u>	<u>83,379,973</u>	<u>680,477,636</u>

The Group's revenue is derived solely from its operations in Hong Kong based on the location in which contracts were executed and services were rendered.

As of December 31, 2020 and 2021, non-current assets, for the purpose of geographical information, consisting of property, plant and equipment and intangible assets, were all located in Hong Kong.

**Information about major customers**

During the year ended December 31, 2019 and 2020, no revenue derived from a single customer accounted for 10% or more of the total revenue of the Group.

During the year ended December 31, 2021, one of the customers contributed 19.7% of the revenue of the Group.



**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2019, 2020 AND 2021**

**5. REVENUE AND OTHER INCOME**

An analysis of revenue is as follows:

	For the year ended December 31,		
	2019	2020	2021
	HK\$	HK\$	HK\$
<u>Revenue from contracts with customers</u>			
<i>Investment banking</i>			
Investment banking fee and income . . . . .	455,955,912	376,324,880	597,097,663
<i>Asset management</i>			
Management fee and performance-based incentive fee . . . . .	103,509,196	196,352,216	57,230,194
Brokerage and handling fees . . . . .	19,383,099	33,359,007	25,356,917
Others . . . . .	1,158,069	1,227,022	792,862
	<u>124,050,364</u>	<u>230,938,245</u>	<u>83,379,973</u>
	<u>580,006,276</u>	<u>607,263,125</u>	<u>680,477,636</u>
<u>Revenue from other sources</u>			
<i>Strategic investments</i>			
Dividend income . . . . .	92,316,548	88,078,159	48,711,208
Gain related to disposed investments . . . . .	8,235,180	82,948,508	125,112,176
	<u>100,551,728</u>	<u>171,026,667</u>	<u>173,823,384</u>
Net fair value changes on financial assets at fair value through profit or loss and stock loan			
-from listed equity shares, at quoted price . . . . .	(683,060,000)	(371,305,326)	54,008,047
-from unlisted equity shares (note a) . . . . .	41,456,007	313,561,520	543,543,197
-from unlisted equity linked notes . . . . .	—	26,688,861	—
Total net fair value changes on financial assets at fair value through profit or loss and stock loan . . . . .	<u>(641,603,993)</u>	<u>(31,054,945)</u>	<u>597,551,244</u>
Net fair value changes on derivative financial asset . . . . .			
	<u>1,165,220,000</u>	<u>371,305,326</u>	<u>(54,008,047)</u>
	<u>624,167,735</u>	<u>511,277,048</u>	<u>717,366,581</u>
Total revenue . . . . .	<u><u>1,204,174,011</u></u>	<u><u>1,118,540,173</u></u>	<u><u>1,397,844,217</u></u>

Note:

- (a) For the year ended December 2019, 2020 and 2021, net fair value gain arising from investments in equity securities of related parties are HK\$ Nil, HK\$336,403,752 and HK\$545,199,207, respectively (Note 27(A)(ii)).



**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2019, 2020 AND 2021**

**5. REVENUE AND OTHER INCOME (CONTINUED)**

(i) Disaggregated revenue information

The Company assesses revenues based upon the nature or type of goods or services it provides and the operating segments of the related businesses. For more information on the operating segments, see Note 4, “Operating Segment Information”. The following tables present disaggregated revenue information:

**For the year ended December 31, 2019**

<u>Segments</u>	<u>Investment banking</u>	<u>Asset management</u>	<u>Strategic investment</u>	<u>Total</u>
	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>
<i>Investment banking</i>				
Underwriting commission and brokerage fee . . . . .	403,573,912	—	—	403,573,912
Financial advisory fee . . . . .	52,382,000	—	—	52,382,000
<i>Asset management</i>				
Management fee and performance-based incentive fee . . . . .	—	103,509,196	—	103,509,196
Brokerage and handling fee . . . . .	—	19,383,099	—	19,383,099
<i>Strategic investment</i>				
Net fair value changes on financial assets at fair value through profit or loss and stock loan . . . . .	—	—	(641,603,993)	(641,603,993)
Net fair value changes on derivative financial asset . . . . .	—	—	1,165,220,000	1,165,220,000
Gain related to disposed investment . . . . .	—	—	8,235,180	8,235,180
Dividend income . . . . .	—	—	92,316,548	92,316,548
<i>Others</i> . . . . .	—	1,158,069	—	1,158,069
<b>Total</b> . . . . .	<u>455,955,912</u>	<u>124,050,364</u>	<u>624,167,735</u>	<u>1,204,174,011</u>

<u>Segments</u>	<u>Investment banking</u>	<u>Asset management</u>	<u>Total</u>
	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>
<i>Timing of revenue recognition</i>			
Services transferred at a point in time . . . . .	403,573,912	20,541,168	424,115,080
Services transferred over time . . . . .	52,382,000	103,509,196	155,891,196
<b>Total revenue from contracts with customers</b> . . . . .	<u>455,955,912</u>	<u>124,050,364</u>	<u>580,006,276</u>





**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2019, 2020 AND 2021**

**5. REVENUE AND OTHER INCOME (CONTINUED)**

(i) Disaggregated revenue information (continued)

**For the year ended December 31, 2020**

<u>Segments</u>	<u>Investment banking</u> HK\$	<u>Asset management</u> HK\$	<u>Strategic investment</u> HK\$	<u>Total</u> HK\$
<i>Investment banking</i>				
Underwriting commission and brokerage fee . . . . .	165,472,605	—	—	165,472,605
Financial advisory fee . . . . .	210,852,275	—	—	210,852,275
<i>Asset management</i>				
Management fee and performance- based incentive fee . . . . .	—	196,352,216	—	196,352,216
Brokerage and handling fee . . . . .	—	33,359,007	—	33,359,007
<i>Strategic investment</i>				
Net fair value changes on financial assets at fair value through profit or loss and stock loan . . . . .	—	—	(31,054,945)	(31,054,945)
Net fair value changes on derivative financial asset . . . . .	—	—	371,305,326	371,305,326
Gain related to disposed investment . . . . .	—	—	82,948,508	82,948,508
Dividend income . . . . .	—	—	88,078,159	88,078,159
<i>Others</i> . . . . .	—	1,227,022	—	1,227,022
<b>Total</b> . . . . .	<b>376,324,880</b>	<b>230,938,245</b>	<b>511,277,048</b>	<b>1,118,540,173</b>

<u>Segments</u>	<u>Investment banking</u> HK\$	<u>Asset management</u> HK\$	<u>Total</u> HK\$
<u>Timing of revenue recognition</u>			
Services transferred at a point in time . . . . .	165,472,605	34,586,029	200,058,634
Services transferred over time . . . . .	210,852,275	196,352,216	407,204,491
Total revenue from contracts with customers . . . . .	<u>376,324,880</u>	<u>230,938,245</u>	<u>607,263,125</u>



**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2019, 2020 AND 2021**

**5. REVENUE AND OTHER INCOME (CONTINUED)**

(i) Disaggregated revenue information (continued)

**For the year ended December 31, 2021**

<u>Segments</u>	<u>Investment banking</u> HK\$	<u>Asset management</u> HK\$	<u>Strategic investment</u> HK\$	<u>Total</u> HK\$
<i>Investment banking</i>				
Underwriting commission and brokerage fee .....	29,051,940	—	—	29,051,940
Financial advisory fee .....	568,045,723	—	—	568,045,723
<i>Asset management</i>				
Management fee and performance-based incentive fee .....	—	57,230,194	—	57,230,194
Brokerage and handling fee .....	—	25,356,917	—	25,356,917
<i>Strategic investment</i>				
Net fair value changes on financial assets at fair value through profit or loss and stock loan .....	—	—	597,551,244	597,551,244
Net fair value changes on derivative financial asset .....	—	—	(54,008,047)	(54,008,047)
Gain related to disposed investments ..	—	—	125,112,176	125,112,176
Dividend income .....	—	—	48,711,208	48,711,208
Others .....	—	792,862	—	792,862
<b>Total .....</b>	<b>597,097,663</b>	<b>83,379,973</b>	<b>717,366,581</b>	<b>1,397,844,217</b>

<u>Segments</u>	<u>Investment banking</u> HK\$	<u>Asset management</u> HK\$	<u>Total</u> HK\$
<u>Timing of revenue recognition</u>			
Services transferred at a point in time .....	596,858,673	26,149,779	623,008,452
Services transferred over time .....	238,990	57,230,194	57,469,184
Total revenue from contracts with customers .....	597,097,663	83,379,973	680,477,636

The following table shows the amount of revenue recognized in the current period that were included in the contract liabilities at the beginning of the reporting period:

	As of December 31,	
	2020 HK\$	2021 HK\$
Revenue recognized that was included in contract liabilities at the beginning of the reporting period		
Asset management .....	94,328,532	46,640,036



**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2019, 2020 AND 2021**

**5. REVENUE AND OTHER INCOME (CONTINUED)**

(ii) Performance obligations

The transaction prices allocated to the remaining performance obligations of asset management services (unsatisfied or partially unsatisfied) as of December 31, 2020 and 2021 are as follows:

	As of December 31,	
	2020	2021
	HK\$	HK\$
Within one year . . . . .	35,716,912	630,962
More than one year . . . . .	11,554,086	—
	<u>47,270,998</u>	<u>630,962</u>

The performance obligations expected to be recognized in more than one year relate to upfront fee that are to be satisfied within two years. All the other remaining performance obligations are expected to be recognized within one year. As of December 31, 2021, the decrease of upfront fees in the categories of “within one year” and “more than one year” was due to early termination of certain contracts of asset management services in the current year and the Group recognized revenue of HK\$15,563,437 for the non-refundable receipt in advance from the customer during the year ended December 31, 2021 in respect of such early terminated contracts.

Other income

	For the year ended December 31,		
	2019	2020	2021
	HK\$	HK\$	HK\$
Bank interest income . . . . .	1,115,839	67,783	15,174
Interest income from the immediate holding company (Note 27(A)(iv)) (Note 27(B)(i)) . . .	17,562,104	101,159,079	116,028,045
Government grant . . . . .	—	3,061,665	—
Others . . . . .	3,412,325	7,578,941	9,494,952
	<u>22,090,268</u>	<u>111,867,468</u>	<u>125,538,171</u>

During the year ended December 31, 2020, the Group recognized government grants of HK\$3,061,665 applicable to Covid-19 related subsidies in connection with the Employment Support Scheme provided by the Hong Kong Government.



AMTD IDEA GROUP  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEARS ENDED DECEMBER 31, 2019, 2020 AND 2021

6. OTHER OPERATING EXPENSES

Other operating expenses included in the consolidated statements of profit or loss and other comprehensive income are as follows:

	For the year ended December 31,		
	2019	2020	2021
	HK\$	HK\$	HK\$
<b>Other operating expenses</b>			
Marketing and brand promotional expenses	12,903,989	5,696,606	597,566
Premises costs and office utilities			
—Premises costs	11,965,344	14,244,127	14,226,081
—Office utilities	9,152,802	6,601,790	7,821,627
	<u>21,118,146</u>	<u>20,845,917</u>	<u>22,047,708</u>
Traveling and business development expenses	19,362,587	5,636,354	3,747,166
Commissions and bank charges	2,307,050	1,957,433	1,308,425
Office and maintenance expenses	1,430,834	175,348	55,192
Administrative service fee	12,000,000	24,330,000	24,330,000
Legal and professional fees			
—Auditor’s remuneration	11,402,267	12,068,575	7,343,259
—Other legal and professional fees	11,776,501	12,434,767	8,636,734
—Professional indemnity expense	—	11,811,165	8,683,032
	<u>23,178,768</u>	<u>36,314,507</u>	<u>24,663,025</u>
Staff welfare and staff recruitment expenses	2,471,705	1,223,673	2,322,035
Others			
—Depreciation	113,919	30,374	44,226
—Foreign exchange differences, net	12,596,647	3,222,789	963,422
—Other expenses	7,213,210	4,290,210	3,715,247
	<u>19,923,776</u>	<u>7,543,373</u>	<u>4,722,895</u>
	<u>114,696,855</u>	<u>103,723,211</u>	<u>83,794,012</u>

7. STAFF COSTS

	For the year ended December 31,		
	2019	2020	2021
	HK\$	HK\$	HK\$
Salaries and bonuses	93,703,848	93,660,617	94,776,416
Pension scheme contributions (defined contribution schemes)	903,649	749,664	809,482
	<u>94,607,497</u>	<u>94,410,281</u>	<u>95,585,898</u>



**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2019, 2020 AND 2021**

**8. FINANCE COSTS**

An analysis of finance costs is as follows:

	For the year ended December 31,		
	2019	2020	2021
	HK\$	HK\$	HK\$
Interests on margin loans payable . . . . .	27,705,955	12,475,296	—
Interests on convertible bond . . . . .	—	7,717,348	8,085,419
Interests on bank borrowings . . . . .	—	1,317,435	4,740,504
	<u>27,705,955</u>	<u>21,510,079</u>	<u>12,825,923</u>

**9. INCOME TAX EXPENSE/(CREDIT)**

Hong Kong profits tax has been provided at the rate of 16.5% (2020: 16.5%; 2019: 16.5%) on the estimated assessable profits arising in Hong Kong:

	Note	For the year ended December 31,		
		2019	2020	2021
		HK\$	HK\$	HK\$
Hong Kong profits tax				
Charge for the year . . . . .		69,585,469	96,708,600	104,423,916
Overprovision in prior year . . . . .		—	(143,606)	—
Deferred tax . . . . .	3, 22	79,556,400	(242,913,577)	—
The People's Republic of China withholding tax				
Charge for the year . . . . .		9,207,649	8,807,816	4,871,121
		<u>158,349,518</u>	<u>(137,540,767)</u>	<u>109,295,037</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the year ended December 31, 2019. For the year ended December 31, 2020 and 2021, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.



**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2019, 2020 AND 2021**

**9. INCOME TAX EXPENSE/(CREDIT) (CONTINUED)**

A reconciliation of tax expense/(credit) and profit before tax at the Hong Kong statutory tax rate in which the Group's major operating subsidiaries are domiciled is as follows:

	For the year ended December 31,		
	2019	2020	2021
	HK\$	HK\$	HK\$
Profit before tax . . . . .	989,253,972	1,001,420,217	1,331,176,555
Tax at statutory tax rate of 16.5% . . . . .	163,226,906	165,234,336	219,644,132
Tax effect of two-tiered profit tax rate . . . . .	—	(165,000)	(165,000)
Tax effect of non-taxable income . . . . .	(23,255,305)	(79,190,106)	(95,836,917)
Tax effect of distribution to perpetual securities holders that are deductible for tax purpose . . . . .	—	—	(20,747,569)
Tax effect of non-deductible expenses . . . . .	8,952,076	10,887,971	1,566,657
Tax effect of unrecognized temporary difference . . . . .	223,434	(25,011)	(4,075)
Tax effect of deferred tax liability reversed . . . . .	—	(242,913,577)	—
Tax effect of tax loss not recognized . . . . .	24,541	—	—
Overprovision in prior year . . . . .	—	(143,606)	—
Utilization of tax losses previously not recognized . . . . .	(29,783)	(33,590)	(33,312)
Withholding tax on the dividend income . . . . .	9,207,649	8,807,816	4,871,121
Income tax expense/(credit) . . . . .	158,349,518	(137,540,767)	109,295,037

**10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT**

The Company's ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares and Class B ordinary shares have the same rights except for voting and conversion rights. Each Class A ordinary share is entitled to one vote and is not convertible into Class B ordinary share under any circumstances. Each Class B ordinary share is entitled to twenty votes and is convertible into one Class A ordinary share at any time by the holder thereof.

The basic earnings per share attributable to Class A ordinary equity holders and Class B ordinary equity holders are calculated by dividing the profit for the year attributable to Class A ordinary equity holders and Class B ordinary equity holders of the parent by the number of Class A ordinary shares and Class B ordinary shares, respectively, as if the Reorganization had taken place on January 1, 2019 as mentioned in Note 1.2.

For the year ended December 31, 2020, the diluted earnings per share attributable to Class A ordinary equity holders and Class B ordinary equity holders are based on the profit for the year attributable to Class A ordinary equity holders and Class B ordinary equity holders of the parent, adjusted to reflect the interest on the convertible bond, net fair value change of derivative financial liability and the foreign exchange effect of the convertible bond and derivative financial liability of HK\$7,717,348, HK\$7,765,148 and HK\$528,958, respectively. The weighted average number of ordinary shares used in the calculation is the number of



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**10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)**

ordinary shares in issue during the year, as used in the basic earnings per share calculation plus the weighted average number of ordinary shares assumed to have been issued on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares. For the year ended December 31, 2021, the computation of diluted earnings per share has not taken into account the effect of convertible bond which is anti-dilutive.

Basic and diluted earnings per share for each of the periods presented are calculated as follows:

	For the year ended December 31,		
	2019	2020	2021
<b>Basic earnings per share:</b>			
<i>Numerator:</i>			
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation (HK\$)-basic Class A . . . . .	69,906,757	249,206,548	299,742,816
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation (HK\$)-basic Class B . . . . .	868,366,128	810,766,722	796,709,268
<i>Denominator:</i>			
Weighted average number of Class A ordinary shares outstanding—basic . . . . .	16,112,737	57,474,495	62,327,851
Weighted average number of Class B ordinary shares outstanding—basic . . . . .	200,148,822	186,987,093	165,665,944
Basic earnings per share (HK\$) Class A . . . . .	4.34	4.34	4.81
Basic earnings per share (HK\$) Class B . . . . .	4.34	4.34	4.81
<b>Diluted earnings per share:</b>			
<i>Numerator:</i>			
Profit attributable to ordinary equity holders of the parent used in the diluted earnings per share calculation (HK\$)-diluted Class A . . . . .	69,906,757	248,629,790	299,742,816
Profit attributable to ordinary equity holders of the parent used in the diluted earnings per share calculation (HK\$)-diluted Class B . . . . .	868,366,128	810,766,722	796,709,268
<i>Denominator:</i>			
Weighted average number of Class A ordinary shares outstanding—diluted . . . . .	16,117,254	58,966,142	62,327,851
Weighted average number of Class B ordinary shares outstanding—diluted . . . . .	200,204,936	186,987,093	165,665,944
Diluted earnings per share (HK\$) Class A . . . . .	4.34	4.22	4.81
Diluted earnings per share (HK\$) Class B . . . . .	4.34	4.34	4.81



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)**

	Number of shares		
	For the year ended December 31,		
	2019	2020	2021
<i>Shares:</i>			
Weighted average number of Class A ordinary shares in issue during the year used in the basic earnings per share calculation	16,112,737	57,474,495	62,327,851
Effect of dilution – weighted average number of ordinary shares:			
Warrants	864	—	—
Convertible bond	3,653	1,491,647	—
	<u>16,117,254</u>	<u>58,966,142</u>	<u>62,327,851</u>
Weighted average number of Class B ordinary shares in issue during the year used in the basic earnings per share calculation	200,148,822	186,987,093	165,665,944
Effect of dilution – weighted average number of ordinary shares:			
Warrants	10,728	—	—
Convertible bond	45,386	—	—
	<u>200,204,936</u>	<u>186,987,093</u>	<u>165,665,944</u>

Other than disclosed above and disclosed elsewhere in these consolidated financial statements, there have been no other transactions involving Class A and Class B ordinary shares between the reporting date and the date of authorization of these financial statements and no other potential ordinary shares in issue.

**11. ACCOUNTS RECEIVABLE**

	Notes	As of December 31,	
		2020	2021
		HK\$	HK\$
Receivable from investment banking services	(i)	21,976,920	54,763,265
Receivable from brokers and clearing house	(ii)	19,864,662	21,406,257
Clients' receivables	(ii)	35,508,668	10,345,158
		<u>77,350,250</u>	<u>86,514,680</u>

Notes:

- (i) The normal settlement terms of receivables from investment banking services are specific terms mutually agreed between the contracting parties. Receivable from investing banking services is non-interest bearing. As of January 1, 2020, the Group has receivable arising from contracts with customers in investment banking services of HK\$66,740,188.
- (ii) As of January 1, 2020, the Group had receivables arising from contracts with customers in asset management service of HK\$3,197,245. As of December 31, 2021, included in the clients' receivables are non-interest bearing receivables arising from asset management service of HK\$2,765,965 (2020: HK\$34,208,077). There are normal settlement terms of those receivables which are specific terms mutually





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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)**  
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**11. ACCOUNTS RECEIVABLE (CONTINUED)**

agreed between the contracting parties. The normal settlement terms of the remaining clients' receivables and receivable from brokers and clearing house arising from asset management services are 2 days after trade date or at specific terms agreed with brokers and clearing house. Overdue clients' receivable is interest-bearing.

The Group seeks to maintain strict control over its outstanding receivables and has a credit control team to minimize credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral over its accounts receivable.

An aging analysis of the accounts receivable as of the end of the reporting periods, based on the invoice date, net of loss allowance is as follows:

	As of December 31,	
	2020	2021
	HK\$	HK\$
Not yet due .....	67,241,210	74,048,058
Past due		
Within 1 month .....	7,797,011	53,633
1 to 3 months .....	221,183	5,165,947
Over 3 months .....	2,090,846	7,247,042
	<u>77,350,250</u>	<u>86,514,680</u>

As of December 31, 2020 and 2021, accounts receivable was due from a number of reputable corporate clients, brokers and individual clients.

An impairment analysis of clients' receivables, receivable from brokers and clearing house, and receivable from investment banking services is performed at each reporting date using probability of default approach to measure expected credit losses. The probability of default and loss given default are estimated based on the Group's assessment on credit ratings of the accounts receivable and historical loss experience. The notion or categorization of credit risk rating is for internal risk management purposes and is not equivalent to the similar terms applied by other credit rating agencies. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The calculation of ECL considers forward looking information through the use of publicly available economic data and forecasts and management judgement to reflect the qualitative factors and through the use of multiple probability weighted scenarios.

An impairment for loss allowance of HK\$17,109,001 was made on receivables with gross amount of HK\$17,109,001 arising from investment banking service, and was further written off during the year ended December 31, 2020, as the directors of the Company considered there was no realistic prospect of recovery.

As of December 31, 2020, the probability of default ranged from 0.11% to 30.91% and the loss given default was estimated to be 45%. As of December 31, 2021, the probability of default ranged from 0.12% to 4.98% and the loss given default was estimated to be 45%.

	Internal credit risk rating						Total
	AAA	AA	A	BBB	BB	CCC	
<b>As of December 31, 2020</b>							
Expected credit loss rate .....	—	—	0.07%	0.05%	—	0.56%	—
Gross carrying amount (HK\$'000) .....	—	—	21,977	52,723	—	2,650	77,350



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**11. ACCOUNTS RECEIVABLE (CONTINUED)**

	Internal credit risk rating					Total
	AAA	AA	A	BBB	BB	
<b>As of December 31, 2021</b>						
Expected credit loss rate . . . . .	—	—	0.10%	0.17%	—	0.10%
Gross carrying amount (HK\$'000) . . . . .	—	—	54,763	24,218	—	7,534
						86,515

The expected credit losses as of December 31, 2020 and 2021 were immaterial and no loss allowance for accounts receivable was provided.

**12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES**

	As of December 31,	
	2020	2021
	HK\$	HK\$
Prepayments . . . . .	23,221,564	20,720,272
Deposits . . . . .	559,933	516,399
Other receivables . . . . .	1,090,894	679,711
	<u>24,872,391</u>	<u>21,916,382</u>

Deposits and other receivables mainly represent deposits with the Hong Kong Stock Exchange. Where applicable, an impairment analysis is performed at each reporting date by considering the probability of default of comparable companies with published credit ratings.

As of December 31, 2020 and 2021, the probability of default applied ranged from 0.09% to 0.44% and the loss given default was estimated to be 45%. The recoverability was assessed with reference to the credit status of the debtors, and the expected credit loss as of December 31, 2020 and 2021 is considered to be minimal.

None of the above assets is either past due or credit-impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND STOCK LOAN**

	As of December 31,	
	2020	2021
	HK\$	HK\$
Financial assets at fair value through profit or loss, other than stock loan . . . . .	1,377,856,715	2,574,695,685
Stock loan . . . . .	878,483,400	211,331,400
Total financial assets at fair value through profit or loss . . . . .	<u>2,256,340,115</u>	<u>2,786,027,085</u>
Listed equity shares, at quoted price		
—Investment A . . . . .	1,001,399,213	1,055,407,260
Total listed equity shares, at quoted price . . . . .	<u>1,001,399,213</u>	<u>1,055,407,260</u>
Unlisted equity shares		
—Investment B . . . . .	85,706,112	86,195,893
—Investment C . . . . .	24,111,436	21,954,381
—Investment D . . . . .	190,038,137	—
—Investment E (Note 27(A)(ii)) . . . . .	892,565,280	1,120,244,487
—Investment F . . . . .	—	9,979,264
—Investment G (Note 27(A)(ii)) . . . . .	—	480,700,000
—Investment H . . . . .	—	11,545,800
Total unlisted equity shares . . . . .	<u>1,192,420,965</u>	<u>1,730,619,825</u>
Unlisted equity linked notes		
—Investment I . . . . .	62,519,937	—
Total unlisted equity linked notes . . . . .	<u>62,519,937</u>	<u>—</u>
	<u>2,256,340,115</u>	<u>2,786,027,085</u>

The above unlisted investments at December 31, 2020 and 2021 were equity shares investments issued by enterprises. Financial assets at fair value through profit or loss are categorized into levels 1 to 3. Refer to Note 29 for more information.

On September 17, 2017, the Group entered into certain stock lending agreements with a then shareholder of our immediate holding company, pursuant to which the Group lent certain listed equity shares of Investment A to the then shareholder, who further pledged the shares to a third party as collateral as of December 31, 2020 and these shares have been settled during the year ended December 31, 2021.

On May 1, 2020, the Group entered into a stock lending agreement with the then fellow subsidiary pursuant to which the Group lent certain listed equity shares of Investment A to the then fellow subsidiary and these shares have been returned during the year ended December 31, 2021.

On December 28, 2021, the Group entered into a stock lending agreement with a related company, pursuant to which the Group lent certain listed equity shares of Investment A to the related company, with an interest of 2% per annum based on market value of the listed equity shares of the previous month end.

As of December 31, 2020 and 2021, the fair values of the listed equity shares underlying the stock loan were HK\$878,483,400 and HK\$211,331,400 respectively. In addition, the net fair value changes on the stock loan were HK\$324,855,300 and HK\$47,378,880 for the years ended December 31, 2020 and 2021, respectively.



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**13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS AND STOCK LOAN (CONTINUED)**

During the year ended December 31, 2020, the Group obtained certain ownership interest in Investment E (AMTD Digital Inc., a fellow subsidiary) in exchange for extinguishment of HK\$556,161,528 of current accounts due from the immediate holding company. The Group does not have right to participate in its policy-making processes, to appoint director nor management or to interchange managerial personnel; accordingly, the Group concluded that it does not have significant influence to direct the relevant activities of the investee and classified the investment as a financial asset at fair value through profit or loss.

During the year ended December 31, 2021, the Group obtained certain ownership interest in Investment G (AMTD Assets Alpha Group, a fellow subsidiary) in exchange for extinguishment of HK\$163,180,000 of current accounts due from the immediate holding company. The Group does not have right to participate in its policy-making processes, to appoint director nor management or to interchange managerial personnel; accordingly, the Group concluded that it does not have significant influence to direct the relevant activities of the investee and classified the investment as a financial asset at fair value through profit or loss.

During the year ended December 31, 2020, on the Group's periodic review, the Group re-evaluated the classification of these investments and reclassified these investments as non-current.

**14. DERIVATIVE FINANCIAL ASSET**

On April 1, 2019, two subsidiaries of the Group entered into "Upside Participation and Profit Distribution Agreements" (the "Agreements") with a counterparty in relation to the movement of the share price of the entirety of the listed shares of Investment A (Note 13) that the Group owns ("Underlying Assets"). The Agreements have an original term of 12 months and can be extended for any further period or terminated at any time upon mutual agreement of the contracting parties. Pursuant to the Agreements:

- (a) The counterparty is entitled to 25% (the "Sharing Percentage") of the gain of the Underlying Assets if the quoted market price or disposal price of the Underlying Assets is higher than HK\$8.1 per share (the "Underlying Price");
- (b) The counterparty shall pay a sum equivalent to the loss if the quoted market price or disposal price of the Underlying Assets is lower than Underlying Price ("Participation Cost"); and
- (c) Dividend or cash distributions generated from the Underlying Assets during the term of the Agreements shall be received by the Group for its sole benefit and shall not be included in the computation of the Profit or the Participation Cost.

Further addendums to the Agreements were entered into on June 30, July 1, September 30 and December 31, 2019, March 31, June 26, June 30, September 30 and December 31, 2020 (the "Addendums"), where:

- On June 30, 2019, the term of the Agreements was modified from 12 months to 3 months and could be roll-forward for an additional three-month period upon mutual agreement between the contracting parties provided that the Underlying Assets are not fully disposed by the Group on the termination date.
- On July 1, 2019, the Agreements were extended for a 3-month period to September 30, 2019 and the Underlying Price was modified from HK\$8.1 to HK\$9.0 and the Sharing Percentage was modified from 25% to 40%.
- On September 30 and December 31, 2019 and March 31, 2020, the Agreements were extended for another three-month period and thus lastly to June 30, 2020.



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**14. DERIVATIVE FINANCIAL ASSET (CONTINUED)**

- On June 26, 2020, the underlying listed shares have been partially sold, in which 176,766,469 underlying shares were sold to the counterparty at the disposal price of HK\$5.5 per share, and HK\$618,682,641 was paid by the counterparty to settle 176,766,469 notional of the derivatives reflecting the difference between disposal price and Underlying Price. Accordingly, corresponding revisions were made to the Agreements to reflect the reduction in the number of underlying listed shares.
- On June 30 and September 30, the Agreements were further extended for an additional three months period and thus till December 31, 2020.
- On October 27, 2020, the Agreements was novated by the original counterparty to an external third party.
- On December 31, 2020, March 31, 2021, June 30, 2021, September 30, 2021, December 31, 2021 and March 31, 2022, the Agreements were extended for an additional three month period in each case and thus cumulatively till June 30, 2022.

In December 2019, the controlling person of the original counterparty, with which the Group has entered into the Agreements, was appointed as a Director to the Board of Directors of the Company. Accordingly, the counterparty became a related party of the Company until October 27, 2020 when the Agreements were novated to an external party.

The Agreements together with the Addendums satisfied the definition of derivative financial asset in accordance with IFRS 9 and were stated at fair value with any subsequent changes recognized in profit or loss.



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14. DERIVATIVE FINANCIAL ASSET (CONTINUED)

The table below shows the movement of:

- (i) the profit or loss not recognized when the derivative financial asset was initially recognized (Day 1 profit or loss);
- (ii) net carrying amount presented in the consolidated statements of financial position; and
- (iii) net changes in fair value on derivative financial asset presented in the consolidated statements of profit or loss and other comprehensive income

	Fair value using valuation technique	Day 1 (profit)/loss	Net carrying amount	Net changes in fair value recognized in profit or loss
	HK\$	HK\$	HK\$	HK\$
At January 1, 2020	1,147,372,779	17,847,221	1,165,220,000	—
Recognized in profit and loss prior to contract renegotiation on March 31, 2020				
- Changes in fair value	307,143,221	—	307,143,221	307,143,221
- Recognition of day 1 profit or loss	—	(17,847,221)	(17,847,221)	(17,847,221)
At March 31, 2020	1,454,516,000	—	1,454,516,000	289,296,000
Contract renegotiation on March 31, 2020	(17,215,921)	17,215,921	—	—
At March 31, 2020	1,437,300,079	17,215,921	1,454,516,000	289,296,000
Recognized in profit and loss prior to contract renegotiation on June 30, 2020				
- Changes in fair value	(13,291,518)	—	(13,291,518)	(13,291,518)
- Partial settlement on June 26, 2020	(618,682,641)	—	(618,682,641)	—
- Gain related to disposed investment	106,059,881	—	106,059,881	—
- Recognition of day 1 profit or loss	—	(17,215,921)	(17,215,921)	(17,215,921)
At June 30, 2020	911,385,801	—	911,385,801	258,788,561
Contract renegotiation on June 30, 2020	(3,679,712)	3,679,712	—	—
At June 30, 2020	907,706,089	3,679,712	911,385,801	258,788,561
Recognized in profit and loss prior to contract renegotiation on September 30, 2020				
- Changes in fair value	93,693,124	—	93,693,124	93,693,124
- Recognition of day 1 profit or loss	—	(3,679,712)	(3,679,712)	(3,679,712)
At September 30, 2020	1,001,399,213	—	1,001,399,213	348,801,973
Contract renegotiation on September 30, 2020	(3,040,097)	3,040,097	—	—
At September 30, 2020	998,359,116	3,040,097	1,001,399,213	348,801,973



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**14. DERIVATIVE FINANCIAL ASSET (CONTINUED)**

	Fair value using valuation technique	Day 1 (profit)/loss	Net carrying amount	Net changes in fair value recognized in profit or loss
	HK\$	HK\$	HK\$	HK\$
Recognized in profit and loss prior to contract renegotiation on December 31, 2020				
- Changes in fair value . . . . .	25,543,450	—	25,543,450	25,543,450
- Recognition of day 1 profit or loss . . . . .	—	(3,040,097)	(3,040,097)	(3,040,097)
At December 31, 2020 . . . . .	1,023,902,566	—	1,023,902,566	371,305,326
Contract renegotiation on December 31, 2020 . . . . .	12,266,453	(12,266,453)	—	—
At December 31, 2020 . . . . .	1,036,169,019	(12,266,453)	1,023,902,566	371,305,326
At December 31, 2020 . . . . .	1,036,169,019	(12,266,453)	1,023,902,566	—
Recognized in profit and loss prior to contract renegotiation on March 31, 2021				
- Changes in fair value . . . . .	(12,266,453)	—	(12,266,453)	(12,266,453)
- Recognition of day 1 profit or loss . . . . .	—	12,266,453	12,266,453	12,266,453
At March 31, 2021 . . . . .	1,023,902,566	—	1,023,902,566	—
Contract renegotiation on March 31, 2021 . . . . .	(1,678,713)	1,678,713	—	—
At March 31, 2021 . . . . .	1,022,223,853	1,678,713	1,023,902,566	—
Recognized in profit and loss prior to contract renegotiation on June 30, 2021				
- Changes in fair value . . . . .	(34,326,652)	—	(34,326,652)	(34,326,652)
- Recognition of day 1 profit or loss . . . . .	—	(1,678,713)	(1,678,713)	(1,678,713)
At June 30, 2021 . . . . .	987,897,201	—	987,897,201	(36,005,365)
Contract renegotiation on June 30, 2021 . . . . .	2,956,755	(2,956,755)	—	—
At June 30, 2021 . . . . .	990,853,956	(2,956,755)	987,897,201	(36,005,365)
Recognized in profit and loss prior to contract renegotiation on September 30, 2021				
- Changes in fair value . . . . .	89,306,993	—	89,306,993	89,306,993
- Recognition of day 1 profit or loss . . . . .	—	2,956,755	2,956,755	2,956,755
At September 30, 2021 . . . . .	1,080,160,949	—	1,080,160,949	56,258,383
Contract renegotiation on September 30, 2021 . . . . .	1,046,618	(1,046,618)	—	—
At September 30, 2021 . . . . .	1,081,207,567	(1,046,618)	1,080,160,949	56,258,383



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**14. DERIVATIVE FINANCIAL ASSET (CONTINUED)**

	Fair value using valuation technique	Day 1 (profit)/loss	Net carrying amount	Net changes in fair value recognized in profit or loss
	HK\$	HK\$	HK\$	HK\$
Recognized in profit and loss prior to contract renegotiation on December 31, 2021				
- Changes in fair value . . . . .	(111,313,048)	—	(111,313,048)	(111,313,048)
- Recognition of day 1 profit or loss . . . . .	—	1,046,618	1,046,618	1,046,618
At December 31, 2021 . . . . .	969,894,519	—	969,894,519	(54,008,047)
Contract renegotiation on December 31, 2021 . . . . .	(1,507,769)	1,507,769	—	—
At December 31, 2021 . . . . .	<u>968,386,750</u>	<u>1,507,769</u>	<u>969,894,519</u>	<u>(54,008,047)</u>

As of December 31, 2021, the counterparty of the derivative contracts pledged certain listed securities as collateral in favour of the Company which had a market value of HK\$3,089,570,978 (2020: HK\$2,860,797,360).

**15. OTHER ASSETS**

The Group maintains segregated bank accounts with corporate banks to hold clients' monies on trust under custody arising from its asset management and other business. The Group has classified the clients' monies as other assets under the assets section of the consolidated statements of financial position and recognized the corresponding amounts as clients' monies held on trust in accounts payable (Note 19) to respective clients on the basis that it is legally liable for any possible loss or misappropriation of the clients' monies. The cash held on behalf of customers is restricted and governed by the Securities and Futures (Client Money) Rules under the Hong Kong Securities and Futures Ordinance ("HKSF").

	As of December 31,	
	2020	2021
	HK\$	HK\$
Segregated clients' bank accounts balances:		
- Asset management business . . . . .	194,907,501	135,843,360
- Others . . . . .	2,401,674	222,378
	<u>197,309,175</u>	<u>136,065,738</u>





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**16. CASH AND BANK BALANCES**

	As of December 31,	
	2020	2021
	HK\$	HK\$
Cash and cash equivalents:		
- Cash on hand	31,031	595,992
- General bank accounts	453,935,733	525,610,116
<b>Total cash and cash equivalents</b>	<b>453,966,764</b>	<b>526,206,108</b>

Cash at banks earns interest at floating rates based on daily bank deposit rates for all the periods. The bank balances are deposited with creditworthy banks with no recent history of default.

**17. PROPERTY, PLANT AND EQUIPMENT**

	Furniture and fixtures	Computer equipment	Total
	HK\$	HK\$	HK\$
<b>Cost:</b>			
At January 1, 2020	11,090	4,073,634	4,084,724
Additions	—	110,734	110,734
At December 31, 2020 and January 1, 2021 and December 31, 2021	<u>11,090</u>	<u>4,184,368</u>	<u>4,195,458</u>
<b>Accumulated depreciation:</b>			
At January 1, 2020	(8,496)	(4,045,231)	(4,053,727)
Charge for the year	(2,218)	(28,156)	(30,374)
At December 31, 2020 and January 1, 2021	(10,714)	(4,073,387)	(4,084,101)
Charge for the year	(376)	(43,850)	(44,226)
At December 31, 2021	<u>(11,090)</u>	<u>(4,117,237)</u>	<u>(4,128,327)</u>
<b>Carrying amount:</b>			
At January 1, 2020	2,594	28,403	30,997
At December 31, 2020	376	110,981	111,357
At December 31, 2021	<u>—</u>	<u>67,131</u>	<u>67,131</u>

**18. INTANGIBLE ASSETS**

	HK\$
Net carrying amount as of December 31, 2020 and December 31, 2021	<u>15,171,170</u>

The intangible assets represented securities trading licenses and trading right with indefinite useful lives because they are expected to contribute to the net cash flows of the Group indefinitely and therefore, are not amortized. The recoverable amount of the intangible assets is determined by reference to the market evidence of recent transaction prices for similar licensed corporations.



**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)**  
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**19. ACCOUNTS PAYABLE**

	Note	As of December 31,	
		2020	2021
		HK\$	HK\$
Clients' payables . . . . .	(i)	138,747	146,917
Payables to clearing house and brokers . . . . .	(i)	1,311,748	8,590,241
Clients' monies held on trust (Note 15) . . . . .		200,535,707	146,283,760
		<u>201,986,202</u>	<u>155,020,918</u>

Note:

- (i) As of December 31, 2020 and 2021, payables to clearing house and brokers and clients' payable arising from assets management business are repayable 2 days after trade date or at pre-agreed specified terms.

An aging analysis of the accounts payable as of the end of the reporting period is as follows:

	As of December 31,	
	2020	2021
	HK\$	HK\$
Within 1 month . . . . .	1,450,495	155,020,918
Repayable on demand . . . . .	200,535,707	—
	<u>201,986,202</u>	<u>155,020,918</u>

The balances of accounts payable are unsecured and non-interest-bearing.

**20. BANK BORROWINGS**

A currency analysis of bank borrowings at the end of the reporting periods is as follows:

	As of December 31,	
	2020	2021
	HK\$	HK\$
Hong Kong dollars . . . . .	116,000,000	116,000,000
United States dollars . . . . .	116,280,000	272,870,500
	<u>232,280,000</u>	<u>388,870,500</u>

As of December 31, 2020 and 2021, the bank borrowings were unsecured, repayable in one year or on demand and bore average interest rate of 2.1% p.a..

As of December 31, 2020 and 2021, the Group's aggregate banking facilities amounted to US\$30,000,000 (equivalent to HK\$232,560,000) and US\$50,000,000 (equivalent to HK\$389,815,000) of which HK\$232,280,000 and HK\$388,870,500 were utilized.



**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)**  
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**21. OTHER PAYABLES AND ACCRUALS**

	Note	As of December 31,	
		2020	2021
		HK\$	HK\$
Accruals and other payables . . . . .		81,054,895	91,594,587
Contract liabilities . . . . .	(i)	47,270,998	630,962
		<u>128,325,893</u>	<u>92,225,549</u>

Note:

- (i) Contract liabilities include upfront fees received to deliver asset management services.

Movements in contract liabilities during the years ended December 31, 2020 and 2021 are as follows:

	HK\$
At January 1, 2020 . . . . .	111,974,163
Upfront fee received during the year . . . . .	38,201,342
Revenue recognized during the year . . . . .	(102,904,507)
At December 31, 2020 . . . . .	47,270,998
Revenue recognized during the year . . . . .	(46,640,036)
At December 31, 2021 . . . . .	<u>630,962</u>

**22. DEFERRED TAX LIABILITIES**

The movements in deferred tax liabilities during the years are as follows:

	Unrealized gain on investments HK\$
At January 1, 2020 . . . . .	242,913,577
Deferred tax charged to profit or loss during the year (Note 9) . . . . .	(242,913,577)
At December 31, 2020 and January 1, 2021 and December 31, 2021 . . . . .	<u>—</u>

During the year ended December 31, 2020, the Group had re-evaluated the temporary difference arising from unrealized gain on investment and considered it is probable that the investments are capital in nature and therefore not subjected to income tax under the relevant tax regulations based on the Group's intention to hold the investments for long term capital appreciation. Accordingly, HK\$242,913,577 of deferred tax liabilities were reversed and recognized as deferred tax credit.

As of December 31, 2020 and 2021, the Group had estimated tax losses arising in Hong Kong of HK\$550,615 and HK\$348,724 subject to the agreement by the Hong Kong Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognized in respect of the unutilized tax losses arising in Hong Kong as it is not considered probable that taxable profits would be available against which the tax losses can be utilized.



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)**  
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**23. CONVERTIBLE BOND AND DERIVATIVE FINANCIAL LIABILITY**

On December 19, 2019, the Company issued 2% convertible bond with a principal amount of US\$15,000,000. There was no movement in the number of units of these convertible bonds during the year. The bond is convertible at the option of the bondholders into class A ordinary shares at any time after six months following the date of issuance of the bond and prior to the close of business on the second business day immediately preceding the maturity date of June, 30, 2023. The conversion rate is 99.44 American Depositary Shares (“ADSs”) per US\$1,000 principal. The conversion rate is subject to adjustment upon the occurrence of certain events that have an impact on the number of outstanding shares of the company. The bondholders can convert all or any portion of the bond that equals to or greater than US\$10,000,000. However, the bondholders can only exercise such right to convert no more than twice. Any convertible notes not converted, as well as the accrued interest, will be repaid on June 30, 2023. The convertible bond has been converted in January 2022.

On initial recognition, the derivative component of the convertible bond is measured at fair value and presented as a derivative financial liability.

The movement of convertible bond during the years ended December 31, 2020 and 2021 are as follows:

	<b>Liability component</b>	<b>Derivative financial liability</b>
	<b>HK\$</b>	<b>HK\$</b>
At January 1, 2020	95,995,690	20,813,810
Interest for the year	7,717,348	—
Fair value gain recognized in profit or loss	—	(7,765,148)
Exchange alignment	(434,609)	(94,349)
At December 31, 2020	<u>103,278,429</u>	<u>12,954,313</u>
Interest for the year	8,085,419	—
Exchange alignment	606,536	798,360
At December 31, 2021	<u><u>111,970,384</u></u>	<u><u>13,752,673</u></u>

**24. SHARE CAPITAL, CAPITAL RESERVE AND TREASURY SHARES**

Each Class A ordinary share shall entitle the holder thereof to one vote on all matters subject to vote at general meetings of the Company, and each Class B ordinary share shall entitle the holder thereof to twenty votes on all matters subject to vote at general meetings of the Company. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof. Each Class A ordinary share is not convertible into Class B ordinary shares under any circumstances. Except for the voting rights and the conversion rights, the Class A ordinary shares and the Class B ordinary shares shall rank pari passu with one another and shall have the same rights, preferences, privileges and restrictions.

As of December 31, 2021, the Company had ordinary shares outstanding comprising of 62,327,851 Class A ordinary shares and 183,283,628 Class B ordinary shares (including those repurchased), respectively. During the year ended December 31, 2020, 21,243,000 Class B ordinary shares held by the controlling shareholder were converted into Class A ordinary shares. No Class B ordinary shares were converted into Class A ordinary shares for the year ended December 31, 2019 and 2021.



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**24. SHARE CAPITAL, CAPITAL RESERVE AND TREASURY SHARES (CONTINUED)**

	Notes	Numbers of shares		
		Class A ordinary shares	Class B ordinary shares	Class B treasury shares
At January 1, 2019		—	200,000,001	—
Exercise of warrants	(i)	1,666,666	—	—
Pre-IPO financing	(ii)	8,236,838	—	—
Initial public offering	(iii)	23,873,655	—	—
New issuance of shares	(iv)	7,307,692	4,526,627	—
At December 31, 2019		<u>41,084,851</u>	<u>204,526,628</u>	—
Conversion of class B ordinary shares to class A ordinary shares		21,243,000	(21,243,000)	—
At December 31, 2020 and January 1, 2021		62,327,851	183,283,628	—
Repurchase of ordinary shares	(v)	—	(69,144,673)	69,144,673
As December 31, 2021		<u>62,327,851</u>	<u>114,138,955</u>	<u>69,144,673</u>

Notes:

- (i) On March 6, 2019, the Company issued warrants for an aggregate consideration of US\$2 million (equivalent to HK\$15,699,600). Each warrant entitles the holder thereof to subscribe for one ordinary share at a subscription price of US\$7.2. On April 10, 2019, the warrant holder exercised the warrants in full and paid an additional amount of US\$10 million for 1,666,666 Class A ordinary shares. As of December 31, 2019 and 2020, the Company had no warrants outstanding, respectively.
- (ii) Between April 26, 2019 and June 19, 2019, the Company issued 8,236,838 Class A ordinary shares to third parties investors for an aggregate consideration of US\$53.5 million for the pre-IPO financing.
- (iii) On August 5, 2019, the Company completed its Initial Public Offering (“IPO”) on the New York Stock Exchange under the symbol of “HKIB”. The Company issued an aggregate 23,873,655 ADSs, representing 23,873,655 Class A Ordinary Shares for total net proceeds of HK\$1,507.2 million after deducting listing expenses of HK\$58.3 million.
- (iv) In December 2019, the Company issued an aggregate of 7,307,692 Class A ordinary shares and 4,526,627 Class B ordinary shares, both with par value US\$0.0001 per share, for an aggregate amount of US\$100 million (representing a per share price of US\$8.45) to Value Partners Greater China High Yield Income Fund, Ariana Capital Investment Limited, and Infinity Power Investments Limited in the form of private placement. Infinity Power Investments Limited is a British Virgin Islands company wholly owned by Mr. Calvin Choi, founder of the Company.
- (v) On September 30, 2021, the Company repurchased 69,144,673 Class B ordinary shares from the immediate holding company, amounting to HK\$5,000,000,000.



**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**25. PERPETUAL SECURITIES**

On May 14, 2020, the Company issued US\$200,000,000 (equivalent to HK\$1,550,020,000) and SGD50,000,000 (equivalent to HK\$272,890,845) of perpetual securities at initial distribution rate of 7.25% p.a. (the “Perpetual Securities I”) and 4.5% p.a. (the “Perpetual Securities II”) which are listed on Hong Kong Stock Exchange and Singapore Stock Exchange respectively (collectively the “Perpetual Securities”). Of which, US\$38,920,000 (equivalent to HK\$301,633,892) of Perpetual Securities I and SGD14,740,000 (equivalent to HK\$80,448,221) of Perpetual Securities II were issued in settlement for the redemption of Perpetual Securities issued by the immediate holding company in 2017. The consideration amounting to HK\$382,082,113 was settled through the current account with the immediate holding company during the year ended December 31, 2020.

The direct transaction costs attributable to the Perpetual Securities I and Perpetual Securities II in aggregate amounted to HK\$4,460,393.

Distributions of the Perpetual Securities I and Perpetual Securities II may be paid semi-annually in arrears on May 14 and November 14 in each year and may be deferred at the discretion of the Company unless a compulsory distribution payment event (including distributions to ordinary shareholders of the Company) has occurred. Following a deferral, arrears of distributions are cumulative.

The Perpetual Securities I are unsecured, have no fixed maturity date and are callable at the Company’s option in whole on May 14, 2023 (“First Reset Date”) or any Distribution Payment Date falling after the First Reset Date at their principal amounts together with any accrued, unpaid or deferred distributions. The applicable distribution rate will reset, on First Reset Date and every three years after the First Reset Date, to the sum of the initial spread of 7.011% p.a., the Treasury Rate and a step-up margin of 5.00% p.a..

The Perpetual Securities II are unsecured, have no fixed maturity date and are callable at the Company’s option in whole on May 14, 2025, which is five years after the issue date or any Distribution Payment Date thereafter at their principal amounts together with any accrued, unpaid or deferred distributions.

On October 27, 2021, the Group has early redeemed principal amount of SGD11,188,000 (equivalent to HK\$65,104,192) of Perpetual Securities II at the redemption price equal to 75%. A gain of HK\$15,949,627 was recorded directly in the retained earnings.

The Perpetual Securities are included in equity in the Group’s consolidated financial statements as the Group does not have a contractual obligation to deliver cash or other financial assets arising from the issue of the Perpetual Securities. For the year ended December 31, 2020 and 2021, the profit attributable to holders of Perpetual Securities based on the applicable distribution rate, was HK\$78,987,714 and HK\$125,742,843, respectively, where any distribution could be deferred at the discretion of the Company unless a compulsory distribution payment event (including distributions to ordinary shareholders of the Company) has occurred. The Company distributed HK\$62,753,625 and HK\$124,279,754 to the holders of perpetual securities during the year ended December 31, 2020 and 2021, respectively.



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT (CONTINUED)**  
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**26. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS**

(a) Major non-cash transactions

Save as disclosed elsewhere in these consolidated financial statements, the following non-cash transactions were recorded.

On April 10, 2019, the warrant holder exercised the warrants in full and paid an additional amount of US\$10 million for 1,666,666 Class A ordinary shares which was an equity transaction, therefore, the warrant was derecognized as a financial liability and the Company recognized in equity the sum of the additional amount received from the warrant holder and the carrying amount of the warrant.

During the year ended December 31, 2020, the Group subscribed two equity linked notes for a consideration of HK\$148,671,602 issued by the two former subsidiaries. The underlying securities for an equity linked note were disposed by one of the former fellow subsidiaries, triggering a settlement of equity linked note for a consideration of HK\$195,789,033. The Group recognized a gain of HK\$82,948,667 from this transaction which was settled in 2020 through the current accounts with AMTD Group under the central treasury agreement.

During the year ended December 31, 2021, the underlying securities for the other equity linked note were disposed by one of the former fellow subsidiaries, triggering a settlement of equity linked note for a consideration of HK\$181,633,667. The Group recognized a gain related to the disposed investment of HK\$119,113,730 from this transaction which was settled through the current accounts with AMTD Group.

During the year ended December 31, 2021, the Group disposed financial assets at fair value through profit or loss of HK\$196,036,584 to a former fellow subsidiary. The Group recognized a gain related to the disposed investment of HK\$5,998,446. The consideration of HK\$196,036,584 was settled through the current account with AMTD Group.

During the year ended December 31, 2021, the Group purchased financial assets at fair value through profit or loss of HK\$163,180,000 from AMTD Group. The consideration was settled through the current accounts with AMTD Group.

During the year ended December 31, 2021, the Group repurchased 69,144,673 Class B ordinary shares from AMTD Group amounting to HK\$5,000,000,000. The consideration was settled through current account with AMTD Group.



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**26. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**

(b) Changes in liabilities arising from financing activities

	Margin loans payable	Derivative financial liability	Convertible bond	Bank borrowings	Total
	HK\$	HK\$	HK\$	HK\$	HK\$
At January 1, 2019	321,999,549	—	—	—	321,999,549
Cash flow from financing activities	(31,983,066)	20,813,810	95,995,690	—	84,826,434
Interest expenses	27,705,955	—	—	—	27,705,955
At December, 31 2019	317,722,438	20,813,810	95,995,690	—	434,531,938
Cash flow from financing activities	(330,197,734)	—	—	230,962,565	(99,235,169)
Interest expenses	12,475,296	—	7,717,348	1,317,435	21,510,079
Fair value gain recognized in profit or loss	—	(7,765,148)	—	—	(7,765,148)
Exchange alignment	—	(94,349)	(434,609)	—	(528,958)
At December 31, 2020	—	12,954,313	103,278,429	232,280,000	348,512,742
Cash flow from financing activities	—	—	—	151,263,786	151,263,786
Interest expenses	—	—	8,085,419	4,740,504	12,825,923
Exchange alignment	—	798,360	606,536	586,210	1,991,106
At December 31, 2021	—	13,752,673	111,970,384	388,870,500	514,593,557

(c) Changes in balances with related parties

	For the year ended December 31, 2019		
	Related company HK\$	Fellow subsidiaries HK\$	Immediate holding company HK\$
Investing activities	—	—	(2,957,926,150)
Net cash outflow	—	—	(2,957,926,150)
	For the year ended December 31, 2020		
	Related company HK\$	Fellow subsidiaries HK\$	Immediate holding company HK\$
Investing activities	—	—	(3,581,230,632)
Net cash outflow	—	—	(3,581,230,632)





**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**26. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**

	For the year ended December 31, 2021		
	Related company HK\$	Fellow subsidiaries HK\$	Immediate holding company HK\$
Investing activities .....	—	—	(348,701,497)
Net cash outflow .....	—	—	(348,701,497)

**27. RELATED PARTY TRANSACTIONS**

(A) In addition to the transactions disclosed elsewhere in these consolidated financial statements, the Group had the following transactions with related parties during the years:

Notes	For the year ended December 31,		
	2019 HK\$	2020 HK\$	2021 HK\$
Underwriting services rendered to immediate holding company .....	(i) 26,420,072	—	—
Financial advisory services rendered to fellow subsidiaries .....	(i) 15,691,000	30,231,825	—
Financial advisory services rendered to related companies controlled by a director of the Company .....	(i) —	95,513,306	—
Financial advisory services rendered to former fellow subsidiaries .....	(i) —	—	104,300,690
Asset management service fee income from a related party controlled by a director of the Company .....	(i) 478,611	2,672,527	—
Investment banking service income from a related party controlled by a director of the Company .....	(i) 2,999,584	—	—
Management fee paid to immediate holding company .....	(i) 150,000	150,000	150,000
Investment advisory fee paid to a fellow subsidiary .....	(i) 180,000	180,000	180,000
Insurance commission paid to a fellow subsidiary .....	(i) 84,133	105,251	58,228
Asset management services rendered to fellow subsidiaries .....	(i) 457,431	1,362	1,147,769
Acquisition of investments from immediate holding company .....	(ii)(a) —	556,161,528	163,180,000
Acquisition of investments from fellow subsidiaries .....	(ii)(b) —	148,671,602	11,545,800
Disposal of an investment to a former fellow subsidiary .....	(ii)(c) —	—	196,036,584



**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**27. RELATED PARTY TRANSACTIONS (CONTINUED)**

(A) In addition to the transactions disclosed elsewhere in these consolidated financial statements, the Group had the following transactions with related parties during the years: (continued)

	Notes	For the year ended December 31,		
		2019 HK\$	2020 HK\$	2021 HK\$
Administrative service fee paid to immediate holding company . . . . .	(iii)	12,000,000	24,000,000	24,000,000
Interest income from immediate holding company . . . . .	(iv)	17,562,104	101,159,079	116,028,045
Stock loan interest income from a former fellow subsidiary . . . . .	(i)	—	—	34,740
Recharge from/(to) immediate holding company				
—Staff costs . . . . .		17,936,752	20,156,843	22,081,545
—Premises cost . . . . .		5,300,986	14,010,263	13,964,993
—Office renovation . . . . .		869,214	—	—
—Other operating expenses, net . . . . .		9,798,649	—	—
	(iii)	33,905,601	34,167,106	36,046,538
Treasury shares repurchased from immediate holding company . . . . .		—	—	5,000,000,000
Perpetual securities redeemed from a fellow subsidiary . . . . .		—	—	4,648,331
Perpetual securities redeemed from a former fellow subsidiary . . . . .		—	—	35,719,218
Net changes in fair value on derivative financial asset entered into with a related party . . . . .	(v)	1,165,220,000	321,797,949	—
Consideration received for disposal of investments to a related party . . . . .	(v)	—	972,215,580	—
Consideration received for settlement of derivatives contracts with a related party . . . . .	(v)	—	618,682,641	—

Notes:

- (i) The terms of these services were comparable to the fee and conditions offered to the major customers of the Group.
- (ii) (a) In 2020, the transaction represented the acquisition of 14.4% interest in a fellow subsidiary, AMTD Digital Inc., from AMTD Group based on fair value at the date of acquisition. In 2021, the transaction represented the acquisition of 19.9% interest in another fellow subsidiary, AMTD Assets Alpha Group, from AMTD Group based on the investee's net asset value on the date of acquisition. The unrealized fair value gain on these two investments for the year ended December 31, 2021 amounted to HK\$545.2 million (2020: HK\$336.4 million). Also refer to note 32 for the subsequent event relating to the acquisition of further interest in AMTD Digital Inc.



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**27. RELATED PARTY TRANSACTIONS (CONTINUED)**

- (A) In addition to the transactions disclosed elsewhere in these consolidated financial statements, the Group had the following transactions with related parties during the years: (continued)
- (ii) (b) In 2020, the transactions represented the acquisition of equity linked notes from a former fellow subsidiaries based on the fair value as of the date of acquisition. In 2021, the transaction represented the acquisition of an unlisted equity investment from a fellow subsidiary. The related realized and unrealized fair value gain recognized for the year ended December 31, 2020 was HK\$82,948,508 and HK\$26,688,861, respectively. The related realized and unrealized fair value gain recognized for the year ended December 31, 2021 was HK\$119,113,730 and HK\$Nil, respectively.
- (c) The transaction represented the disposal of unlisted equity investment to a related company based on the fair value as of the date of disposal. The gain on disposal amounted to HK\$5,998,446.
- (iii) During the year ended December 31, 2019, staff costs, office renovation and other operating expenses (e.g. advertisement and promotional expense) were recharged by the immediate holding company based on the proportion of the Company's revenue to the consolidated revenue of the immediate holding company, net of expenses incurred by the Group. Premises cost was recharged based on actual usage. Starting from the third quarter of fiscal year 2019, the immediate holding company charged a fixed service fee of HK\$6,000,000 per quarter in place of recharging arrangement for certain operating expenses.
- (iv) The transaction represented the interest income charged at 2% per annum (Note 5) on the outstanding amount due from the immediate holding company which was payable on demand.
- (v) In December 2019, the controlling person of the counterparty, with which the Group has entered into the Agreements (Note 14), was appointed as a Director to the Board of Directors of the Company. Accordingly, the counterparty became a related party of the Company. On October 27, 2020, the Agreements were novated to an external party.
- (B) In addition to balances disclosed elsewhere in these consolidated financial statements, the Group had the following outstanding balances with related parties:
- (i) Treasury functions of the Group are conducted centrally under AMTD Group and inter-company fund transfers were carried out among the entities within AMTD Group. The treasury function manages available funds at AMTD Group level and allocates the funds to various entities within AMTD Group for their operations. On August 5, 2019, the Group entered into an intercompany financing agreement with its immediate holding company. Under such agreement, any intercompany receivables and payables balances with the immediate holding company and the fellow subsidiaries shall be settled on a net basis with the immediate holding company. As of December 31, 2020 and 2021, the net balance between the Group and the immediate holding company was an amount due from immediate holding company of HK\$6,477,266,499 and HK\$2,144,975,230 respectively, which bears interest at 2% per annum and are unsecured and repayable on demand. The Group did not have any outstanding balances with its fellow subsidiaries. For the years ended December 31, 2019, 2020 and 2021, there was no provision for credit loss on amounts due from immediate holding company.



**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2019, 2020 AND 2021**

**27. RELATED PARTY TRANSACTIONS (CONTINUED)**

(C) Compensation of key management personnel of the Group:

	For the year ended December 31,		
	2019	2020	2021
	HK\$	HK\$	HK\$
Short-term employee benefits . . . . .	43,062,534	32,692,568	22,426,846
Other long-term benefit . . . . .	92,700	54,745	55,200
	<u>43,155,234</u>	<u>32,747,313</u>	<u>22,482,046</u>

**28. FINANCIAL INSTRUMENTS BY CATEGORY**

The carrying amounts of each of the categories of financial instruments as of the end of the reporting period are as follows:

**As of December 31, 2020**

Financial assets

	Financial assets at fair value through profit or loss		
	Mandatorily required to be measured at fair value	Financial assets at amortized cost	Total
	HK\$	HK\$	HK\$
Accounts receivable . . . . .	—	77,350,250	77,350,250
Financial assets included in prepayments, deposits and other receivables . . . . .	—	1,650,827	1,650,827
Due from immediate holding company . . . . .	—	6,477,266,499	6,477,266,499
Financial assets at fair value through profit or loss . . . . .	1,377,856,715	—	1,377,856,715
Stock loan . . . . .	878,483,400	—	878,483,400
Derivative financial asset . . . . .	1,023,902,566	—	1,023,902,566
Other assets . . . . .	—	197,309,175	197,309,175
Cash and bank balances . . . . .	—	453,966,764	453,966,764
	<u>3,280,242,681</u>	<u>7,207,543,515</u>	<u>10,487,786,196</u>



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28. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

Financial liabilities

	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
	HK\$	HK\$	HK\$
Accounts payable .....	—	201,986,202	201,986,202
Financial liabilities included in other payables and accruals .....	—	54,162,984	54,162,984
Bank borrowings .....	—	232,280,000	232,280,000
Derivative financial liability .....	12,954,313	—	12,954,313
Convertible bond .....	—	103,278,429	103,278,429
	<u>12,954,313</u>	<u>591,707,615</u>	<u>604,661,928</u>

As of December 31, 2021

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Total
	Mandatorily required to be measured at fair value		
	HK\$	HK\$	HK\$
Accounts receivable .....	—	86,514,680	86,514,680
Financial assets included in prepayments, deposits and other receivables .....	—	1,196,110	1,196,110
Due from immediate holding company .....	—	2,144,975,230	2,144,975,230
Financial assets at fair value through profit or loss .....	2,574,695,685	—	2,574,695,685
Stock loan .....	211,331,400	—	211,331,400
Derivative financial asset .....	969,894,519	—	969,894,519
Other assets .....	—	136,065,738	136,065,738
Cash and bank balances .....	—	526,206,108	526,206,108
	<u>3,755,921,604</u>	<u>2,894,957,866</u>	<u>6,650,879,470</u>



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**28. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)**

Financial liabilities

	<u>Financial liabilities at fair value through profit or loss</u>	<u>Financial liabilities at amortized cost</u>	<u>Total</u>
	HK\$	HK\$	HK\$
Accounts payable . . . . .	—	155,020,918	155,020,918
Financial liabilities included in other payables and accruals . . . . .	—	72,107,680	72,107,680
Bank borrowings . . . . .	—	388,870,500	388,870,500
Derivative financial liability . . . . .	13,752,673	—	13,752,673
Convertible bond . . . . .	—	111,970,384	111,970,384
	<u>13,752,673</u>	<u>727,969,482</u>	<u>741,722,155</u>

**29. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS**

The carrying amounts and fair values of the Group's financial instruments measured at fair value are as follows:

	<u>Carrying amounts</u>		<u>Fair values</u>	
	<u>As of December 31,</u>		<u>As of December 31,</u>	
	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>
	HK\$	HK\$	HK\$	HK\$
<b>Financial assets</b>				
Financial assets at fair value				
through profit or loss . . . . .	1,377,856,715	2,574,695,685	1,377,856,715	2,574,695,685
Derivative financial asset . . . . .	1,023,902,566	969,894,519	1,036,169,019	968,386,750
Stock loan . . . . .	878,483,400	211,331,400	878,483,400	211,331,400
	<u>3,280,242,681</u>	<u>3,755,921,604</u>	<u>3,292,509,134</u>	<u>3,754,413,835</u>
<b>Financial liabilities</b>				
Derivative financial liability . . . . .	<u>12,954,313</u>	<u>13,752,673</u>	<u>12,954,313</u>	<u>13,752,673</u>

Management has assessed that the fair values of cash and cash balances, accounts receivable, financial assets included in prepayments, deposits and other receivables, amount due from immediate holding company, other assets, accounts payable, financial liabilities included in other payables and accruals and convertible bond, approximate to their carrying amounts largely due to the short-term maturities of these instruments or repayable on demand, or that they are interest-bearing at market rates.

The Group's finance department headed by the finance director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance director reports directly to the chief financial officer. At each reporting date, finance department analyzes the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The valuation procedures applied include consideration of recent transactions in the same security or financial instrument, recent financing of the investee companies, economic and market conditions, current



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**29. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)**

and projected financial performance of the investee companies, and the investee companies' management team as well as potential future strategies to realize the investments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

As of December 31, 2020 and 2021, the fair values of listed equity investments, including the stock loan, and an unlisted equity linked note were based on quoted market prices.

The valuation methodologies for material unlisted equity securities are set out in Note 3 to the consolidated financial statements.

The fair value of the derivative financial asset in relation the Agreements was estimated using the MCS and was determined based on significant observable and unobservable inputs including the current stock price, dividend yield, risk-free rate, volatility of the underlying equity securities and the credit rating of the counterparty on the valuation date. MCS is a financial model that is commonly used to simulate variables that are highly unpredictable. The valuations performed using the MCS require management to estimate the volatility of the underlying equity securities and the credit rating of the counterparty and hence the valuations are subject to estimation uncertainty. The Group classifies the fair value of derivative financial asset as Level 3. The management believed that the estimated fair values resulting from the valuation technique were reasonable. The accounting policy of the day 1 profit or loss arising from the difference between the transaction price and the fair value upon initial recognition is disclosed in Note 2.4 to the consolidated financial statements.

The fair value of the conversion option embedded in the convertible bond is calculated based on the difference of the fair value of convertible bond as a whole using binomial method, and the fair value of the loan using the discounted cash flow method. The valuation of the fair value of convertible bond as a whole requires the Group to determine credit spread, liquidity spread and volatility.



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**29. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)**

Below is summary of significant unobservable inputs to valuation of financial instruments together with a quantitative sensitivity analysis as of December 31, 2020:

	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range or estimate</u>	<u>Sensitivity of value to the input</u>
Unlisted equity investment				
Investment B . . .	Multiple/EVA	Equity volatility	63.61%	5% increase/decrease in volatility results in decrease/increase in fair value by 3.5%/3.3%
Unlisted equity investment				
Investment C . . .	Multiple/EVA	Equity volatility	39.64%	5% increase/decrease in volatility results in decrease/increase in fair value by 0.9%/0.9%
		Average P/E multiple of peers	10.4	5% increase/decrease in P/E multiple results in increase/decrease in fair value by 4.7%/4.7%
Derivative financial asset . . . .	MCS	Volatility of Underlying Assets	46.03%	5% increase/decrease in volatility results in increase/decrease in fair value by 0.23%/0.11%
		Credit rating	BB	One rank level increase in credit rating of counterparty from BB to BBB results in increase in fair value by 0.02%
				One rank level decrease in credit rating of counterparty from BB to B results in decrease in fair value by 0.16%
Derivative financial liability . . . . .	Binomial option pricing model	Volatility	56.58%	5% increase/decrease in volatility results in increase/decrease in fair value by 1.63%/1.66%
		Discount rate	9.77%	5% increase/decrease in credit spread results in increase/decrease in fair value by 8.22%/9.41%





**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**29. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)**

Below is summary of significant unobservable inputs to valuation of financial instruments together with a quantitative sensitivity analysis as of December 31, 2021:

	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range or estimate</u>	<u>Sensitivity of value to the input</u>
Unlisted equity investment Investment B . . . .	Multiple/ EVA	Equity volatility	75.29%	5% increase/decrease in volatility results in decrease/increase in fair value by 0%/ 0%
		Median Forward P/E multiple of peers	2.10	5% increase/decrease in P/E multiple results in increase/decrease in fair value by 0%/ 1.9%
Unlisted equity investment Investment C . . . .	Multiple/ EVA	Equity volatility	48.52%	5% increase/decrease in volatility results in decrease/increase in fair value by 1.3%/ 1.3%
		Median Forward P/E multiple of peers	18.97	5% increase/decrease in P/E multiple results in increase/decrease in fair value by 4.2%/ 4.3%
Unlisted equity investment Investment E . . . .	Multiple/ EVA	Average P/E multiple of peers	61.29	5% increase/decrease in P/E multiple results in increase/decrease in fair value by 5.0%/ 5.0%
		Discount of lack of marketability	45%	5% increase/decrease in discount of lack of marketability results in decrease/increase in fair value by 4.1%/4.1%
Unlisted equity investment Investment G . . . .	Net Asset Value Method	Net Asset Value	Note (a)	5% increase/decrease in net asset value results in increase/decrease in fair value by 5.0%/5.0%
Derivative financial asset . . . . .	MCS	Volatility of Underlying Assets	35.95%	5% increase/decrease in volatility results in increase/decrease in fair value by 0.06%
Derivative financial liability . . . . .	Binomial option pricing model	Volatility	46.21%	5% increase/decrease in volatility results in increase/decrease in fair value by 0.07%/ 0.13%
		Discount rate	12.52%	5% increase/decrease in discount rate results in decrease/increase in fair value by 0.70%/ 0.71%

Note:

- a. The fair value is derived from the net asset value of Investment G that is mostly attributable from its underlying property investments with their fair value being measured by income approach. The directors of the Company considered that remaining assets or liabilities in Investment G are not significant to the amount of overall investment and approximated to their fair value.



**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**29. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)**

Fair Value Hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

	Fair value measurement using			Total HK\$
	Quoted prices in active markets (Level 1) HK\$	Recent transaction price (Level 2) HK\$	Significant unobservable inputs (Level 3) HK\$	
<b>As of December 31, 2020</b>				
Financial assets at fair value				
through profit or loss . . . . .	185,435,750	892,565,280	299,855,685	1,377,856,715
Stock loan . . . . .	878,483,400	—	—	878,483,400
	<u>1,063,919,150</u>	<u>892,565,280</u>	<u>299,855,685</u>	<u>2,256,340,115</u>
Derivative financial asset . . . . .	—	—	1,023,902,566	1,023,902,566
	<u>1,063,919,150</u>	<u>892,565,280</u>	<u>1,323,758,251</u>	<u>3,280,242,681</u>
<b>As of December 31, 2021</b>				
Financial assets at fair value				
through profit or loss . . . . .	844,075,860	21,525,064	1,709,094,761	2,574,695,685
Stock loan . . . . .	211,331,400	—	—	211,331,400
	<u>1,055,407,260</u>	<u>21,525,064</u>	<u>1,709,094,761</u>	<u>2,786,027,085</u>
Derivative financial asset . . . . .	—	—	969,894,519	969,894,519
	<u>1,055,407,260</u>	<u>21,525,064</u>	<u>2,678,989,280</u>	<u>3,755,921,604</u>

Liability measured at fair value:

	Fair value measurement using			Total HK\$
	Quoted prices in active markets (Level 1) HK\$	Recent transaction price (Level 2) HK\$	Significant unobservable inputs (Level 3) HK\$	
<b>As of December 31, 2020</b>				
Derivative financial liabilities . . . . .	—	—	12,954,313	12,954,313
<b>As of December 31, 2021</b>				
Derivative financial liabilities . . . . .	—	—	13,752,673	13,752,673

Other than the transfer from level 2 to 3 as mentioned in Note 3 during the year ended December 31, 2021, there was no other transfer between levels during the years ended December 31, 2019 and 2020. Transfers between levels of the fair value hierarchy are deemed to occur at the end of each reporting period.



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**29. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)**

The movements in fair value measurements within Level 3 during the years are as follow:

	For the year ended December 31,		
	2019	2020	2021
	HK\$	HK\$	HK\$
Unlisted equity shares at fair value through profit or loss:			
At January 1, . . . . .	281,241,909	322,697,916	299,855,685
Addition . . . . .	—	—	163,180,000
Transfer . . . . .	—	—	1,120,244,487
Disposal . . . . .	—	—	(196,036,584)
Net fair value changes recognized in profit or loss . . . . .	41,456,007	(22,842,231)	321,851,173
At December 31, . . . . .	<u>322,697,916</u>	<u>299,855,685</u>	<u>1,709,094,761</u>

The total profits for the year included an unrealized gain of HK\$315,852,726 relating to level 3 financial assets at FVTPL that are measured at fair value held as at December 31, 2021 (Unrealized gain of HK\$41,456,007 and unrealized loss of HK\$22,842,231 as at December 31, 2019 and 2020, respectively). Fair value gains or losses on financial assets at FVTPL are included in the “Net fair value changes on financial assets at fair value through profit or loss (except derivative financial assets) and stock loan” line item.

	For the year ended December 31, 2019
	HK\$
Warrants at fair value through profit or loss:	
At January 1, . . . . .	—
Issued . . . . .	15,699,600
Exercised . . . . .	(15,699,600)
At December 31, . . . . .	<u>—</u>

	For the year ended December 31,	
	2020	2021
	HK\$	HK\$
Derivative financial asset (Note 14):		
At January 1, . . . . .	1,165,220,000	1,023,902,566
Recognition of day 1 profit or loss deferred on inception of contract, renegotiation and extension . . . . .	(41,782,951)	14,591,113
Net fair value gains recognized in profit or loss . . . . .	413,088,277	(68,599,160)
Gain related to disposed investment . . . . .	106,059,881	—
Partial settlement . . . . .	(618,682,641)	—
At December 31, . . . . .	<u>1,023,902,566</u>	<u>969,894,519</u>



**AMTD IDEA GROUP**  
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**29. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)**

	For the year ended	
	December 31,	
	2020	2021
	HK\$	HK\$
Derivative financial liability (Note 23):		
At January 1, . . . . .	20,813,810	12,954,313
Net fair value changes recognized in profit or loss . . .	(7,765,148)	798,360
Exchange alignment . . . . .	(94,349)	—
At December 31, . . . . .	<u>12,954,313</u>	<u>13,752,673</u>

**30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group has various financial assets and liabilities such as financial assets at fair value through profit or loss, stock loan, accounts receivable, financial assets included in prepayments, deposits and other receivables, amount due from immediate holding company, other assets, accounts payable, financial liabilities included in other payables and accruals which primarily arise directly from its operations.

The main risks arising from the Group’s financial instruments are price risk, foreign currency risk, interest rate risk, credit risk and liquidity risk. Management manages and monitors these risks to ensure appropriate measures are implemented on a timely and effective manner.

*Price risk*

Equity price risk is the risk that the fair values of equity investments decrease as a result of changes in the levels of equity indices and the value of individual securities.

The Group is exposed to equity securities price risk because certain investments held by the Group are classified in the consolidated statements of financial position as financial assets at fair value through profit or loss. Profit for the year would increase/decrease as a result of gains/losses on equity securities classified as financial assets at fair value through profit or loss.

At December 31, 2020 and 2021, if there had been a 5% increase/decrease in the equity price of listed equity shares, included in financial assets at fair value through profit or loss and stock loan, with all other variables held constant, the Group’s profit before tax would have been approximately HK\$50,070,000 and HK\$52,770,000 higher/lower.

At December 31, 2020 and 2021, if there had been a 5% increase/decrease in the equity price of unlisted equity shares and unlisted equity linked notes, included in financial assets at fair value through profit or loss, with all other variables held constant, the Group’s profit before tax would have been approximately HK\$62,747,000 and HK\$86,531,000 higher/lower.

The Group had concentration risk in its strategic investments segment as 100% of stock loan at December 31, 2020 and 2021 were investments in listed equity shares in Investment A and 65% and 43% of financial assets at fair values through profit or loss at December 31, 2020 and 2021 were investments in unlisted equity shares in Investment E.



**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

*Price risk (continued)*

On April 1, 2019, the Group entered Agreements with the counterparty in relation to the movement of the share price of the entirety of the Underlying Assets to reduce the Group's exposure the changes in fair value of financial assets. The Agreements were modified and renewed several times as disclosed in Note 14. The derivative financial asset is initially recognized at fair value and are subsequently remeasured at fair value. Any gains or losses arising from changes in fair value of derivative financial asset are taken directly to profit or loss. During the year ended December 31, 2020 and 2021, changes in the fair value of the derivative financial asset of HK\$371,305,326 and HK\$54,008,047, were charged to profit or loss.

*Foreign currency risk*

Certain transactions of the Group are denominated in foreign currencies which are different from the functional currency of the Group, i.e. HK\$, and therefore the Group is exposed to foreign currency risk. The Group currently does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise. As HK\$ is currently pegged to United States dollars ("US\$"), management considers that there is no significant foreign currency risk arising from the Group's monetary assets and the liability denominated in US\$.

The Group's key currency risk exposure primarily arises from accounts receivable and bank balances denominated in Renminbi ("RMB"), New Taiwan Dollar ("NTD") and Singapore Dollar ("SGD"). As of December 2020 and 2021, the Group had no significant exposure to foreign currency risk. Consequently, no sensitivity analysis has been performed and disclosed.

*Interest rate risk*

The Group is exposed to fair value interest rate risk in relation to fixed-rate amount due from immediate holding company and convertible bond. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances and variable-rate bank borrowings. The Group cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances, HIBOR arising from the Group's HK\$ denominated borrowings and LIBOR arising from the Group's US\$ denominated borrowings. The Group aims at keeping borrowings at variable rates. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook. The management will review the proportion of borrowings in fixed and floating rates and ensure they are within reasonable range.

No sensitivity analysis has been presented for variable rate bank balances and variable rate bank borrowings as the bank deposit and bank borrowings as the cash flow interest exposure is insignificant.

**Interest rate benchmark reform**

As listed in Note 20, several of the Group's HIBOR bank borrowings may be subject to the interest rate benchmark reform. The Group is closely monitoring the market and managing the transition to new benchmark interest rates, including announcements made by the relevant IBOR regulators.



**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**Interest rate benchmark reform (continued)**

*HIBOR*

While the Hong Kong Dollar Overnight Index Average (“HONIA”) has been identified as an alternative to HIBOR, there is no plan to discontinue HIBOR. The multi-rate approach has been adopted in Hong Kong, whereby HIBOR and HONIA will co-exist.

As part of the Group’s risk management for transition, new contracts entered into by the Group are linked to the relevant alternative benchmark rates or interest rates which are not subject to reform to the extent feasible. Otherwise, the Group ensured the relevant contracts include detailed fallback clauses clearly referencing the alternative benchmark rate and the specific triggering event on which the clause is activated.

Subsequent to the year ended December 31, 2021, the HIBOR bank borrowing has been repaid.

*Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Group’s exposure of its counterparties is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management periodically.

The Group has credit risk exposure in relation the Agreements entered into with a counterparty amounting to HK\$1,023,902,566 and HK\$969,894,519 as of December 31, 2020 and 2021, respectively (Note 14). On December 20, 2019, the Group entered into a pledge agreement with the same counterparty pursuant to which the counterparty pledged certain listed securities to the Group as collateral. As of December 31, 2020 and 2021, the market value of listed securities pledged to the Group amounted to approximately HK\$2,860,797,360 and HK\$3,089,570,978, respectively (Note 14).

The carrying amount of financial assets recorded in the consolidated financial statements, grossed up for any allowances for losses, represents the Group’s maximum exposure to credit risk.

Other than accounts receivable mentioned in Note 11, the credit risk on liquid funds is limited because the counterparties are mainly banks with sound credit. The directors of the Company consider the credit risk on amounts due from immediate holding company is not significant after considering immediate holding company’s financial background and creditability.



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**30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**Interest rate benchmark reform (continued)**

*Credit risk (continued)*

Maximum exposure and staging as of December 31, 2020 and 2021

**As of December 31, 2020**

	12-month ECLs	Lifetime ECLs			HK\$
	Stage 1 HK\$	Stage 2 HK\$	Stage 3 HK\$	Simplified approach HK\$	
Accounts receivable*	21,165,253	—	—	56,184,997	77,350,250
Financial assets included in prepayments, deposits and other receivables					
—Normal**	1,650,827	—	—	—	1,650,827
—Doubtful**	—	—	—	—	—
Due from immediate holding company					
—Normal**	6,477,266,499	—	—	—	6,477,266,499
—Doubtful**	—	—	—	—	—
Other assets					
—Not yet past due	197,309,175	—	—	—	197,309,175
Cash and bank balances					
—Not yet past due	453,966,764	—	—	—	453,966,764
	<u>7,151,358,518</u>	<u>—</u>	<u>—</u>	<u>56,184,997</u>	<u>7,207,543,515</u>

\* For accounts receivable to which the Group applies the simplified approach for impairment, information based on the provision matrix and internal credit rating mentioned in Note 11 to the consolidated financial statements.

\*\* The credit quality of the financial assets included in prepayments, deposits and other receivables, and due from immediate holding company is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition; “doubtful” when there has been significant increase in credit risk since initial recognition through information developed internally or externally; “loss” when there is evidence indicating the asset is credit-impaired; and “write-off” when there is evidence indicating that the debtor is in severe financial difficulty and Group has no realistic prospect of recovery.



**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
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**30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

*Credit risk (continued)*

Maximum exposure and staging as of December 31, 2020 and 2021 (continued)

As of December 31, 2021

	12-month ECLs	Lifetime ECLs			HK\$
	Stage 1 HK\$	Stage 2 HK\$	Stage 3 HK\$	Simplified approach HK\$	
Accounts receivable* . . . . .	21,545,865	—	—	64,968,815	86,514,680
Financial assets included in prepayments, deposits and other receivables					
—Normal** . . . . .	1,196,110	—	—	—	1,196,110
—Doubtful** . . . . .	—	—	—	—	—
Due from immediate holding company					
—Normal** . . . . .	2,144,975,230	—	—	—	2,144,975,230
—Doubtful** . . . . .	—	—	—	—	—
Other assets					
— Not yet past due . . . . .	136,065,738	—	—	—	136,065,738
Cash and bank balances					
— Not yet past due . . . . .	526,206,108	—	—	—	526,206,108
	<u>2,829,989,051</u>	<u>—</u>	<u>—</u>	<u>64,968,815</u>	<u>2,894,957,866</u>

\* For accounts receivable to which the Group applies the simplified approach for impairment, information based on the provision matrix and internal credit rating mentioned in Note 11 to the consolidated financial statements.

\*\* The credit quality of the financial assets included in prepayments, deposits and other receivables and due from immediate holding company is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition; “doubtful” when there has been significant increase in credit risk since initial recognition through information developed internally or externally; “loss” when there is evidence indicating the asset is credit-impaired; and “write-off” when there is evidence indicating that the debtor is in severe financial difficulty and Group has no realistic prospect of recovery.

*Liquidity risk*

The Group aims to maintain cash and credit lines to meet its liquidity requirements. The Group finances its working capital requirements through a combination of funds generated from operations, loans and equity financing.





**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2019, 2020 AND 2021**

**30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

*Liquidity risk (continued)*

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	As of December 31, 2020				
	Weighted average interest rate	On demand or less than 3 months	3 months to 1 year	1 to 5 years	Total
	%	HK\$	HK\$	HK\$	HK\$
Accounts payable	N/A	201,986,202	—	—	201,986,202
Bank borrowings	2.1%	233,493,790	—	—	233,493,790
Financial liabilities included in other payables and accruals	N/A	54,136,011	—	—	54,136,011
Convertible bond	7.8%	—	—	124,606,940	124,606,940
		<u>489,616,003</u>	<u>—</u>	<u>124,606,940</u>	<u>614,222,943</u>

	As of December 31, 2021				
	Weighted average interest rate	On demand or less than 3 months	3 months to 1 year	1 to 5 years	Total
	%	HK\$	HK\$	HK\$	HK\$
Accounts payable	N/A	155,020,918	—	—	155,020,918
Bank borrowings	2.1%	390,926,836	2,631,251	—	393,558,087
Financial liabilities included in other payables and accruals	N/A	72,029,390	—	—	72,029,390
Convertible bond	7.8%	—	—	125,319,026	125,319,026
		<u>617,977,144</u>	<u>2,631,251</u>	<u>125,319,026</u>	<u>745,927,421</u>

*Capital risk management*

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt which includes bank borrowing and convertible bond, equity attributable to equity holders of the Group, comprising issued share capital, retained profits, capital reserves and perpetual securities, as disclosed in consolidated statements of changes in equity.

As AMTD GM and AMTD AAAPL are licensed corporations under the Hong Kong Securities and Futures Ordinances, the Group is subject to statutory capital requirement and is required to maintain adequate financial resources to support its business. The Securities and Futures (Financial Resources) Rules require a licensed corporation to maintain liquid capital which is not less than its required liquid capital.

In addition, AMTD GM is registered licensed insurance broker company under the Insurance Authority, which is required to maintain a minimum capital and net assets value of not less than HK\$500,000.



**AMTD IDEA GROUP**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2019, 2020 AND 2021**

**30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

*Capital risk management (continued)*

There were no changes on the Group's approach to capital risk management during the years ended December 31, 2020 and 2021. The Group's regulated entities have complied with the capital requirements imposed by regulatory bodies at all time during both the current and prior financial years.

**31. STOCK INCENTIVE PLAN**

*AMTD SpiderMan Share Incentive Plan*

In June 2019, the Group's board of directors approved the AMTD SpiderMan Share Incentive Plan, or the 2019 Plan, to attract and retain the best available personnel, provide additional incentives to employees, directors, and consultants, and promote the success of the business. The maximum aggregate number of ordinary shares that may be issued under the 2019 Plan is initially 20,000,000 and on January 1 of each year after the effective date of the 2019 Plan, will automatically increase to the number of shares that is equal to ten percent (10%) of the total issued and outstanding share capital of the Group as of December 31 of the preceding year. In addition, on January 1 of each year after the effective date of the 2019 Plan, the aggregate number of shares that may be issued under the 2019 Plan will automatically increase by the number of shares representing 1.0% of the total issued and outstanding share capital of the Group as of December 31 of the preceding year, or such less number as the board of directors may determine. As of the date of this annual report, no awards have been granted under the 2019 Plan.

**32. SUBSEQUENT EVENTS**

In December 2021, the Group announced the proposed issuance and placement of 11,682,242 Class A and Class B ordinary shares through a private placement of US\$50 million to a number of reputable professional investors, subject to fulfilling certain closing conditions. The placement was completed before the approval date of the consolidated financial statements.

In January 2022, the Group entered into definitive agreements to acquire 100% of the equity interest in L'Officiel Inc. SAS, a global fashion media holding group. As at the approval date of the consolidated financial statements, the transaction has not yet been completed and the Group has still been negotiating with the counterparties to finalize the closing conditions.

In February 2022, the Group acquired from AMTD Group 31,732,000 Class A ordinary shares and 24,202,000 Class B ordinary shares, amounting to 82.7% of the outstanding issued shares in AMTD Digital Inc. ("AMTD Digital"), a fellow subsidiary and comprehensive one-stop digital solutions platform in Asia, for a consideration of US\$992.8 million. The consideration was settled by the issuance of 67,200,330 newly issued Class A ordinary shares and 51,253,702 newly issued Class B ordinary shares of the Company, priced at US\$8.38 per share. Prior to the transaction, the Group held 14.4% of the issued and outstanding shares in AMTD Digital. AMTD Digital became a consolidated subsidiary after the transaction and the Group will adopt the principle of pooling of interest method.

**33. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements were approved and authorized for issue by the Board of Directors on April 18, 2022.



**AMTD IDEA GROUP**  
**FORM 20-F**

Donnelley Financial  
None

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Exhibit 4.13

Dated 9 JULY 2021

**AMTD GROUP COMPANY LIMITED**

and

**AMTD INTERNATIONAL INC.**

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**SALE AND PURCHASE AGREEMENT**

**AMTD ASSETS ALPHA GROUP**

---



This Agreement is made on 9 July 2021 between:

- (1) **AMTD GROUP COMPANY LIMITED**, a company incorporated in Hong Kong (registration number 2465922) whose registered office is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands VG1110 (the “**Seller**”);
- (2) **AMTD INTERNATIONAL INC.**, a company incorporated in Cayman Islands (registration number 347917) whose registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands (the “**Purchaser**”);

(each a “**Party**” and, together, the “**Parties**”)

**Whereas:**

- (A) As at the execution of this Agreement, the Seller is the legal owner of 100% shares of the Company (as defined below).
- (B) The Seller has agreed to sell and the Purchaser has agreed to purchase the Sale Shares (as defined below) on the terms and subject to the conditions under this Agreement.

**IT IS AGREED** as follows:

In this Agreement, unless the context otherwise requires, the provisions in this Clause 1 apply.

**1 Interpretation**

**1.1 Definitions**

In this Agreement, the following words and expressions shall have the following meanings:

“**Applicable Law**” means all applicable laws, regulations, directives, statutes, subordinate legislation, common law and civil codes of any jurisdiction, all judgments, orders, notices, instructions, decisions and awards of any court or competent authority or tribunal and all codes of practice having force of law, statutory guidance and policy notes, in each case from time to time;

“**Business Day**” means a day which is not a Saturday, a Sunday or a public holiday in Hong Kong or Cayman Islands;

“**Closing Date**” means completion of the obligations of Purchaser and Seller in accordance with Clauses 4.1 and 4.2, which shall be no later than 31 July 2021;

“**Company**” means AMTD Assets Alpha Group 尚乘不動產集團, a company incorporated in Cayman Islands (Company number: 343567);

“**Confidential Information**” has the meaning given to it in Clause 6.1;

“**Encumbrance**” means any charge, mortgage, lien, option, equitable right, power of sale, pledge, hypothecation, retention of title, right of pre-emption, right of first refusal or other third-party or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing.



“**Governmental Authority**” means any transnational, domestic or foreign federal, state or local governmental, regulatory or administrative authority, department, court, agency or official, including any political subdivision thereof;

“**Material Adverse Effect**” means any event, circumstance, development, change or effect that, individually or in the aggregate, has or would reasonably be expected to have a material adverse effect on the financial condition or results of operations of the Company and its Subsidiaries, taken as a whole, excluding any such effect resulting from (A) the announcement of the transactions contemplated by this Agreement, (B) changes affecting any of the industries in which the Company or its Subsidiaries operate generally or the economy generally or (C) changes affecting general worldwide economic or capital market conditions;

“**Notice**” has the meaning given to it in Clause 7.6;

“**Parties**” has the meaning given to it in the Preamble and “**Party**” means any one of them;

“**Person**” has the meaning given to it in Clause 1.4.1;

“**Purchase Price**” has the meaning given to it in Clause 3;

“**Sale Shares**” means 19,900 ordinary shares of the Company (representing 19.9% shareholding in the Company) held by the Seller as of the date of this Agreement;

“**Subsidiary**” of any Person means any corporation, partnership, limited liability company, joint stock company, joint venture or other organization or entity, whether incorporated or unincorporated, which is controlled by such Person; and

“**Surviving Provisions**” means Clauses 1, 6, 7.1 and 7.3 to 7.10.

1.2 **Statutory References**

Save where the context otherwise requires, a reference to an enactment or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment or statutory provision and is a reference to that enactment, statutory provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced.

1.3 **Singular, Plural, Gender**

References to one gender include all genders and references to the singular include the plural and vice versa.

1.4 **References to Persons and Companies**

References to:

1.4.1 a person includes any individual, company, partnership or unincorporated association (whether or not having separate legal personality); and

1.4.2 a company includes any company, corporation or any body corporate, whether or not incorporated.



**1.5 References to Schedules**

References to this Agreement shall include any Recitals and Schedules to it and references to Clauses and Schedules are to Clauses of, and Schedules to, this Agreement. References to paragraphs and Parts are to paragraphs and Parts of the Schedules.

**1.6 References to Documents**

References to any document (including this Agreement), or to a provision in a document, shall be construed as a reference to such document or provision as amended, supplemented, modified, restated or novated from time to time.

**1.7 References to Information**

References to books, records or other information means books, records or other information in any form including paper, electronically stored data, magnetic media, film and microfilm.

**1.8 References to Time**

All references to time shall be to Hong Kong time.

**1.9 Non-limited Effect of words**

The words “including”, “include”, “in particular” and words of similar effect shall not be deemed to limit the general effect of the words that precede them.

**2 Sale and Purchase of the Sale Shares**

2.1 On and subject to the terms of this Agreement, the Seller shall sell the Sale Shares to the Purchaser.

2.2 The Sale Shares shall be sold free from Encumbrances and together with all rights and advantages attaching to them as at Seller Closing Date (including the right to receive all dividends or distributions declared, made or paid on or after Seller Closing Date).

**3 Consideration**

The total consideration for the purchase of the Sale Shares under this Agreement shall be HK\$183,080,000, which will be subject to adjustment arising from the finalised valuation of Oakwood Premier AMTD Singapore Hotel and i-Club AMTD Sheung Wan Hotel as of June 30, 2021, performed by the independent valuer and confirmed by auditor (the “**Purchase Consideration**”). The Purchase Consideration shall be settled by the Purchaser by making the following adjustment in the intercompany current account.

- Amount due from Seller to the Purchaser to be reduced by the equivalent amount of the Purchase Consideration.

**4 Obligations of the Parties**

4.1 The Purchaser’s Obligations



4.1.1 The Purchaser shall deliver or make available to the Seller a certified copy of the written resolutions of the directors of the Purchaser authorizing and approving this Agreement and the purchase of the Sale Shares, by Closing Date.

4.1.2 The Purchaser shall adjust the intercompany balance according to Clause 3 above by Closing Date.

4.2 The Seller's Obligations

4.2.1 The Seller shall deliver or make available to the Purchaser a certified copy of the written resolutions of the Board of Directors of the Seller authorizing and approving this Agreement and sale of the Sale Shares to the Purchaser, by Closing Date.

4.2.2 The Seller shall procure the Company to update the register of members of the Company to reflect the ownership of the Purchaser in the Sale Shares, by Closing Date.

4.3 **Breach of Obligations**

4.3.1 If any Party fails to comply with its respective obligations in this Clause 4 on or before the Closing Date in any material respect, the Purchaser (in the case of a default by the Seller) or the Seller (in the case of a default by the Purchaser) shall be entitled (in addition to and without prejudice to all other rights or remedies available, including the right to claim damages):

- (a) to terminate this Agreement (other than the Surviving Provisions) by notice in writing to the Seller or the Purchaser, as the case may be;
- (b) by written notice to the other Party to fix a new Closing Date, in which case the provisions of this Clause 4.3 shall apply to revised Closing Date as so deferred.

4.3.2 If this Agreement is terminated in accordance with Clause 4.3.1(a) (and without limiting either Party's rights and remedies, including the right to claim damages), all obligations of the Parties under this Agreement shall end (except for the Surviving Provisions) but for the avoidance of doubt all rights and liabilities of the Parties which have accrued before termination shall continue to exist.

**5 Representations and Warranties**

5.1 Representations and warranties regarding the Seller and the Company

The Seller represents and warrants to the Purchaser that:

- (a) as at the date of this Agreement and immediately before Seller Closing Date, it is and will be the legal and beneficial owner of the Sale Shares;
- (b) On Seller Closing Date, the Seller shall use its reasonable best effort to procure the Company to effect the transfer and update the corporate documents accordingly;



- (c) the Sale Shares to be sold by it pursuant to this Agreement are fully paid up and the Company has not exercised or purported to exercise or claimed any lien over any of the Sale Shares;
- (d) it is duly incorporated, duly organized and validly existing, and where relevant, is in good standing, under the laws of its jurisdiction of incorporation and has full power to conduct its business as conducted as at the date of this Agreement;
- (e) it has corporate power and authority to enter into and perform this Agreement and any agreement entered into pursuant to the terms of this Agreement, and the provisions of this Agreement and any agreement entered into pursuant to the terms of this Agreement constitute valid and binding obligations of it and are enforceable against it, in accordance with their respective terms; and
- (f) it has duly authorized, executed and delivered this Agreement and will at Seller Closing Date have authorized, executed and delivered any agreements to be entered into pursuant to the terms of this Agreement.

5.2 Representations and warranties regarding the Purchaser

The Purchaser represents and warrants to the Seller that:

- (a) it is duly incorporated, duly organized and validly existing under the laws of its jurisdiction of incorporation and has full power to conduct its business in the manner presently conducted;
- (b) it has legal right and full power and authority to enter into and perform this Agreement and any other documents to be executed by it pursuant to or in connection with this Agreement;
- (c) this Agreement and any other documents to be executed by it pursuant to or in connection with this Agreement constitute valid and binding obligations of it in accordance with their respective terms; and
- (d) it has taken or will have taken by Closing Date all corporate action required by it to authorize it to enter into and perform this Agreement and any other documents to be executed by it pursuant to or in connection with this Agreement.

5.3 Each Party shall, prior to Closing Date, promptly notify the other Party in writing of any matter or event of which it becomes aware which is a breach of or inconsistent with any of the above warranties.

5.4 Each of the above warranties shall be separate and independent and shall not be limited by reference to any other Clause or anything in this Agreement.

**6 Confidentiality**

6.1 Subject to Clause 6.2, each Party undertakes to the other Party that it shall treat as strictly confidential, and shall procure that its directors, officers and employees treat as strictly confidential, all information (whether oral, graphic, written or in electronic form) which it receives or obtains as a result of entering into or performing this Agreement (the “**Confidential Information**”), including, without limitation:





- (a) information relating to the provisions and subject matter of this Agreement;
- (b) information relating to the existence of this Agreement and its purpose; and
- (c) information relating to the negotiations leading up to this Agreement, including any information relating to or in respect of any negotiations and communications between the Parties in respect of this Agreement after the date of this Agreement.

6.2 The restriction contained in Clause 6.1 shall not apply so as to prohibit disclosure or use of any information if and to the extent:

- (a) the disclosure or use is required by any applicable law to which the relevant party is subject to;
- (b) the disclosure is made by a Party to its directors, officers, employees and advisers for the purpose relating to this Agreement or the transactions contemplated under this Agreement on terms that they agree to keep such information confidential;
- (c) the information becomes publicly available (other than by a breach of this Clause 6);
- (d) the other Party has given prior consent to the disclosure or use; or
- (e) the disclosure or use is required for the purpose of any judicial or arbitral proceedings arising out of, or in connection with, this Agreement.

**7 General**

**7.1 Whole Agreement**

This Agreement contains the whole agreement among the Parties relating to the subject matter of this Agreement to the exclusion of any terms implied by law which may be excluded by contract and supersedes any previous written or oral agreement among the Parties in relation to the matters in this Agreement.

**7.2 Further Assurance**

Each of the Parties agrees to do and execute or procure to be done and executed all such further acts, deeds, documents and things as may be reasonable and appropriate for such Party to do or execute or procure to be done in order to give full effect to the terms of this Agreement.

**7.3 Time is of Essence**

Time shall be of the essence of this Agreement.

**7.4 Variation**

No variation of this Agreement shall be effective unless in writing and signed by or on behalf of each of the Parties.

**7.5 Costs, Transaction Taxes and Duties**



Each Party shall bear its own costs and expenses in connection with the preparation, negotiation, execution and completion of this Agreement.

**7.6 Notices**

- (a) Any notice, claim, demand, court process, document or other communication in connection with this Agreement (each, a “Notice”) shall be:
  - (i) in writing in English; and
  - (ii) delivered by hand, fax, registered post or by courier using an internationally recognized courier company.
- (b) A notice to the Seller shall be sent to the following address, or such other persons or address as the Seller may notify to the Purchaser from time to time:

Correspondence Address: 23/F-25/F, Nexxus Building, 41 Connaught Road Central, Hong Kong

Attention: Issac See

- (c) A notice to the Purchaser shall be sent to the following address, or such other persons or address as the Purchaser may notify to the Seller from time to time:

Correspondence Address: 23/F, Nexxus Building, 41 Connaught Road Central, Hong Kong

Attention: Issac See

- (d) A Notice served in accordance with this Clause 7.6 shall be deemed sufficiently served and in proving service and/or receipt of a communication it shall be sufficient to prove that such communication was left at the addressee’s address or that the envelope containing such communication was properly addressed and posted or dispatched to the addressee’s address or that the communication was properly transmitted by facsimile to the addressee. In the case of facsimile transmission, such transmission shall be deemed properly transmitted on receipt of a satisfactory report of transmission printed out by the sending machine.

**7.7 Invalidity**

- (a) If any provision in this Agreement shall be held to be illegal, invalid or unenforceable in whole or in part, the provision shall apply with whatever deletion or modification is necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intention of the Parties;
- (b) to the extent it is not possible to delete or modify the provision, in whole or in part, under Clause 7.7(a), then such provision or part of it shall, to the extent that it is illegal, invalid or unenforceable, be deemed not to form part of this Agreement and the legality, validity and enforceability of the remainder of this Agreement shall, subject to any deletion or modification made under Clause 7.7(a), not be affected.



**7.8 Rights of Third Parties**

A person who is not a party to this Agreement has no right to enforce any term of this Agreement.

**7.9 Counterparts**

This Agreement may be entered (including by facsimile signatures) into in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any party may enter into this Agreement by executing any such counterpart.

**7.10 Governing Law and Jurisdiction**

- (a) This Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with the laws of Cayman Islands.
- (b) Any dispute, controversy or claim arising out of or relating to this Agreement, including the validity, invalidity, breach or termination thereof, shall be resolved by arbitration in Cayman Islands.



**AMTD IDEA GROUP**

Donnelley Financial

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**FORM 20-F**

None

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Page 1 of 1

**In witness whereof, this Agreement has been duly executed on the date first written above.**

**SIGNED** by )  
/s/ **WONG YUI KEUNG MARCELLUS** )  
for and on behalf of )  
**AMTD GROUP COMPANY LIMITED** )  
in the presence of: )

**SIGNED** by )  
/s/ **FERIDUN HAMDULLAHPUR** )  
for and on behalf of )  
**AMTD INTERNATIONAL INC.** )  
in the presence of: )



**AMTD IDEA GROUP**  
**FORM 20-F**

Donnelley Financial  
None

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Page 1 of 1

Exhibit 4.14

Dated 30 September 2021

**AMTD GROUP COMPANY LIMITED**

and

**AMTD INTERNATIONAL INC.**

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**SHARE REPURCHASE AGREEMENT**

**AMTD INTERNATIONAL INC.**

---



This Share Repurchase Agreement (“**Agreement**”) is made on 30 September 2021 between:

- (1) **AMTD GROUP COMPANY LIMITED**, a company incorporated in British Virgin Islands (registration number 526887) and whose registered office is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (“**AMTD Group**” or the “**Shareholder**”);
- (2) **AMTD INTERNATIONAL INC.**, a company incorporated in Cayman Islands (registration number 347917) and whose registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands (the “**Company**”);

(each a “**Party**” and, together, the “**Parties**”)

**Whereas:**

- (A) As at the execution of this Agreement, the Shareholder holds 180,622,673 Class B Ordinary Shares (as defined below) of the Company.
- (B) As of the date of this Agreement, the aggregate amount due from the Shareholder to the Company is approximately HK\$7,000,000,000. The Parties agree that HK\$5,000,000,000 will be settled by AMTD Group by selling the Sale Shares to the Company.
- (C) The Shareholder has agreed to sell and the Company has agreed to repurchase the Sale Shares (as defined below) on the terms and subject to the conditions under this Agreement.

**IT IS AGREED** as follows:

In this Agreement, unless the context otherwise requires, the provisions in this Clause 1 apply.

**1 Interpretation**

**1.1 Definitions**

In this Agreement, the following words and expressions shall have the following meanings:

“**Applicable Law**” means all applicable laws, regulations, directives, statutes, subordinate legislation, common law and civil codes of any jurisdiction, all judgments, orders, notices, instructions, decisions and awards of any court or competent authority or tribunal and all codes of practice having force of law, statutory guidance and policy notes, in each case from time to time;

“**Business Day**” means a day which is not a Saturday, a Sunday or a public holiday in Cayman Islands;

“**Closing**” means completion of the sale and repurchase of the Sale Shares in accordance with Clause 4;

“**Closing Date**” means 30 September 2021;

“**Confidential Information**” has the meaning given to it in Clause 6.1;



“**Encumbrance**” means any charge, mortgage, lien, option, equitable right, power of sale, pledge, hypothecation, retention of title, right of pre-emption, right of first refusal or other third-party or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing.

“**Governmental Authority**” means any transnational, domestic or foreign federal, state or local governmental, regulatory or administrative authority, department, court, agency or official, including any political subdivision thereof;

“**Hong Kong**” means Hong Kong Special Administrative Region of the People’s Republic of China;

“**Material Adverse Effect**” means any event, circumstance, development, change or effect that, individually or in the aggregate, has or would reasonably be expected to have a material adverse effect on the financial condition or results of operations of the Company and its Subsidiaries, taken as a whole, excluding any such effect resulting from (A) the announcement of the transactions contemplated by this Agreement, (B) changes affecting any of the industries in which the Company or its Subsidiaries operate generally or the economy generally or (C) changes affecting general worldwide economic or capital market conditions;

“**Notice**” has the meaning given to it in Clause 7.6;

“**Class B Ordinary Shares**” means the class B ordinary shares, par value of US\$0.0001 per share, in the share capital of the Company;

“**Parties**” has the meaning given to it in the Preamble and “**Party**” means any one of them;

“**Person**” has the meaning given to it in Clause 1.4.1;

“**Repurchase Price**” has the meaning given to it in Clause 3;

“**Sale Shares**” means 69,144,673 Class B Ordinary Shares of the Company held by the Shareholder as of the date of this Agreement;

“**Subsidiary**” of any Person means any corporation, partnership, limited liability company, joint stock company, joint venture or other organization or entity, whether incorporated or unincorporated, which is controlled by such Person; and

“**Surviving Provisions**” means Clauses 1, 6, 7.1 and 7.3 to 7.10.

## 1.2 Statutory References

Save where the context otherwise requires, a reference to an enactment or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment or statutory provision and is a reference to that enactment, statutory provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced.

## 1.3 Singular, Plural, Gender

References to one gender include all genders and references to the singular include the plural and vice versa.

## 1.4 References to Persons and Companies

References to:

- 1.4.1 a person includes any individual, company, partnership or unincorporated association (whether or not having separate legal personality); and



1.4.2 a company includes any company, corporation or any body corporate, whether or not incorporated.

**1.5 References to Schedules**

References to this Agreement shall include any Recitals and Schedules to it and references to Clauses and Schedules are to Clauses of, and Schedules to, this Agreement. References to paragraphs and Parts are to paragraphs and Parts of the Schedules.

**1.6 References to Documents**

References to any document (including this Agreement), or to a provision in a document, shall be construed as a reference to such document or provision as amended, supplemented, modified, restated or novated from time to time.

**1.7 References to Information**

References to books, records or other information means books, records or other information in any form including paper, electronically stored data, magnetic media, film and microfilm.

**1.8 References to Time**

All references to time shall be to Hong Kong time.

**1.9 Non-limited Effect of words**

The words “including”, “include”, “in particular” and words of similar effect shall not be deemed to limit the general effect of the words that precede them.

**2 Sale and Repurchase of the Sale Shares**

2.1 On and subject to the terms of this Agreement, the Shareholder shall sell the Sale Shares to the Company.

2.2 The Sale Shares shall be sold free from Encumbrances and together with all rights and advantages attaching to them as at Closing.

2.3 The Parties hereby acknowledge and confirm that the number of Sale Shares is determined with reference to the closing price of the Class A ordinary shares of the Company listed on the Singapore Exchange as of 30 September 2021, which was SGD12.5 (equivalent to US\$9.3) per share.

**3 Consideration**

The total consideration for the repurchase of the Sale Shares under this Agreement shall be HK\$5,000,000,000 (the “**Repurchase Price**”). The Repurchase Price shall be settled by the Company by way of offsetting the amount owed by AMTD Group to the Company.

**4 Closing**

4.1 Closing Date





The Closing Date is 30 September 2021, the Parties hereby acknowledged and confirmed that on the Closing Date:-

- (i) the Shareholder has obtained necessary approval to enter into the transaction herein; and
- (ii) the Company has obtained necessary approval to enter into the transaction herein.

#### 4.2 The Company's Closing Obligations

As soon as practicable after the Closing Date, the Company shall:

- (i) update the register of members of the Company to reflect the ownership of the Company in the Sale Shares (as treasury shares); and;
- (ii) update its books of account to reflect the settlement of HK\$5,000,000,000 due from AMTD Group.

#### 4.3 Breach of Closing Obligations

4.3.1 If any Party fails to comply with its respective obligations in this Clause 4 on the Closing Date in any material respect, the Company (in the case of a default by the Shareholder) or the Shareholder (in the case of a default by the Company) shall be entitled (in addition to and without prejudice to all other rights or remedies available, including the right to claim damages):

- (a) to terminate this Agreement (other than the Surviving Provisions) by notice in writing to the Shareholder or the Company, as the case may be;
- (b) by written notice to the other Party to effect Closing so far as practicable having regard to the defaults which have occurred; or
- (c) by written notice to the other Party to fix a new date for Closing (being not more than 20 Business Days after the agreed date for Closing), in which case the provisions of this Clause 4 shall apply to Closing as so deferred.

4.3.2 If this Agreement is terminated in accordance with Clause 4.3.1(a) (and without limiting either Party's rights and remedies, including the right to claim damages), all obligations of the Parties under this Agreement shall end (except for the Surviving Provisions) but for the avoidance of doubt all rights and liabilities of the Parties which have accrued before termination shall continue to exist. Any amount deducted by the Company on the outstanding balance due from the Shareholder in accordance with Clause 3 shall be reapplied to the outstanding balance within 10 days or as otherwise agreed between the Parties at the time of such termination.

### 5 Representations and Warranties

#### 5.1 Representations and warranties regarding the Shareholder and the Company

The Shareholder represents and warrants to the Company that:



- (a) as at the date of this Agreement and immediately before Closing, it is and will be the legal and beneficial owner of the Sale Shares;
- (b) the Sale Shares to be sold by it pursuant to this Agreement are fully paid up and the Company has not exercised or purported to exercise or claimed any lien over any of the Sale Shares;
- (c) it is duly incorporated, duly organized and validly existing, and where relevant, is in good standing, under the laws of its jurisdiction of incorporation and has full power to conduct its business as conducted as at the date of this Agreement;
- (d) it has corporate power and authority to enter into and perform this Agreement and any agreement entered into pursuant to the terms of this Agreement, and the provisions of this Agreement and any agreement entered into pursuant to the terms of this Agreement constitute valid and binding obligations of it and are enforceable against it, in accordance with their respective terms;
- (e) it has duly authorized, executed and delivered this Agreement and will at Closing have authorized, executed and delivered any agreements to be entered into pursuant to the terms of this Agreement;

5.2 Representations and warranties regarding the Company

The Company represents and warrants to the Shareholder that:

- (a) it is duly incorporated, duly organized and validly existing under the laws of its jurisdiction of incorporation and has full power to conduct its business in the manner presently conducted;
- (b) it has legal right and full power and authority to enter into and perform this Agreement and any other documents to be executed by it pursuant to or in connection with this Agreement;
- (c) this Agreement and any other documents to be executed by it pursuant to or in connection with this Agreement constitute valid and binding obligations of it in accordance with their respective terms;
- (d) it has taken or will have taken by Closing all corporate action required by it to authorize it to enter into and perform this Agreement and any other documents to be executed by it pursuant to or in connection with this Agreement;
- (e) there are no proceedings in relation to any compromise or arrangement with creditors or any winding up, bankruptcy or other insolvency proceedings concerning the Company, and no events have occurred which, under Applicable Law, would justify such proceedings;
- (f) as at the date of this Agreement, none of the directors or officers of it, and none of the employees or legal advisers of it involved in the sale and repurchase of the Sale Shares, is aware of any facts, matters or circumstances which could reasonably be expected to give rise to a claim being made against the Shareholder under this Agreement;



- (g) each Subsidiary of the Company has been duly organized, is validly existing and in good standing (with respect to jurisdictions that recognize the concept of good standing) under the laws of its jurisdiction of organization, and has the requisite corporate power and authorization to own, lease and operate its properties and to carry on its business as now being conducted. Each Subsidiary of the Company is duly qualified or licensed to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except to the extent that the failure to be so qualified or licensed would not have a Material Adverse Effect. The constitutional documents of each of the Company's Subsidiaries are in full force and effect except as would not have a Material Adverse Effect. None of the Company's Subsidiaries is in violation of any of the provisions of its constitutional documents except as would not have a Material Adverse Effect;
  - (h) Both before and after giving effect to the transactions contemplated by this Agreement, the Company (i) will be solvent (in that both the fair value of its assets will not be less than the sum of its debts and that the present fair saleable value of its assets will not be less than the amount required to pay its probable liability on its recourse debts as they mature or become due) and (ii) will have adequate capital and liquidity with which to engage in the their businesses as currently conducted. No order or petition has been presented or resolution passed for the administration, winding-up, dissolution, or liquidation of any of the Company and its Subsidiaries and no administrator, receiver, or manager has been appointed in respect thereof. The Company has not commenced any other proceeding under any bankruptcy, reorganization, composition, arrangement, adjustment of debt, release of debtors, dissolution, insolvency, liquidation, or similar law of any jurisdiction and no such proceedings have been commenced or is anticipated to be commenced against any of the Company.
- 5.3 Each Party shall, prior to Closing, promptly notify the other Party in writing of any matter or event of which it becomes aware which is a breach of or inconsistent with any of the above warranties.
- 5.4 Each of the above warranties shall be separate and independent and shall not be limited by reference to any other Clause or anything in this Agreement.

## 6 Confidentiality

Each Party undertakes to the other Party that it shall treat as strictly confidential, and shall procure that its directors, officers and employees treat as strictly confidential, all information (whether oral, graphic, written or in electronic form) which it receives or obtains as a result of entering into or performing this Agreement (the "**Confidential Information**"), including, without limitation:

- (a) information relating to the provisions and subject matter of this Agreement;
- (b) information relating to the existence of this Agreement and its purpose; and
- (c) information relating to the negotiations leading up to this Agreement, including any information relating to or in respect of any negotiations and communications between the Parties in respect of this Agreement after the date of this Agreement.



**7 General**

**7.1 Whole Agreement**

This Agreement contains the whole agreement among the Parties relating to the subject matter of this Agreement to the exclusion of any terms implied by law which may be excluded by contract and supersedes any previous written or oral agreement among the Parties in relation to the matters in this Agreement.

**7.2 Further Assurance**

Each of the Parties agrees to do and execute or procure to be done and executed all such further acts, deeds, documents and things as may be reasonable and appropriate for such Party to do or execute or procure to be done in order to give full effect to the terms of this Agreement.

**7.3 Time is of Essence**

Time shall be of the essence of this Agreement.

**7.4 Variation**

No variation of this Agreement shall be effective unless in writing and signed by or on behalf of each of the Parties.

**7.5 Costs, Transaction Taxes and Duties**

Each Party shall bear its own costs and expenses in connection with the preparation, negotiation, execution and completion of this Agreement.

**7.6 Notices**

(a) Any notice, claim, demand, court process, document or other communication in connection with this Agreement (each, a “**Notice**”) shall be:

(i) in writing in English; and

(ii) delivered by hand, fax, registered post or by courier using an internationally recognized courier company.

(b) A notice to the Shareholder shall be sent to the following address, or such other persons or address as the Shareholder may notify to the Company from time to time:

Correspondence Address: 23/F-25/F, Nexxus Building, 41 Connaught Road Central, Hong Kong

Attention: Board of Directors

(c) A notice to the Company shall be sent to the following address, or such other persons or address as the Company may notify to the Shareholder from time to time:

Correspondence Address: 23/F, Nexxus Building, 41 Connaught Road Central, Hong Kong



Attention: Board of Directors

(d) A Notice served in accordance with this Clause 7.6 shall be deemed sufficiently served and in proving service and/or receipt of a communication it shall be sufficient to prove that such communication was left at the addressee's address or that the envelope containing such communication was properly addressed and posted or dispatched to the addressee's address or that the communication was properly transmitted by facsimile to the addressee. In the case of facsimile transmission, such transmission shall be deemed properly transmitted on receipt of a satisfactory report of transmission printed out by the sending machine.

**7.7 Invalidity**

- (a) If any provision in this Agreement shall be held to be illegal, invalid or unenforceable in whole or in part, the provision shall apply with whatever deletion or modification is necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intention of the Parties;
- (b) to the extent it is not possible to delete or modify the provision, in whole or in part, under Clause 7.7(a), then such provision or part of it shall, to the extent that it is illegal, invalid or unenforceable, be deemed not to form part of this Agreement and the legality, validity and enforceability of the remainder of this Agreement shall, subject to any deletion or modification made under Clause 7.7(a), not be affected.

**7.8 Third Party Rights**

A person who is not a party to this Agreement has no right to enforce any term of this Agreement.

**7.9 Counterparts**

This Agreement may be entered (including by facsimile signatures) into in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any party may enter into this Agreement by executing any such counterpart.

**7.10 Governing Law and Jurisdiction**

- (a) This Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with the laws of Cayman Islands.
- (b) Any dispute, controversy or claim arising out of or relating to this Agreement, including the validity, invalidity, breach or termination thereof, shall be resolved by arbitration.



**AMTD IDEA GROUP**  
**FORM 20-F**

Donnelley Financial  
None

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In witness whereof, this Agreement has been duly executed on the date first written above.

**SIGNED** by )  
/s/ WONG YUI KEUNG MARCELLUS )  
for and on behalf of )  
**AMTD GROUP COMPANY LIMITED** )

**SIGNED** by )  
/s/ Feridun Hamdullahpur )  
for and on behalf of )  
**AMTD INTERNATIONAL INC.** )



**SHARE PURCHASE AGREEMENT**

dated as of

December 27, 2021

between

**AMTD INTERNATIONAL INC.**

and

**CHENG HUANG**

**Summary of Key Terms**

**Purchaser:** CHENG HUANG

**Shares to be purchased:** 2,336,449 Class A ordinary shares of AMTD International Inc., par value US\$0.0001 each, to be newly issued

**Purchase price:** US\$4.28 per Class A ordinary share, or US\$10,000,000 in aggregate

**Lock-up period:** six (6) months after the closing

**Long stop date of closing:** January 14, 2022.



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**SHARE PURCHASE AGREEMENT**

This SHARE PURCHASE AGREEMENT dated as of December 27, 2021 (this “**Agreement**”) is made and entered into by and between (i) AMTD International Inc., a company incorporated under the laws of the Cayman Islands (the “**Company**”), and (ii) CHENG HUANG, a Chinese citizen with passport No. (the “**Purchaser**”).

**WITNESSETH:**

WHEREAS, the Company desires to issue, sell and deliver to the Purchaser, and the Purchaser desires to purchase and acquire from the Company (the “**Investment**”), upon the terms and conditions set forth in this Agreement, certain Class A Shares (as defined below) of the Company.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

**ARTICLE 1****DEFINITIONS**

Section 1.01 *Definitions*. (a) The following terms, as used herein, have the following meanings:

“**ADSs**” means the American depository shares of the Company, each representing one (1) Class A Share.

“**Affiliate**” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person; *provided* that none of the Company, any of its Subsidiaries shall be considered an Affiliate of the Purchaser. For purposes of this definition, “**control**” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms “**controlling**” and “**controlled**” have correlative meanings.

“**Applicable Law**” means, with respect to any Person, any international, domestic or foreign federal, state or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority that is binding upon or applicable to such Person, as amended unless expressly specified otherwise.

“**Board**” means the board of directors of the Company.

“**Business Day**” means a day, other than Saturday, Sunday or other day on which commercial banks in New York, NY, the Cayman Islands or Hong Kong are authorized or required by Applicable Law to close.

“**Class A Shares**” means Class A ordinary shares, par value US\$0.0001 per share, in the share capital of the Company.



“**Class B Shares**” means the Class B ordinary shares, par value US\$0.0001 per share, in the share capital of the Company.

“**Closing Date**” means the date of the Closing.

“**Contract**” means any agreement, contract, lease, indenture, instrument, note, debenture, bond, mortgage or deed of trust or other agreement, commitment, arrangement or understanding, whether written or oral.

“**Encumbrance**” means any security interest, pledge, mortgage, lien, charge, claim, hypothecation, title defect, right of first option or refusal, right of preemption, or other encumbrance of any kind.

“**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended, and any rules and regulations promulgated thereunder.

“**Governmental Authority**” means any transnational, domestic or foreign federal, state or local governmental, regulatory or administrative authority, department, court, agency or official, including any political subdivision thereof.

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“**IFRS**” means International Financial Reporting Standards issued by International Accounting Standards Board.

“**Issued Shares**” means 2,336,449 Class A Shares to be newly issued by the Company to the Purchaser on the Closing Date.

“**knowledge**” of any Person that is not an individual means the knowledge of such Person’s officers after reasonable inquiry.

“**Material Adverse Effect**” means any event, circumstance, development, change or effect that, individually or in the aggregate, has or would reasonably be expected to have a material adverse effect on (i) the financial condition or results of operations of the Company and its Subsidiaries, taken as a whole, excluding any such effect resulting from (A) the announcement of the transactions contemplated by this Agreement, (B) changes affecting any of the industries in which the Company or its Subsidiaries operate generally or the economy generally or (C) changes affecting general worldwide economic or capital market conditions, or (ii) the authority or ability of the Company to perform its obligations under this Agreement and to consummate the transactions contemplated hereby.

“**Memorandum and Articles**” means the Memorandum and Articles of Association of the Company in effect from time to time.

“**NYSE**” means the New York Stock Exchange.

“**Ordinary Shares**” means collectively the Class A Shares and the Class B Shares.

“**Person**” means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a Governmental Authority.



“Sarbanes-Oxley Act” means the Sarbanes-Oxley Act of 2002.

“SEC” means the U.S. Securities and Exchange Commission.

“Securities” means any Ordinary Shares or any equity interest of, or shares of any class in the share capital (ordinary, preferred or otherwise) of, the Company and any convertible securities, options, warrants and any other type of equity or equity-linked securities convertible, exercisable or exchangeable for any such equity interest or shares of any class in the share capital of the Company.

“Securities Act” means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Subsidiary” of any Person means any corporation, partnership, limited liability company, joint stock company, joint venture or other organization or entity, whether incorporated or unincorporated, which is controlled by such Person.

“Transfer” means directly or indirectly, offer, sell, contract to sell, pledge, transfer, assign, give, hypothecate, encumber, grant a security interest in, convey in trust, gift, devise or descent, or otherwise dispose of, or suffer to exist (whether by operation of law or otherwise) any Encumbrance on, any Securities or any right, title or interest therein or thereto, or enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of any Securities, whether any such aforementioned transaction is to be settled by delivery of the Ordinary Shares, ADSs or such other securities, in cash or otherwise, or publicly disclose the intention to make any such disposition or to enter into any such transaction, swap, hedge or other arrangement, including transfers pursuant to divorce or legal separation, transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntary or by operation of law, directly or indirectly, of any Company Securities.

“U.S.” or “United States” means the United States of America.

(b) Each of the following terms is defined in the Section set forth opposite such term:

<u>Term</u>	<u>Section</u>
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Closing	Section 2.02
Company	Preamble
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Third Party Claim	Section 7.03(a)



Section 1.02 *Other Definitional and Interpretative Provisions*. The words “hereof,” “herein” and “hereunder” and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections, Exhibits and Schedules are to Articles, Sections, Exhibits and Schedules of this Agreement unless otherwise specified. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation,” whether or not they are in fact followed by those words or words of like import. “Writing,” “written” and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof; provided that with respect to any agreement or contract listed on any schedules hereto, all such amendments, modifications or supplements must also be listed in the appropriate schedule. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to “law,” “laws” or to a particular statute or law shall be deemed also to include any and all Applicable Law.

**ARTICLE 2**

**PURCHASE AND SALE**

Section 2.01 *Purchase and Sale*. Upon the terms and subject to the conditions of this Agreement, at the Closing, the Company agrees to issue and sell to the Purchaser, and the Purchaser agrees to subscribe for and purchase from the Company, the Issued Shares. The aggregate subscription price for the Issued Shares is US\$10,000,000 (“**Subscription Price**”), or US\$4.28 per share. The Subscription Price shall be paid as provided in Section 2.02.

Section 2.02 *Closing*. The closing (the “**Closing**”) of the issuance and sale of the Issued Shares hereunder shall take place remotely via the electronic exchange of documents and signatures, as soon as possible, but in no event later than one (1) Business Day, after satisfaction or, to the extent permissible, waiver by the party or parties entitled to the benefit of the conditions set forth in Article 6 (other than conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or, to the extent permissible, waiver of those conditions at the Closing), or at such other time or place as the parties hereto may agree. At the Closing:



(a) the Purchaser shall deliver to the Company the Subscription Price by wire transfer in U.S. dollars of immediately available funds to a bank account designated by the Company at least one (1) Business Day prior to the Closing Date; and

(b) the Company shall deliver to the Purchaser: (i) a certified copy of the relevant page of the register of members of the Company reflecting the Purchaser as the owner of Issued Shares, and (ii) a share certificate representing the Issued Shares duly executed on behalf of the Company and registered in the name of the Purchaser (or, if not available at the Closing, a certified copy of such share certificate with the original to be delivered promptly as soon as possible after the Closing).

### ARTICLE 3

#### REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Purchaser that:

Section 3.01 *Organization and Qualification*. The Company is an exempted company duly incorporated, validly existing and in good standing under the laws of the Cayman Islands, and has the requisite corporate power and authorization to own, lease and operate its properties and to carry on its business as now being conducted and as described in the SEC Documents. The Company is duly qualified or licensed to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except to the extent that the failure to be so qualified or licensed would not have a Material Adverse Effect. The memorandum and articles of association of the Company as filed with the SEC, is the current Memorandum and Articles and is in full force and effect. The Company is not in violation of any of the provisions of its Memorandum and Articles except as would not have a Material Adverse Effect.

Section 3.02 *Subsidiaries*. Each Subsidiary of the Company has been duly organized, is validly existing and in good standing (with respect to jurisdictions that recognize the concept of good standing) under the laws of its jurisdiction of organization, and has the requisite corporate power and authorization to own, lease and operate its properties and to carry on its business as now being conducted and as described in the SEC Documents. Each Subsidiary of the Company is duly qualified or licensed to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except to the extent that the failure to be so qualified or licensed would not have a Material Adverse Effect. The constitutional documents of each of the Company's Subsidiaries are in full force and effect except as would not have a Material Adverse Effect. None of the Company's Subsidiaries is in violation of any of the provisions of its constitutional documents except as would not have a Material Adverse Effect.



Section 3.03 *Capitalization.*

(a) As of the date of this Agreement, the authorized share capital of the Company consists of 8,000,000,000 Class A Shares and 2,000,000,000 Class B Shares. As of the date of this Agreement, (i)(A) 62,327,851 Class A Shares are issued and outstanding, (B) 27,017,263 Class A Shares are reserved and available for issuance pursuant to share-based compensation awards granted under the Company's SpiderMan Share Incentive Plan (the "Company ESOP") and (ii) 183,283,628 Class B Shares are issued and outstanding. Except as set forth in this Section 3.03(a), as of the date of this Agreement, no Securities were issued, reserved for issuance or outstanding and no securities of any of its Subsidiaries convertible into or exchangeable or exercisable for any Securities were issued or are outstanding. All outstanding Ordinary Shares are, and all such shares that may be issued prior to the date hereof will be, when issued, duly authorized, validly issued, fully paid and non-assessable and not subject to preemptive rights. Except for any obligations pursuant to this Agreement or as otherwise set forth above in this Section 3.03(a) and other than pursuant to the Company ESOP, as of the date of this Agreement, there are no options or other rights to acquire from the Company, or other obligation of the Company to issue, any additional Securities, and there are no outstanding obligations of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any Securities.

(b) All of the outstanding capital or other voting securities of each Subsidiary is owned by the Company, directly or indirectly, free and clear of any Encumbrance. All of the issued equity securities of each Subsidiary of the Company are validly issued, fully paid and non-assessable, and were issued in compliance with the applicable registration and qualification requirements of Applicable Laws.

(c) There are no preemptive rights, registration rights, rights of first offer, rights of first refusal, tag-along rights, director appointment rights, governance rights, veto rights or other similar rights with respect to the Securities or the securities of any Subsidiary of the Company that have been granted to any Person (other than the Company or any Subsidiary).

Section 3.04 *Authorization; Enforcement; Validity.* The Company has the requisite corporate power and authority to execute and deliver this Agreement and perform its obligations under this Agreement and to issue the Issued Shares in accordance with the terms hereof. This Agreement has been duly executed and delivered by the Company, and, assuming the due authorization, execution and delivery by the Purchaser (and each other party thereto), constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles (the "Bankruptcy Exception").

Section 3.05 *No Conflicts.* The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby (including the issuance of the Issued Shares) will not (i) result in a violation of the Memorandum and Articles, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any Contract to which the Company or any of its Subsidiaries is a party, or (iii) result in a violation of any Applicable Law to the Company or by which any property or asset of the Company or any of its Subsidiaries is bound or affected, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights or violations which would not have a Material Adverse Effect.

Section 3.06 *Consents.* The execution, delivery and performance of this Agreement by the Company require no (i) consent, approval, authorization, action or order of, any exemption by, any notice to, or any filing or registration with, any Governmental Authority or (ii) any consent, approval or authorization from or any waiver by any third party pursuant to any Contract to which the Company or any of its Subsidiaries except as would not have a Material Adverse Effect.



Section 3.07 *Valid Issuance*. The Issued Shares are duly authorized, and, when issued and paid for in accordance with the terms hereof and entered in the register of members of the Company, shall be validly issued and non-assessable and free from all preemptive or similar rights and Encumbrances, and the Purchaser shall be entitled to all rights accorded to a holder of the Class A Shares with respect to the Issued Shares (as applicable).

Section 3.08 *No Registration*. Assuming the accuracy of the representations and warranties set forth in Section 4.05 of this Agreement, it is not necessary in connection with the issuance and sale of the Issued Shares to register the Issued Shares under the Securities Act or to qualify or register the Issued Shares under applicable U.S. state securities laws. None of the Company, its Subsidiaries or their respective Affiliates or any Person acting on its or their behalf have engaged in any “directed selling efforts” within the meaning of Rule 903 of Regulation S under the Securities Act or any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act with respect to the Issued Shares.

Section 3.09 *SEC Documents*. The Company has timely filed or furnished, as applicable, all reports, schedules, forms, statements and other documents required to be filed or furnished by it with the SEC pursuant to the Securities Act or the Exchange Act (all of the foregoing documents filed with or furnished to the SEC and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the “**SEC Documents**”). As of their respective filing or furnishing dates, the SEC Documents complied in all material respects with the requirements of the Sarbanes-Oxley Act, the Securities Act or the Exchange Act, as the case may be, and the rules and regulations promulgated thereunder, as applicable, to the respective SEC Documents, and, other than as corrected or clarified in a subsequent SEC Document prior to the date of this Agreement, none of the SEC Documents, at the time they were filed or furnished, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The information contained in the SEC Documents, considered as a whole and as amended as of the date hereof, do not as of the date hereof, and will not as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. There are no contracts, agreements, arrangements, transactions or documents which are required to be described or disclosed in the SEC Documents or to be filed as exhibits to the SEC Documents which have not been so described, disclosed or filed.

Section 3.10 *Financial Statements*. As of their respective dates, the financial statements of the Company included in the SEC Documents (the “**Financial Statements**”) complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. The Financial Statements (including any related notes thereto) included or incorporated by reference in the SEC Documents fairly presented in all material respects the consolidated financial position of the Company as of the dates indicated therein and the consolidated results of its operations, cash flows and changes in shareholders’ equity for the periods specified therein. Such Financial Statements were prepared in accordance with IFRS applied on a consistent basis (except (i) as may be otherwise indicated in such Financial Statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed to summary statements).





Section 3.11 *Internal Controls and Procedures*. The Company has established and maintains disclosure controls and procedures as such terms are defined in, and required by, Rule 13a-15 or Rule 15d-15 under the Exchange Act. Except as may be disclosed in the SEC Documents, such disclosure controls and procedures are effective to ensure that all material information required to be disclosed by the Company in the reports that it files or furnishes under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. The Company maintains a system of internal controls over financial reporting sufficient to, except to the extent disclosed in the SEC Documents, provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations and (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS. Other than the material weaknesses in such internal controls over financial reporting disclosed in the SEC Documents, there are no such other material weaknesses in such system of internal controls. To the knowledge of the Company, there is no reason that its chief executive officer and chief financial officer will not be able to give the certifications and attestations required pursuant to the rules and regulations adopted pursuant to Section 404 of the Sarbanes-Oxley Act, without qualification, when next due.

Section 3.12 *Compliance with Applicable Laws*. The Company and each of its Subsidiaries have conducted their businesses in compliance with all Applicable Laws (including, without limitation, the U.S. Foreign Corrupt Practices Act, as amended) except as may be disclosed in the SEC Documents and as would not have a Material Adverse Effect. Except as may be disclosed in the SEC Documents, the Company and each of its Subsidiaries have all permits, licenses, authorizations, consents, orders and approvals (collectively, "Permits") that are required in order to carry on their business as presently conducted, except where the failure to have such Permits or the failure to make such filings, applications and registrations, would not have a Material Adverse Effect. Except as may be disclosed in the SEC Documents, all such Permits are in full force and effect and, to the knowledge of the Company, no suspension or cancellation of any of them is threatened, except where such absence, suspension or cancellation, would not have a Material Adverse Effect. The Company is in compliance with the applicable listing and corporate governance rules and regulations of the NYSE. The Company and its Subsidiaries have taken no action designed to, or reasonably likely to have the effect of, delisting the ADSs from the NYSE. The Company has not received any notification that the SEC or the NYSE is contemplating suspending or terminating such listing (or the applicable registration under the Exchange Act related thereto), and has no knowledge of any facts that would reasonably be expected to lead to delisting or suspension of its ADSs from the NYSE in the foreseeable future.

Section 3.13 *Insolvency and Winding-up*. Both before and after giving effect to the transactions contemplated by this Agreement, each of the Company and its Subsidiaries (i) will be solvent (in that both the fair value of its assets will not be less than the sum of its debts and that the present fair saleable value of its assets will not be less than the amount required to pay its probable liability on its recourse debts as they mature or become due) and (ii) will have adequate capital and liquidity with which to engage in the their businesses as currently conducted and as described in the SEC Documents. No order or petition has been presented or resolution passed for the administration, winding-up, dissolution, or liquidation of any of the Company and its Subsidiaries and no administrator, receiver, or manager has been appointed in respect thereof. None of the Company and its Subsidiaries has commenced any other proceeding under any bankruptcy, reorganization, composition, arrangement, adjustment of debt, release of debtors, dissolution, insolvency, liquidation, or similar law of any jurisdiction and no such proceedings have been commenced or is anticipated to be commenced against any of the Company and its Subsidiaries.



**ARTICLE 4**

**REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

The Purchaser represents and warrants to the Company that:

Section 4.01 *Organization*. The Purchaser is duly established, validly existing and in good standing under the laws of its jurisdiction of formation and has the requisite power and authorization to own, lease and operate its properties and to carry on its business as now being conducted.

Section 4.02 *Authorization; Enforcement; Validity*. The Purchaser has the requisite power and authority to execute and deliver this Agreement and perform its obligations under this Agreement in accordance with the terms hereof. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite action by the Purchaser and no other filing, consent or authorization on the part of the Purchaser is necessary to authorize or approve this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Purchaser, and, assuming the due authorization, execution and delivery by the Company, constitutes a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, subject to the Bankruptcy Exception.

Section 4.03 *No Conflicts*. The execution, delivery and performance by the Purchaser of this Agreement and the consummation by the Purchaser of the transactions contemplated hereby will not (i) result in a violation of the organizational or constitutional documents of the Purchaser, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any Contract to which the Purchaser is a party, or (iii) result in a violation of any Applicable Law to the Purchaser or by which any property or asset of the Purchaser is bound or affected.

Section 4.04 *Consents*. The execution, delivery and performance of this Agreement by the Purchaser require no (i) consent, approval, authorization, action or order of, any exemption by, any notice to, or any filing or registration with, any Governmental Authority or (ii) any consent, approval or authorization from or any waiver by any third party pursuant to any Contract to which it is a party.

Section 4.05 *Status and Investment Intent of the Purchaser*.

(a) The Purchaser is (i) not a "U.S. person" within the meaning of Regulation S under the Securities Act and is acquiring the Issued Shares in an offshore transaction under Rule 903 of Regulation S under the Securities Act, or (ii) an "accredited investor" within the meaning of SEC Rule 501 of Regulation D, as presently in effect, under the Act.

(b) The Purchaser (i) has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks involved in purchasing the Issued Shares and (ii) is capable of bearing the economic risk of the Investment.



(c) The Purchaser is acquiring the Issued Shares for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except pursuant to sales registered or exempted under the Securities Act. By executing this Agreement, the Purchaser further represents that, as of the date of this Agreement, it does not have any contract with any person to sell, transfer, or grant participation to any person, with respect to any of the Issued Shares.

(d) The Purchaser acknowledges and affirms that, with the assistance of its advisors (if applicable), it has conducted and completed its own investigation, analysis and evaluation related to the investment in the Issued Shares.

Section 4.06 *Restricted Securities*. The Purchaser understands that the Issued Shares it is purchasing are characterized as “restricted securities” under U.S. federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Act only in certain limited circumstances.

Section 4.07 *Legends*. It is understood that the certificates evidencing the Purchased Shares shall bear the following legend:

“THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR A VALID EXEMPTION THEREFROM.”

**ARTICLE 5**

**COVENANTS**

Section 5.01 *Interim Conduct; Further Assurances*.

(a) From the date hereof until the Closing Date, the Company shall, and shall cause each of its Subsidiaries to, (i) conduct its business and affairs in the ordinary course of business consistent with past practice, (ii) not take any action, or omit to take any action, that would reasonably be expected to make (x) any of its representations and warranties in this Agreement untrue, or (y) any of the conditions for the benefit of the Purchaser set forth in Article 6 not to be satisfied, in each case, at, or as of any time before, the Closing Date.

(b) Each party hereto shall use its respective best efforts to promptly fulfill or obtain the fulfillment of the conditions precedent to the consummation of the transactions contemplated by this Agreement, including the execution and delivery of any documents, certificates, instruments or other papers that are required for the consummation of such transactions, and will cooperate and consult with the other and use its best efforts to prepare and file all necessary documentation, to effect all necessary applications, notices, petitions, filings and other documents, and to obtain all necessary Permits of, or any exemption by, all Governmental Authorities, necessary or advisable to consummate the transactions contemplated by this Agreement. After the Closing Date, each party shall execute and deliver such further certificates, agreements and other documents and take such other actions as the other party may reasonably request to consummate or implement any applicable transactions contemplated hereby or to evidence any relevant events or matters.



Section 5.02 *Listing of Securities*. The Company shall (i) take all actions necessary to continue the listing and trading of its ADSs on the NYSE and shall materially comply with the Company's reporting, filing and other obligations under the rules of the NYSE, in each case, through the Closing, and (ii) at its own cost file with the NYSE a supplemental listing application in respect of the Issued Shares.

Section 5.03 *Lock-up*. The Purchaser shall not, during the Lock-Up Period (as defined below), Transfer any Securities or any interest therein without the prior written consent of the Company (which the Company may grant or withhold in the Company's sole discretion). As used herein, the "**Lock-Up Period**" with respect to any Securities held by the Purchaser will commence on the Closing Date and continue until and include the date that is six (6) months after the Closing Date.

## ARTICLE 6

### CONDITIONS TO CLOSING

Section 6.01 *Conditions to Obligations of All Parties*. The obligations of each party hereto to consummate the Closing are subject to the satisfaction of the following conditions:

(a) No provision of any Applicable Law or no Judgment entered by or with any Governmental Authority with competent jurisdiction, shall be in effect that enjoins, prohibits or materially alters the terms of the transactions contemplated by this Agreement.

(b) No Proceeding challenging this Agreement or the transactions contemplated hereby, or seeking to prohibit, alter, prevent or materially delay the Closing, shall have been instituted or be pending before any Governmental Authority.

Section 6.02 *Conditions to Obligation of the Purchaser*. The obligation of the Purchaser to consummate the Closing is subject to the satisfaction of the following further conditions:

(a) (i) the representations and warranties of the Company that are qualified by materiality or Material Adverse Effect shall be true and correct in all respects on and as of the Closing Date as though made on and as of the Closing Date; (ii) the representations and warranties of the Company that are not qualified by materiality or Material Adverse Effect shall be true and correct in all material respects on and as of the Closing Date as though made on and as of the Closing Date; (iv) the Company shall have performed or complied with all obligations and conditions in this Agreement required to be performed or complied with by the Company on or prior to the Closing Date; and (v) there shall have been no Material Adverse Effect.

Section 6.03 *Conditions to Obligation of the Company*. The obligations of the Company to consummate the Closing are subject to the satisfaction of the following further conditions:

(a) The representations and warranties of the Purchaser in this Agreement shall be true and correct on and as of the Closing Date as though made on and as of the Closing Date.



(b) The Purchaser shall have performed all obligations and conditions herein required to be performed or observed by the Purchaser on or prior to the Closing Date (including but not limited to its payment obligations under Section 2.02(a)).

## ARTICLE 7

### SURVIVAL; INDEMNIFICATION

#### Section 7.01 *Survival*.

(a) All representations and warranties made by any Party contained in this Agreement shall survive the Closing until twelve (12) months after of the Closing Date.

(b) Notwithstanding anything to the contrary in the foregoing clause, (i) any breach of representation or warranty in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to the preceding clause (a), if notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time and (ii) any breach of representation or warranty in respect of which indemnity may be sought that was caused as a result of fraud or intentional misrepresentation shall survive indefinitely or until the latest date permitted by law.

#### Section 7.02 *Indemnification*.

(a) Effective at and after the Closing, each Party hereto, as applicable (the “**Indemnifying Party**”) shall indemnify and hold harmless the other Party and its Affiliates (the “**Indemnified Parties**”) against and from any and all damage, loss, liability and expense (including reasonable expenses of investigation and reasonable attorneys’ fees and expenses) (“**Losses**”), incurred or suffered by the Indemnified Parties arising out of any misrepresentation or breach of representation or warranty or breach of covenants or agreements by the Indemnifying Party under this Agreement; *provided* that (i) the Indemnifying Party’s maximum liability under this Section 7.02 shall not exceed the Subscription Price, (ii) no Indemnifying Party shall be liable for any Losses consisting of punitive damages, (iii) the amount of any Losses for which indemnification is provided under this section shall be reduced by (a) any amounts that have been recovered by any Indemnified Party from any third party, and (b) any insurance proceeds or other cash receipts or source of reimbursement that have been received by any Indemnified Party with respect to such Losses, in each case, net of any costs of recovery, and (iv) each Indemnified Party shall use commercially reasonable efforts to mitigate the Losses it incurs.

(b) Notwithstanding any other provision contained herein, the remedies contained in this Section shall be the sole and exclusive monetary remedy of the Indemnified Parties for any claim arising out of or resulting from this Agreement, except that no limitation or exceptions with respect to the obligations or liabilities on either Party provided hereunder shall apply to a Loss incurred by any Indemnified Party arising due to the fraud or fraudulent misrepresentation of the Indemnifying Party.



Section 7.03 *Third Party Claim Procedures.*

(a) The Indemnified Party seeking indemnification under Section 7.02 agrees to give reasonably prompt notice in writing to Indemnifying Party of the assertion of any claim or the commencement of any suit, action or proceeding by any third party (“**Third Party Claim**”) in respect of which indemnity may be sought under Section 7.02. Such notice shall set forth in reasonable detail such Third Party Claim and the basis for indemnification (taking into account the information then available to the Indemnified Party). The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent such failure shall have actually materially and adversely prejudiced the Indemnifying Party.

(b) The Indemnifying Party shall be entitled to participate in the defense of any Third Party Claim and, subject to the limitations set forth in this Section 7.03, shall be entitled to control and appoint lead counsel (that is reasonably satisfactory to the Indemnified Party) for such defense, in each case at its own expense; *provided* that prior to assuming control of such defense, the Indemnifying Party must (i) acknowledge in writing that it would have an indemnity obligation to the Indemnified Party for the Losses resulting from such Third Party Claim and (ii) furnish the Indemnified Party with reasonable evidence that the Indemnifying Party has adequate resources to defend the Third Party Claim and fulfill its indemnity obligations hereunder.

(c) The Indemnifying Party shall not be entitled to assume or maintain control of the defense of any Third Party Claim and shall pay the reasonable fees, costs and expenses of counsel retained by the Indemnified Party if (i) the Indemnifying Party does not deliver the acknowledgment referred to in Section 7.03(b) within thirty (30) days of receipt of notice of the Third Party Claim pursuant to Section 7.03(a), (ii) the Third Party Claim relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation, (iii) the Indemnified Party reasonably believes an adverse determination with respect to the Third Party Claim would be materially detrimental to the reputation or future business prospects of the Indemnified Party or any of its Affiliates, (iv) the Third Party Claim seeks an injunction or equitable relief against the Indemnified Party or any of its Affiliates or (v) the Indemnifying Party has failed or is failing to prosecute or defend the Third Party Claim vigorously and prudently.

(d) If the Indemnifying Party shall assume the control of the defense of any Third Party Claim in accordance with the provisions of Section 7.03(c), the Indemnifying Party shall obtain the prior written consent of the Indemnified Party (which shall not be unreasonably withheld) before entering into any settlement of such Third Party Claim if the settlement does not expressly unconditionally release the Indemnified Party and its Affiliates from all liabilities and obligations with respect to such Third Party Claim or the settlement imposes injunctive or other equitable relief against the Indemnified Party or any of its Affiliates.

(e) In circumstances where the Indemnifying Party is controlling the defense of a Third Party Claim in accordance with Section 7.03(c), the Indemnified Party shall be entitled to participate in the defense of any Third Party Claim and to employ separate counsel of its choice for such purpose, in which case the fees, costs and expenses of such separate counsel shall be borne by the Indemnified Party; *provided* that Indemnifying Party shall pay the fees, costs and expenses of such separate counsel of the Indemnified Party if (i) incurred by the Indemnified Party prior to the date the Indemnifying Party assumes control of the defense of the Third Party Claim, (ii) if representation of both the Indemnifying Party and the Indemnified Party by the same counsel would create a conflict of interest or (iii) the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it which are different from or additional to those available to the Indemnifying Party.



(f) Each party shall reasonably cooperate, and cause their respective Affiliates to reasonably cooperate, in the defense or prosecution of any Third Party Claim.

Section 7.04 *Direct Claim Procedures*. In the event an Indemnified Party has a claim for indemnity under Section 7.02 against the Indemnifying Party that does not involve a Third Party Claim, the Indemnified Party agrees to give notice in writing of such claim to the Indemnifying Party. Such notice shall set forth in reasonable detail such claim and the basis for indemnification (taking into account the information then available to the Indemnified Party). The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent such failure shall have actually materially and adversely prejudiced the Indemnifying Party. If the Indemnifying Party does not notify the Indemnified Party within thirty (30) days following the receipt of a notice with respect to any such claim that the Indemnifying Party disputes its indemnity obligation to the Indemnified Party for any Losses with respect to such claim, such Losses shall be conclusively deemed a liability of the Indemnifying Party and the Indemnifying Party shall promptly pay to the Indemnified Party any and all Losses arising out of such claim. If the Indemnifying Party has timely disputed its indemnity obligation for any Losses with respect to such claim, the parties shall proceed in good faith to negotiate a resolution of such dispute and, if not resolved through such negotiations, such dispute shall be resolved by arbitration determined pursuant to Section 9.06.

## ARTICLE 8

### TERMINATION

Section 8.01 *Grounds for Termination*. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of each party hereto;

(b) by the Purchaser or the Company if the Closing shall not have occurred on or before January 14, 2022; *provided* that such right to terminate this Agreement shall not be available to any party whose failure to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to such date; or

(c) by any party in the event that any Governmental Entity shall have issued a Judgment or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such Judgment or other action shall have become final and non-appealable.

The party desiring to terminate this Agreement pursuant to Section 8.01(b) or Section 8.01(c) shall give notice of such termination to the other parties hereto specifying the provision hereof pursuant to which such termination is made.

Section 8.02 *Effect of Termination*. In the event of termination of this Agreement, this Agreement shall forthwith become void and of no further force or effect (except for Article 9, which shall survive such termination) and there shall be no liability on the part of any party hereto except that nothing herein shall relieve any party from any liability for Losses for any breach of this Agreement.



**ARTICLE 9**

**MISCELLANEOUS**

Section 9.01 *Notices*. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission and electronic mail (“**e-mail**”) transmission, so long as a receipt of such e-mail is requested and received) and shall be given,

if to the Company, to:

AMTD International Inc.  
23/F, Nexxus Building  
41 Connaught Road Central  
Hong Kong  
Attention:  
Facsimile:  
Email:

if to the Purchaser, to:

CHENG HUANG  
Attention: CHENG HUANG  
Facsimile:  
Email:

or such other address or facsimile number as such party may hereafter specify for the purpose by notice to the other parties hereto. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

Section 9.02 *Amendments and Waivers*. (a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 9.03 *Expenses*. Except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

Section 9.04 *Successors and Assigns*. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; *provided* that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of each other party hereto.





Section 9.05 *Governing Law*. This Agreement, the rights and obligations of the parties hereto, and all claims or disputes relating hereto, shall be governed by and construed in accordance with the law of Hong Kong, without regard to the conflicts of law rules thereunder.

Section 9.06 *Arbitration*. Any dispute, controversy or claim arising out of or relating to this Agreement, including, but not limited to, any question regarding the breach, termination or invalidity thereof shall be finally resolved by arbitration in Hong Kong in accordance with the administered rules (the “**Rules**”) of the Hong Kong International Arbitration Centre (the “**HKIAC**”) in force at the time of commencement of the arbitration, which Rules are deemed to be incorporated by reference into this Section. The number of arbitrators shall be three and shall be selected in accordance with the Rules. All selections shall be made within thirty (30) days after the selecting party gives or receives, as the case may be, the demand for arbitration. The seat of the arbitration shall be in Hong Kong and the language to be used shall be English. Any arbitration award shall be (i) in writing and shall contain the reasons for the decision, (ii) final and binding on the parties hereto and (iii) enforceable in any court of competent jurisdiction, and the parties hereto agree to be bound thereby and to act accordingly.

Section 9.07 *Counterparts; Effectiveness; Third Party Beneficiaries*. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Signatures in the form of facsimile or electronically imaged “PDF” shall be deemed to be original signatures for all purposes hereunder. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by all of the other parties hereto. Until and unless each party has received a counterpart hereof signed by the other party hereto, this Agreement shall have no effect and no party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). No provision of this Agreement is intended to confer any rights, benefits, remedies, obligations, or liabilities hereunder upon any Person other than the parties hereto and their respective successors and assigns.

Section 9.08 *Entire Agreement*. This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

Section 9.09 *Severability*. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other Governmental Authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

**AMTD INTERNATIONAL INC.**

By: /s/ WILLIAM FUNG

Name: WILLIAM FUNG

Title: Chief Executive Officer

*[Signature Page to SPA]*



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

**CHENG HUANG**

By: /s/ CHENG HUANG

Name: CHENG HUANG

*[Signature Page to SPA]*



**BUSINESS LOAN  
AGREEMENT**

**Borrower:** AMTD International  
Inc. 23F Nexxus  
Building  
41 Connaught Road, Central Hong  
Kong

**Lender:** East West Bank  
Loan Servicing Department  
9300 Flair Drive, 6th Floor  
El Monte, CA 91731

**THIS BUSINESS LOAN AGREEMENT dated December 28, 2021, is made and executed between AMTD International Inc. (“Borrower”) and East West Bank (“Lender”) on the following terms and conditions. Borrower has received prior commercial loans from Lender or has applied to Lender for a commercial loan or loans or other financial accommodations, including those which may be described on any exhibit or schedule attached to this Agreement. Borrower understands and agrees that: (A) in granting, renewing, or extending any Loan, Lender is relying upon Borrower’s representations, warranties, and agreements as set forth in this Agreement; (B) the granting, renewing, or extending of any Loan by Lender at all times shall be subject to Lender’s sole judgment and discretion; and (C) all such Loans shall be and remain subject to the terms and conditions of this Agreement.**

**TERM.** This Agreement shall be effective as of December 28, 2021, and shall continue in full force and effect until such time as all of Borrower’s Loans in favor of Lender have been paid in full, including principal, interest, costs, expenses, attorneys’ fees, and other fees and charges, or until such time as the parties may agree in writing to terminate this Agreement.

**LINE OF CREDIT.** The Indebtedness includes a revolving line of credit. Advances under the Indebtedness, as well as directions for payment from Borrower’s accounts, may be requested either orally or in writing by Borrower. Lender may, but need not require that all non-written requests be confirmed in writing. Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person as described in the “Advance Authority” section below or (B) credited to any of Borrower’s accounts with Lender.

**ADVANCE AUTHORITY.** The following person or persons are authorized to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender’s address shown above, written notice of revocation of such authority: **Fung Ching Ho William, CEO of AMTD International Inc., and Zee Ho Sum, CFO of AMTD International Inc., when acting jointly.**

**CONDITIONS PRECEDENT TO EACH ADVANCE.** Lender’s obligation to make the initial Advance and each subsequent Advance under this Agreement shall be subject to the fulfillment to Lender’s satisfaction of all of the conditions set forth in this Agreement and in the Related Documents.

**Loan Documents.** Borrower shall provide to Lender the following documents for the Loan: (1) the Note; (2) together with all such Related Documents as Lender may require for the Loan; all in form and substance satisfactory to Lender and Lender’s counsel.

**Borrower’s Authorization.** Borrower shall have provided in form and substance satisfactory to Lender properly certified resolutions, duly authorizing the execution and delivery of this Agreement, the Note and the Related Documents. In addition, Borrower shall have provided such other resolutions, authorizations, documents and instruments as Lender or its counsel, may require.

**Payment of Fees and Expenses.** Borrower shall have paid to Lender all fees, charges, and other expenses which are then due and payable as specified in this Agreement or any Related Document.

**Representations and Warranties.** The representations and warranties set forth in this Agreement, in the Related Documents, and in any document or certificate delivered to Lender under this Agreement are true and correct.

**No Event of Default.** There shall not exist at the time of any Advance a condition which would constitute an Event of Default under this Agreement or under any Related Document.



**REPRESENTATIONS AND WARRANTIES.** Borrower represents and warrants to Lender, as of the date of this Agreement, as of the date of each disbursement of loan proceeds, as of the date of any renewal, extension or modification of any Loan, and at all times any Indebtedness exists:

**Organization.** Borrower is a corporation for profit which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of Borrower’s state of incorporation. Borrower is duly authorized to transact business in all other states in which Borrower is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which Borrower is doing business. Specifically, Borrower is, and at all times shall be, duly qualified as a foreign corporation in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. Borrower has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. Borrower maintains an office at 23F, Nexxus Building, 41 Connaught Road, Central Hong Kong. Unless Borrower has designated otherwise in writing, the principal office is the office at which Borrower keeps its books and records. Borrower will notify Lender prior to any change in the location of Borrower’s state of organization or any change in Borrower’s name. Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to Borrower and Borrower’s business activities.

**Assumed Business Names.** Borrower has filed or recorded all documents or filings required by law relating to all assumed business names used by Borrower. Excluding the name of Borrower, the following is a complete list of all assumed business names under which Borrower does business: **None.**

**Authorization.** Borrower’s execution, delivery, and performance of this Agreement and all the Related Documents have been duly authorized by all necessary action by Borrower and do not conflict with, result in a violation of, or constitute a default under (1) any provision of (a) Borrower’s articles of incorporation or organization, or bylaws, or (b) any agreement or other instrument binding upon Borrower or (2) any law, governmental regulation, court decree, or order applicable to Borrower or to Borrower’s properties.

**Financial Information.** Each of Borrower’s financial statements supplied to Lender truly and completely disclosed Borrower’s financial condition as of the date of the statement, and there has been no material adverse change in Borrower’s financial condition subsequent to the date of the most recent financial statement supplied to Lender. Borrower has no material contingent obligations except as disclosed in such financial statements.

**Legal Effect.** This Agreement constitutes, and any instrument or agreement Borrower is required to give under this Agreement when delivered will constitute legal, valid, and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms.

**Properties.** Except as contemplated by this Agreement or as previously disclosed in Borrower’s financial statements or in writing to Lender and as accepted by Lender, and except for property tax liens for taxes not presently due and payable, Borrower owns and has good title to all of Borrower’s properties free and clear of all security interests, and has not executed any security documents or financing statements relating to such properties. All of Borrower’s properties are titled in Borrower’s legal name, and Borrower has not used or filed a financing statement under any other name for at least the last five (5) years.

**Litigation and Claims.** No litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Borrower is pending or threatened, and no other event has occurred which may materially adversely affect Borrower’s financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by Lender in writing.

**Taxes.** To the best of Borrower’s knowledge, all of Borrower’s tax returns and reports that are or were required to be filed, have been filed, and all taxes, assessments and other governmental charges have been paid in full, except those presently being or to be contested by Borrower in good faith in the ordinary course of business and for which adequate reserves have been provided.



**Binding Effect.** This Agreement, the Note, and all Related Documents are binding upon the signers thereof, as well as upon their successors, representatives and assigns, and are legally enforceable in accordance with their respective terms.

**Certification of Beneficial Owner(s).** If Borrower is requested by Lender to provide a Certification of Beneficial Owner(s), the information included in the Certification of Beneficial Owner(s) is true and correct in all respects. "Certification of Beneficial Owner(s)" means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation, which certification shall be substantially in form and substance satisfactory to Lender. "Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

**AFFIRMATIVE COVENANTS.** Borrower covenants and agrees with Lender that, so long as this Agreement remains in effect, Borrower will:

**Notices of Claims and Litigation.** Promptly inform Lender in writing of (1) all material adverse changes in Borrower's financial condition, and (2) all existing and all threatened litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower which could materially affect the financial condition of Borrower.

**Financial Records.** Maintain its books and records in accordance with IFRS, applied on a consistent basis, and permit Lender to examine and audit Borrower's books and records at all reasonable times.

**Financial Statements.** Furnish Lender with the following:

**Additional Requirements.** Borrower understands and agrees that while this Agreement is in effect, Borrower will maintain a financial condition indicated by the following statements at all times, unless otherwise noted:

**Interim Statements.** As soon as available, but in no event later than sixty (60) days after the end of each quarter, Borrower shall provide Lender with Borrower's balance sheet, income and expense statements, reconciliation of net worth and statement of cash flows, with notes thereto for the period ended, prepared by Borrower.

**Annual Statements.** As soon as available, but in no event later than one hundred twenty (120) days after the end of each fiscal year, Borrower shall provide Lender with Borrower's balance sheet, income and expense statements, reconciliation of net worth and statement of cash flows, with notes thereto for the year ended, audited by a certified public accountant satisfactory to Lender.

**Projections.** As soon as available, but in no event later than sixty (60) days after the end of each fiscal year, a twelve month projection of the Borrower's operations in form and substance satisfactory to the Lender.

All financial reports required to be provided under this Agreement shall be prepared in accordance with GAAP, applied on a consistent basis, and signed and certified by a corporate executive officer of Borrower as being true and correct.

**Additional Information.** Furnish such additional information and statements, as Lender may request from time to time.

**Financial Covenants and Ratios.** Comply with the following covenants and ratios:

**Additional Requirements.** Borrower understands and agrees that while this Agreement is in effect, Borrower will maintain a financial condition indicated by the following ratios at all times, unless otherwise noted:

**Minimum Net Assets Value.** Maintain a Minimum Net Assets Value (defined as total assets minus intangible assets minus total liabilities) of not less than HKD4 billion, tested at the end of each fiscal quarter.

**Interest Coverage Ratio.** Maintain an Interest Coverage Ratio (defined as (earnings before interest, taxes, depreciation, and amortization ("EBITDA")) measured in accordance with GAAP) divided by total interest expense) of not less than 1.75 to 1.00, tested at the end of each fiscal quarter.



Except as provided above, all computations made to determine compliance with the requirements contained in this paragraph shall be made in accordance with IFRS, applied on a consistent basis, and signed and certified by a corporate executive officer of Borrower as being true and correct.

**Voting Power.** Mr. Calvin Choi shall maintain voting power and control over Borrower of no less than 45% of the total outstanding voting equity of Borrower.

**Other Agreements.** Comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Borrower and any other party and notify Lender immediately in writing of any default in connection with any other such agreements.

**Loan Proceeds.** Use all Loan proceeds solely for Borrower’s business operations, unless specifically consented to the contrary by Lender in writing.

**Taxes, Charges and Liens.** Pay and discharge when due all of its indebtedness and obligations, including without limitation all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon Borrower or its properties, income, or profits, prior to the date on which penalties would attach, and all lawful claims that, if unpaid, might become a lien or charge upon any of Borrower’s properties, income, or profits. Provided however, Borrower will not be required to pay and discharge any such assessment, tax, charge, levy, lien or claim so long as (1) the legality of the same shall be contested in good faith by appropriate proceedings, and (2) Borrower shall have established on Borrower’s books adequate reserves with respect to such contested assessment, tax, charge, levy, lien, or claim in accordance with IFRS.

**Performance.** Perform and comply, in a timely manner, with all terms, conditions, and provisions set forth in this Agreement, in the Related Documents, and in all other instruments and agreements between Borrower and Lender. Borrower shall notify Lender immediately in writing of any default in connection with any agreement.

**Operations.** Maintain executive and management personnel with substantially the same qualifications and experience as the present executive and management personnel; provide written notice to Lender of any change in executive and management personnel; conduct its business affairs in a reasonable and prudent manner.

**Environmental Studies.** Promptly conduct and complete, at Borrower’s expense, all such investigations, studies, samplings and testings as may be requested by Lender or any governmental authority relative to any substance, or any waste or by-product of any substance defined as toxic or a hazardous substance under applicable federal, state, or local law, rule, regulation, order or directive, at or affecting any property or any facility owned, leased or used by Borrower.

**Compliance with Governmental Requirements.** Comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the conduct of Borrower’s properties, businesses and operations. Borrower may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Borrower has notified Lender in writing prior to doing so. Lender may require Borrower to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender’s interest.

**Inspection.** Permit employees or agents of Lender at any reasonable time to inspect any and all Borrower’s properties and to examine or audit Borrower’s books, accounts, and records and to make copies and memoranda of Borrower’s books, accounts, and records. If Borrower now or at any time hereafter maintains any records (including without limitation computer generated records and computer software programs for the generation of such records) in the possession of a third party, Borrower, upon request of Lender, shall notify such party to permit Lender free access to such records at all reasonable times and to provide Lender with copies of any records it may request, all at Borrower’s expense.

**Compliance Certificates.** Unless waived in writing by Lender, provide Lender at least annually, with a certificate executed by Borrower’s chief financial officer, or other officer or person acceptable to Lender, certifying that the representations and warranties set forth in this Agreement are true and correct as of the date of the certificate and further certifying that, as of the date of the certificate, no Event of Default exists under this Agreement.



**Environmental Compliance and Reports.** Borrower shall comply in all respects with any and all Environmental Laws; not cause or permit to exist, as a result of an intentional or unintentional action or omission on Borrower’s part or on the part of any third party, on property owned and/or occupied by Borrower, any environmental activity where damage may result to the environment, unless such environmental activity is pursuant to and in compliance with the conditions of a permit issued by the appropriate federal, state or local governmental authorities; shall furnish to Lender promptly and in any event within thirty (30) days after receipt thereof a copy of any notice, summons, lien, citation, directive, letter or other communication from any governmental agency or instrumentality concerning any intentional or unintentional action or omission on Borrower’s part in connection with any environmental activity whether or not there is damage to the environment and/or other natural resources.

**Additional Assurances.** Make, execute and deliver to Lender such promissory notes, mortgages, deeds of trust, security agreements, assignments, financing statements, instruments, documents and other agreements as Lender or its attorneys may reasonably request to evidence and secure the Loans and to perfect all Security Interests.

**Depository Relationship.** Maintain Borrower’s primary U.S. operating bank accounts at Lender, including a minimum of 85% of Borrower’s total U.S. domestic cash, cash equivalent and investment balances at Lender’s U.S. branches; Maintain deposits at Lender’s Central Hong Kong branch.

**Compliance with “Know Your Customer” Requirements.** Promptly following any request therefor, Borrower shall provide information and documentation reasonably requested by Lender for purposes of compliance with applicable “know your customer” requirements under the PATRIOT Act, the Beneficial Ownership Regulation or other applicable anti-money laundering laws, including but not limited to a Certificate of Beneficial Owner(s) acceptable to Lender if applicable.

**RECOVERY OF ADDITIONAL COSTS.** If the imposition of or any change in any law, rule, regulation, guideline, or generally accepted accounting principle, or the interpretation or application of any thereof by any court, administrative or governmental authority, or standard-setting organization (including any request or policy not having the force of law) shall impose, modify or make applicable any taxes (except federal, state or local income or franchise taxes imposed on Lender), reserve requirements, capital adequacy requirements or other obligations which would (A) increase the cost to Lender for extending or maintaining the credit facilities to which this Agreement relates, (B) reduce the amounts payable to Lender under this Agreement or the Related Documents, or (C) reduce the rate of return on Lender’s capital as a consequence of Lender’s obligations with respect to the credit facilities to which this Agreement relates, then Borrower agrees to pay Lender such additional amounts as will compensate Lender therefor, within fifteen (15) business days after Lender’s written demand for such payment, which demand shall be accompanied by an explanation of such imposition or charge and a calculation in reasonable detail of the additional amounts payable by Borrower, which explanation and calculations shall be conclusive in the absence of manifest error.

**LENDER’S EXPENDITURES.** If Borrower fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Borrower’s failure to discharge or pay when due any amounts Borrower is required to discharge or pay under this Agreement or any Related Documents, Lender on Borrower’s behalf may (but shall not be obligated to) take any action that Lender deems appropriate. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Borrower. All such expenses will become a part of the Indebtedness and, at Lender’s option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note’s maturity.

**NEGATIVE COVENANTS.** Borrower covenants and agrees with Lender that while this Agreement is in effect, Borrower shall not, without the prior written consent of Lender:





**Continuity of Operations.** (1) Engage in any business activities substantially different than those in which Borrower is presently engaged, (2) cease operations, liquidate, merge or restructure as a legal entity (whether by division or otherwise), consolidate with any other entity, change its name, convert to another type of entity or redomesticate, or dissolve.

**Agreements.** Enter into any agreement containing any provisions which would be violated or breached by the performance of Borrower's obligations under this Agreement or in connection herewith.

**DIVIDEND PAYMENT.** The Borrower is permitted to pay dividends on Borrower's stock so long as no Event of Default has occurred and is continuing or would result from the payment of dividends.

**CESSATION OF ADVANCES.** If Lender has made any commitment to make any Loan to Borrower, whether under this Agreement or under any other agreement, Lender shall have no obligation to make Loan Advances or to disburse Loan proceeds if: (A) Borrower is in default under the terms of this Agreement or any of the Related Documents or any other agreement that Borrower has with Lender; (B) Borrower dies, becomes incompetent or becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged a bankrupt; or (C) there occurs a material adverse change in Borrower's financial condition.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the debt against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

**DEFAULT.** Each of the following shall constitute an Event of Default under this Agreement:

**Payment Default.** Borrower fails to make any payment when due under the Loan.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**Default in Favor of Third Parties.** Borrower defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay the Loans or perform their respective obligations under this Agreement or any of the Related Documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Insolvency.** The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Change in Ownership.** Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower excluding such changes in shareholdings arising from organic/inorganic growth of the Borrower.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Loan is materially impaired.

**Right to Cure.** If any default, other than a default on Indebtedness, is curable and if Borrower has not been given a notice of a similar default within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower, demanding cure of such default:



(1) cure the default within fifteen (15) business days; or (2) if the cure requires more than fifteen (15) business days, immediately initiate steps which Lender deems in Lender’s sole discretion to be sufficient to cure the default and thereafter continue and complete all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**Other Defaults Modified.** Notwithstanding the section above entitled “Other Defaults”, Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or Agreement or in any of the Related Documents between Lender and Borrower; or any shareholder, member, trustor, or any owner of the Borrower also holding a controlling interest in any given entity’s common stock, membership interest, trust interest, or any other ownership interest (“Related Entity”), fails to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement between Lender and the Related Entity.

**EFFECT OF AN EVENT OF DEFAULT.** If any Event of Default shall occur, except where otherwise provided in this Agreement or the Related Documents, all commitments and obligations of Lender under this Agreement or the Related Documents or any other agreement immediately will terminate (including any obligation to make further Loan Advances or disbursements), and, at Lender’s option, all Indebtedness immediately will become due and payable, all without notice of any kind to Borrower, except that in the case of an Event of Default of the type described in the “Insolvency” subsection above, such acceleration shall be automatic and not optional. In addition, Lender shall have all the rights and remedies provided in the Related Documents or available at law, in equity, or otherwise. Except as may be prohibited by applicable law, all of Lender’s rights and remedies shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower or of any Grantor shall not affect Lender’s right to declare a default and to exercise its rights and remedies.

**CONSENT TO JURISDICTION AND CHOICE OF VENUE.** Borrower consents to any litigation in connection with loan being brought and maintained in the courts of the State of California located in Los Angeles County provided that the Lender is not precluded from bringing suit or taking other legal action in any other jurisdiction. Borrower expressly and irrevocably submits to the jurisdiction of the courts of the State of California for the purpose of any such litigation. Borrower further irrevocably consents to the service of process by registered mail, postage prepaid, or by personal service within or outside the State of California. Borrower expressly and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any such litigation brought in any such court referred to above and any claim that any such litigation has been brought in an inconvenient forum.

**EXPENSES.** The Borrower agrees, whether or not the transactions hereby contemplated are consummated, to pay, or reimburse the Lender promptly upon demand for the payment of all reasonable and duly documented costs and expenses arising in connection with the preparation, execution and delivery of, the modification of, or waiver of or consent under, of enforcement of, the Loan Documents, including, without limitation, the reasonable and duly documented out-of-pocket costs of the Lender (incurred in respect of telecommunications, mail or courier service, travel and the like), and any fees or expenses of third parties (including but not limited to notarization fees and registration fees), all loan documentation fees, and all stamp taxes (including interest and penalties, if any) which may be payable in respect of the Related Documents.

**TAX DEDUCTIONS AND WITHHOLDINGS.** All sums payable by the Borrower hereunder and under the Related Documents shall be paid free and clear of, and without any deduction or withholding on account of, any tax imposed, levied, collected, withheld or assessed by or within the United States of America or any political subdivision in or of the United States of America or any other jurisdiction from or to which a payment is made by or on behalf of the Borrower or by any federation or organization of which the United States of America or any such jurisdiction is a member at the time of payment.



If the Borrower or any other person or entity is required by law to make any deduction or withholding on account of any such tax from any sum paid or payable to the Lender under any of the Related Documents: (i) the Borrower shall notify the Lender of any such requirement or any change in any such requirement as soon as the Borrower becomes aware of it; (ii) the Borrower shall pay any such tax before the date on which penalties attach thereto; (iii) the sum payable in respect of which the relevant deduction, withholding or payment is required shall be increased to the extent necessary to ensure that, after the making of that deduction, withholding or payment, the Lender receives on the due date a net sum equal to what it would have received had no such deduction, withholding or payment been required or made; and (iv) within twenty (20) days after paying any sum from which it is required by law to make any deduction or withholding, and within twenty (20) days after the due date of payment of any tax which it is required by clause (ii) above to pay, the Borrower shall deliver to the Lender evidence satisfactory of such deduction, withholding or payment and of the remittance thereof to the relevant taxing or other authority.

**ELECTRONIC INSTRUCTIONS.** Borrower desires to apply for Advances and instruct Lender regarding all other aspects of the Loan electronically, including but not limited to by electronic mail, internet, telex, telefax, facsimile and/or telecopy. Borrower agrees that Lender may act in accordance with electronically transmitted applications and instructions ("Electronic Instructions") subject to the following provisions: 1) Borrower's Electronic Instructions must be sent to Lender electronically only by means of such services and in such format(s) as may be approved from time to time by Lender in its sole discretion; 2) Borrower will provide to Lender, in writing and duly signed by Borrower, any reasonable security or verification procedures, and Lender may require additional security or verification procedures in its sole discretion; 3) Borrower hereby authorizes and instructs Lender to take all actions requested in any and all Electronic Instructions and agrees that each such Electronic Instruction will be deemed an original and, if sent in lieu of manually signed instructions, will be deemed to incorporate all of the terms and provisions of the Lender's standard form or format, if any, for such instructions; 4) Borrower recognizes and agrees that it will be obligated for any loan advance request and/or instruction pursuant to Electronic Instructions to the same extent as if such advance request and/or instruction were provided pursuant to Lender's standard form or Lender approved format(s) manually signed by Borrower; 5) Borrower agrees to indemnify and hold harmless Lender, its officers, directors, employees and affiliates against any and all liability, loss, cost, damages, attorneys' fees and other expenses which Lender may incur in reliance upon and pursuant to any and all of the Electronic Instructions received by Lender and purported to be sent by Borrower; 6) Lender is not responsible for checking electronic communications devices on a regular basis, and Borrower will make arrangements to assure Electronic Instructions have been sent to a current employee of Lender, and the employee of Lender has received and read the Electronic Instructions; 7) Lender is not responsible for delays, errors or omissions resulting from malfunction of electronic communications devices or from other conditions beyond the control of Lender; and 8) Lender is not responsible for misuse of or wrongful access to electronic communications devices by Borrower's representatives and employees nor for any delay in acting on Electronic Instructions caused by Electronic Instructions which Lender deems to be uncertain or unclear or incomplete.

**USA PATRIOT ACT.** Lender hereby notifies Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow Lender to identify Borrower in accordance with the Act. Borrower shall, promptly following a request by Lender, provide all documentation and other information that Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act. For legal entity borrowers, Lender will require the legal entity to provide identifying information about each beneficial owner and/or individuals who have significant responsibility to control, manage or direct the legal entity.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Agreement:

**Amendments.** This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.



**Attorneys' Fees; Expenses.** Borrower agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower also shall pay all court costs and such additional fees as may be directed by the court.

**Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

**Consent to Loan Participation.** Borrower agrees and consents to Lender's sale or transfer, whether now or later, of one or more participation interests in the Loan to one or more purchasers, whether related or unrelated to Lender. Lender may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to the Loan, and Borrower hereby waives any rights to privacy Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interests in the Loan and will have all the rights granted under the participation agreement or agreements governing the sale of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of such a participation interest and unconditionally agrees that either Lender or such purchaser may enforce Borrower's obligation under the Loan irrespective of the failure or insolvency of any holder of any interest in the Loan. Borrower further agrees that the purchaser of any such participation interests may enforce its interests irrespective of any personal claims or defenses that Borrower may have against Lender.

**Governing Law.** This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of California.

**No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Borrower, or between Lender and any Grantor, shall constitute a waiver of any of Lender's rights or of any of Borrower's or any Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

**Notices.** Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address. Unless otherwise provided or required by law, if there is more than one Borrower, any notice given by Lender to any Borrower is deemed to be notice given to all Borrowers.



**Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

**Subsidiaries of Borrower.** To the extent the context of any provisions of this Agreement makes it appropriate, including without limitation any representation, warranty or covenant, the word “Borrower” as used in this Agreement shall include all of Borrower’s subsidiaries. Notwithstanding the foregoing however, under no circumstances shall this Agreement be construed to require Lender to make any Loan or other financial accommodation to any of Borrower’s subsidiaries.

**Successors and Assigns.** All covenants and agreements by or on behalf of Borrower contained in this Agreement or any Related Documents shall bind Borrower’s successors and assigns and shall inure to the benefit of Lender and its successors and assigns. Borrower shall not, however, have the right to assign Borrower’s rights under this Agreement or any interest therein, without the prior written consent of Lender.

**Survival of Representations and Warranties.** Borrower understands and agrees that in extending Loan Advances, Lender is relying on all representations, warranties, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Lender under this Agreement or the Related Documents. Borrower further agrees that regardless of any investigation made by Lender, all such representations, warranties and covenants will survive the extension of Loan Advances and delivery to Lender of the Related Documents, shall be continuing in nature, shall be deemed made and redated by Borrower at the time each Loan Advance is made, and shall remain in full force and effect until such time as Borrower’s Indebtedness shall be paid in full, or until this Agreement shall be terminated in the manner provided above, whichever is the last to occur.

**Time is of the Essence.** Time is of the essence in the performance of this Agreement.

**Waive Jury.** To the extent permitted by applicable law, all parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

**Counterparts; Electronic Signatures.** This Note or Agreement and all other Related Documents may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Note, Agreement or Related Documents, as applicable. The words “execution,” “signed,” “signature,” (delivery,” and words of like import in or relating to this Note or Agreement and all other Related Documents and the transactions contemplated hereby shall be deemed to include Electronic Signatures (as defined below), deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be. As used herein, “**Electronic Signatures**” means any electronic symbol or process attached to, or associated with, any contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record. If any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing this Note or Agreement and all other Related Documents (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original hereof or thereof.

**Additional Related Documents.** “Related Documents” shall also include all agreements and instruments executed by Borrower in connection with prior indebtedness by Borrower to Lender which, by the terms of such agreements and/or instruments, apply to all or part of Borrower’s underlying obligations of this Indebtedness and/or applies to all future indebtedness of Borrower to Lender.



**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. Accounting words and terms not otherwise defined in this Agreement shall have the meanings assigned to them in accordance with generally accepted accounting principles as in effect on the date of this Agreement:

**Advance.** The word “Advance” means a disbursement of Loan funds made, or to be made, to Borrower or on Borrower’s behalf on a line of credit or multiple advance basis under the terms and conditions of this Agreement.

**Agreement.** The word “Agreement” means this Business Loan Agreement, as this Business Loan Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Business Loan Agreement from time to time.

**Borrower.** The word “Borrower” means AMTD International Inc. and includes all co-signers and co-makers signing the Note and all their successors and assigns.

**Environmental Laws.** The words “Environmental Laws” mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. (“CERCLA”), the Superfund Amendments and Reauthorization Act of 1986, Pub.

L. No. 99-499 (“SARA”), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., Chapters 6.5 through 7.7 of Division 20 of the California Health and Safety Code, Section 25100, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

**Event of Default.** The words “Event of Default” mean any of the events of default set forth in this Agreement in the default section of this Agreement.

**GAAP.** The word “GAAP” means generally accepted accounting principles.

**IFRS.** The word “IFRS” means International Financial Reporting Standards.

**Indebtedness.** The word “Indebtedness” means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or under any of the Related Documents.

**Lender.** The word “Lender” means East West Bank, its successors and assigns.

**Loan.** The word “Loan” means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced, including without limitation those loans and financial accommodations described herein or described on any exhibit or schedule attached to this Agreement from time to time.

**Note.** The word “Note” means the Note dated December 28, 2021 and executed by AMTD International Inc. in the principal amount of \$20,000,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

**Related Documents.** The words “Related Documents” mean all promissory notes, credit agreements, loan agreements, environmental agreements, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.



**BORROWER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS BUSINESS LOAN AGREEMENT AND BORROWER AGREESTO ITS TERMS. THIS BUSINESS LOAN AGREEMENT IS DATED DECEMBER 28, 2021.**

**BORROWER:**

**AMTD INTERNATIONAL INC.**

By: \_\_\_\_\_ /s/ **Fung Ching Ho William,**  
**CEO of AMTD International Inc.**

By: \_\_\_\_\_ /s/ **Zee Ho Sum,**  
**CFO of AMTD International Inc.**

**LENDER:**

**EAST WEST BANK**

By: \_\_\_\_\_ /s/ **Authorized Signer**

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**SHARE PURCHASE AGREEMENT**

dated as of

December 29, 2021

between

**AMTD INTERNATIONAL INC.**

and

**UNICORN STAR LIMITED**

**Summary of Key Terms**

**Purchaser: Unicorn Star Limited**

**Shares to be purchased:** 140,186 Class A ordinary shares of AMTD International Inc., par value US\$0.0001 each, to be newly issued

**Purchase price:** US\$4.28 per Class A ordinary share, or US\$600,000 in aggregate

**Lock-up period:** six (6) months after the closing

**Long stop date of closing:** January 6, 2022.





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**SHARE PURCHASE AGREEMENT**

This SHARE PURCHASE AGREEMENT dated as of December 29, 2021 (this “**Agreement**”) is made and entered into by and between (i) AMTD International Inc., a company incorporated under the laws of the Cayman Islands (the “**Company**”), and (ii) Unicorn Star Limited, a company organized under the laws of British Virgin Islands (the “**Purchaser**”).

**WITNESSETH:**

WHEREAS, the Company desires to issue, sell and deliver to the Purchaser, and the Purchaser desires to purchase and acquire from the Company (the “**Investment**”), upon the terms and conditions set forth in this Agreement, certain Class A Shares (as defined below) of the Company.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

**ARTICLE 1**

**DEFINITIONS**

Section 1.01 *Definitions*. (a) The following terms, as used herein, have the following meanings:

“**ADSs**” means the American depository shares of the Company, each representing one (1) Class A Share.

“**Affiliate**” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person; *provided* that none of the Company, any of its Subsidiaries shall be considered an Affiliate of the Purchaser. For purposes of this definition, “**control**” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms “**controlling**” and “**controlled**” have correlative meanings.

“**Applicable Law**” means, with respect to any Person, any international, domestic or foreign federal, state or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority that is binding upon or applicable to such Person, as amended unless expressly specified otherwise.

“**Board**” means the board of directors of the Company.

“**Business Day**” means a day, other than Saturday, Sunday or other day on which commercial banks in New York, NY, the Cayman Islands or Hong Kong are authorized or required by Applicable Law to close.



“**Class A Shares**” means Class A ordinary shares, par value US\$0.0001 per share, in the share capital of the Company.

“**Class B Shares**” means the Class B ordinary shares, par value US\$0.0001 per share, in the share capital of the Company.

“**Closing Date**” means the date of the Closing.

“**Contract**” means any agreement, contract, lease, indenture, instrument, note, debenture, bond, mortgage or deed of trust or other agreement, commitment, arrangement or understanding, whether written or oral.

“**Encumbrance**” means any security interest, pledge, mortgage, lien, charge, claim, hypothecation, title defect, right of first option or refusal, right of preemption, or other encumbrance of any kind.

“**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended, and any rules and regulations promulgated thereunder.

“**Governmental Authority**” means any transnational, domestic or foreign federal, state or local governmental, regulatory or administrative authority, department, court, agency or official, including any political subdivision thereof.

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“**IFRS**” means International Financial Reporting Standards issued by International Accounting Standards Board.

“**Issued Shares**” means 140,186 Class A Shares to be newly issued by the Company to the Purchaser on the Closing Date.

“**knowledge**” of any Person that is not an individual means the knowledge of such Person’s officers after reasonable inquiry.

“**Material Adverse Effect**” means any event, circumstance, development, change or effect that, individually or in the aggregate, has or would reasonably be expected to have a material adverse effect on (i) the financial condition or results of operations of the Company and its Subsidiaries, taken as a whole, excluding any such effect resulting from (A) the announcement of the transactions contemplated by this Agreement, (B) changes affecting any of the industries in which the Company or its Subsidiaries operate generally or the economy generally or (C) changes affecting general worldwide economic or capital market conditions, or (ii) the authority or ability of the Company to perform its obligations under this Agreement and to consummate the transactions contemplated hereby.

“**Memorandum and Articles**” means the Memorandum and Articles of Association of the Company in effect from time to time.

“**NYSE**” means the New York Stock Exchange.

“**Ordinary Shares**” means collectively the Class A Shares and the Class B Shares.



“**Person**” means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a Governmental Authority.

“**Sarbanes-Oxley Act**” means the Sarbanes-Oxley Act of 2002.

“**SEC**” means the U.S. Securities and Exchange Commission.

“**Securities**” means any Ordinary Shares or any equity interest of, or shares of any class in the share capital (ordinary, preferred or otherwise) of, the Company and any convertible securities, options, warrants and any other type of equity or equity-linked securities convertible, exercisable or exchangeable for any such equity interest or shares of any class in the share capital of the Company.

“**Securities Act**” means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“**Subsidiary**” of any Person means any corporation, partnership, limited liability company, joint stock company, joint venture or other organization or entity, whether incorporated or unincorporated, which is controlled by such Person.

“**Transfer**” means directly or indirectly, offer, sell, contract to sell, pledge, transfer, assign, give, hypothecate, encumber, grant a security interest in, convey in trust, gift, devise or descent, or otherwise dispose of, or suffer to exist (whether by operation of law or otherwise) any Encumbrance on, any Issued Shares or any right, title or interest therein or thereto, or enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of any Issued Shares, whether any such aforementioned transaction is to be settled by delivery of the Ordinary Shares, ADSs or such other securities, in cash or otherwise, or publicly disclose the intention to make any such disposition or to enter into any such transaction, swap, hedge or other arrangement, including transfers pursuant to divorce or legal separation, transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntary or by operation of law, directly or indirectly, of any Issued Shares.

“**U.S.**” or “**United States**” means the United States of America.

(b) Each of the following terms is defined in the Section set forth opposite such term:

Term	Section
Agreement	Preamble
Bankruptcy Exception	Section 3.04
Closing	Section 2.02
Company	Preamble
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Third Party Claim	Section 7.03(a)



Section 1.02 *Other Definitional and Interpretative Provisions*. The words “hereof,” “herein” and “hereunder” and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections, Exhibits and Schedules are to Articles, Sections, Exhibits and Schedules of this Agreement unless otherwise specified. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation,” whether or not they are in fact followed by those words or words of like import. “Writing,” “written” and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof; provided that with respect to any agreement or contract listed on any schedules hereto, all such amendments, modifications or supplements must also be listed in the appropriate schedule. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to “law,” “laws” or to a particular statute or law shall be deemed also to include any and all Applicable Law.

## ARTICLE 2

### PURCHASE AND SALE

Section 2.01 *Purchase and Sale*. Upon the terms and subject to the conditions of this Agreement, at the Closing, the Company agrees to issue and sell to the Purchaser, and the Purchaser agrees to subscribe for and purchase from the Company, the Issued Shares. The aggregate subscription price for the Issued Shares is US\$600,000 (“**Subscription Price**”), or US\$4.28 per share. The Subscription Price shall be paid as provided in Section 2.02.

Section 2.02 *Closing*. The closing (the “**Closing**”) of the issuance and sale of the Issued Shares hereunder shall take place remotely via the electronic exchange of documents and signatures, as soon as possible, but in no event later than one (1) Business Day, after satisfaction or, to the extent permissible, waiver by the party or parties entitled to the benefit of the conditions set forth in Article 6 (other than conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or, to the extent permissible, waiver of those conditions at the Closing), or at such other time or place as the parties hereto may agree. At the Closing:



(a) the Purchaser shall deliver to the Company the Subscription Price by wire transfer in U.S. dollars of immediately available funds to a bank account designated by the Company at least one (1) Business Day prior to the Closing Date; and

(b) the Company shall deliver to the Purchaser: (i) a certified copy of the relevant page of the register of members of the Company reflecting the Purchaser as the owner of Issued Shares, and (ii) a share certificate representing the Issued Shares duly executed on behalf of the Company and registered in the name of the Purchaser (or, if not available at the Closing, a certified copy of such share certificate with the original to be delivered promptly as soon as possible after the Closing).

### ARTICLE 3

#### REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Purchaser that:

Section 3.01 *Organization and Qualification*. The Company is an exempted company duly incorporated, validly existing and in good standing under the laws of the Cayman Islands, and has the requisite corporate power and authorization to own, lease and operate its properties and to carry on its business as now being conducted and as described in the SEC Documents. The Company is duly qualified or licensed to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except to the extent that the failure to be so qualified or licensed would not have a Material Adverse Effect. The memorandum and articles of association of the Company as filed with the SEC is the current Memorandum and Articles and is in full force and effect. The Company is not in violation of any of the provisions of its Memorandum and Articles except as would not have a Material Adverse Effect.

Section 3.02 *Subsidiaries*. Each Subsidiary of the Company has been duly organized, is validly existing and in good standing (with respect to jurisdictions that recognize the concept of good standing) under the laws of its jurisdiction of organization, and has the requisite corporate power and authorization to own, lease and operate its properties and to carry on its business as now being conducted and as described in the SEC Documents. Each Subsidiary of the Company is duly qualified or licensed to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except to the extent that the failure to be so qualified or licensed would not have a Material Adverse Effect. The constitutional documents of each of the Company's Subsidiaries are in full force and effect except as would not have a Material Adverse Effect. None of the Company's Subsidiaries is in violation of any of the provisions of its constitutional documents except as would not have a Material Adverse Effect.



Section 3.03 *Capitalization.*

(a) As of the date of this Agreement, the authorized share capital of the Company consists of 8,000,000,000 Class A Shares and 2,000,000,000 Class B Shares. As of the date of this Agreement, (i)(A) 62,327,851 Class A Shares are issued and outstanding, (B) 27,017,263 Class A Shares are reserved and available for issuance pursuant to share-based compensation awards granted under the Company's SpiderMan Share Incentive Plan (the "Company ESOP") and (ii) 183,283,628 Class B Shares are issued and outstanding. Except as set forth in this Section 3.03(a), as of the date of this Agreement, no Securities were issued, reserved for issuance or outstanding and no securities of any of its Subsidiaries convertible into or exchangeable or exercisable for any Securities were issued or are outstanding. All outstanding Ordinary Shares are, and all such shares that may be issued prior to the date hereof will be, when issued, duly authorized, validly issued, fully paid and non-assessable and not subject to preemptive rights. Except for any obligations pursuant to this Agreement or as otherwise set forth above in this Section 3.03(a) and other than pursuant to the Company ESOP, as of the date of this Agreement, there are no options or other rights to acquire from the Company, or other obligation of the Company to issue, any additional Securities, and there are no outstanding obligations of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any Securities.

(b) All of the outstanding capital or other voting securities of each Subsidiary is owned by the Company, directly or indirectly, free and clear of any Encumbrance. All of the issued equity securities of each Subsidiary of the Company are validly issued, fully paid and non-assessable, and were issued in compliance with the applicable registration and qualification requirements of Applicable Laws.

(c) There are no preemptive rights, registration rights, rights of first offer, rights of first refusal, tag-along rights, director appointment rights, governance rights, veto rights or other similar rights with respect to the Securities or the securities of any Subsidiary of the Company that have been granted to any Person (other than the Company or any Subsidiary).

Section 3.04 *Authorization; Enforcement; Validity.* The Company has the requisite corporate power and authority to execute and deliver this Agreement and perform its obligations under this Agreement and to issue the Issued Shares in accordance with the terms hereof. This Agreement has been duly executed and delivered by the Company, and, assuming the due authorization, execution and delivery by the Purchaser (and each other party thereto), constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles (the "Bankruptcy Exception").

Section 3.05 *No Conflicts.* The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby (including the issuance of the Issued Shares) will not (i) result in a violation of the Memorandum and Articles, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any Contract to which the Company or any of its Subsidiaries is a party, or (iii) result in a violation of any Applicable Law to the Company or by which any property or asset of the Company or any of its Subsidiaries is bound or affected, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights or violations which would not have a Material Adverse Effect.

Section 3.06 *Consents.* The execution, delivery and performance of this Agreement by the Company require no (i) consent, approval, authorization, action or order of, any exemption by, any notice to, or any filing or registration with, any Governmental Authority or (ii) any consent, approval or authorization from or any waiver by any third party pursuant to any Contract to which the Company or any of its Subsidiaries except as would not have a Material Adverse Effect.





Section 3.07 *Valid Issuance*. The Issued Shares are duly authorized, and, when issued and paid for in accordance with the terms hereof and entered in the register of members of the Company, shall be validly issued and non-assessable and free from all preemptive or similar rights and Encumbrances, and the Purchaser shall be entitled to all rights accorded to a holder of the Class A Shares with respect to the Issued Shares (as applicable).

Section 3.08 *No Registration*. Assuming the accuracy of the representations and warranties set forth in Section 4.05 of this Agreement, it is not necessary in connection with the issuance and sale of the Issued Shares to register the Issued Shares under the Securities Act or to qualify or register the Issued Shares under applicable U.S. state securities laws. None of the Company, its Subsidiaries or their respective Affiliates or any Person acting on its or their behalf have engaged in any “directed selling efforts” within the meaning of Rule 903 of Regulation S under the Securities Act or any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act with respect to the Issued Shares.

Section 3.09 *SEC Documents*. The Company has timely filed or furnished, as applicable, all reports, schedules, forms, statements and other documents required to be filed or furnished by it with the SEC pursuant to the Securities Act or the Exchange Act (all of the foregoing documents filed with or furnished to the SEC and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the “**SEC Documents**”). As of their respective filing or furnishing dates, the SEC Documents complied in all material respects with the requirements of the Sarbanes-Oxley Act, the Securities Act or the Exchange Act, as the case may be, and the rules and regulations promulgated thereunder, as applicable, to the respective SEC Documents, and, other than as corrected or clarified in a subsequent SEC Document prior to the date of this Agreement, none of the SEC Documents, at the time they were filed or furnished, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The information contained in the SEC Documents, considered as a whole and as amended as of the date hereof, do not as of the date hereof, and will not as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. There are no contracts, agreements, arrangements, transactions or documents which are required to be described or disclosed in the SEC Documents or to be filed as exhibits to the SEC Documents which have not been so described, disclosed or filed.

Section 3.10 *Financial Statements*. As of their respective dates, the financial statements of the Company included in the SEC Documents (the “**Financial Statements**”) complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. The Financial Statements (including any related notes thereto) included or incorporated by reference in the SEC Documents fairly presented in all material respects the consolidated financial position of the Company as of the dates indicated therein and the consolidated results of its operations, cash flows and changes in shareholders’ equity for the periods specified therein. Such Financial Statements were prepared in accordance with IFRS applied on a consistent basis (except (i) as may be otherwise indicated in such Financial Statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed to summary statements).



Section 3.11 *Internal Controls and Procedures*. The Company has established and maintains disclosure controls and procedures as such terms are defined in, and required by, Rule 13a-15 or Rule 15d-15 under the Exchange Act. Except as may be disclosed in the SEC Documents, such disclosure controls and procedures are effective to ensure that all material information required to be disclosed by the Company in the reports that it files or furnishes under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. The Company maintains a system of internal controls over financial reporting sufficient to, except to the extent disclosed in the SEC Documents, provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations and (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS. Other than the material weaknesses in such internal controls over financial reporting disclosed in the SEC Documents, there are no such other material weaknesses in such system of internal controls. To the knowledge of the Company, there is no reason that its chief executive officer and chief financial officer will not be able to give the certifications and attestations required pursuant to the rules and regulations adopted pursuant to Section 404 of the Sarbanes-Oxley Act, without qualification, when next due.

Section 3.12 *Compliance with Applicable Laws*. The Company and each of its Subsidiaries have conducted their businesses in compliance with all Applicable Laws (including, without limitation, the U.S. Foreign Corrupt Practices Act, as amended) except as may be disclosed in the SEC Documents and as would not have a Material Adverse Effect. Except as may be disclosed in the SEC Documents, the Company and each of its Subsidiaries have all permits, licenses, authorizations, consents, orders and approvals (collectively, "Permits") that are required in order to carry on their business as presently conducted, except where the failure to have such Permits or the failure to make such filings, applications and registrations, would not have a Material Adverse Effect. Except as may be disclosed in the SEC Documents, all such Permits are in full force and effect and, to the knowledge of the Company, no suspension or cancellation of any of them is threatened, except where such absence, suspension or cancellation, would not have a Material Adverse Effect. The Company is in compliance with the applicable listing and corporate governance rules and regulations of the NYSE. The Company and its Subsidiaries have taken no action designed to, or reasonably likely to have the effect of, delisting the ADSs from the NYSE. The Company has not received any notification that the SEC or the NYSE is contemplating suspending or terminating such listing (or the applicable registration under the Exchange Act related thereto), and has no knowledge of any facts that would reasonably be expected to lead to delisting or suspension of its ADSs from the NYSE in the foreseeable future.

Section 3.13 *Insolvency and Winding-up*. Both before and after giving effect to the transactions contemplated by this Agreement, each of the Company and its Subsidiaries (i) will be solvent (in that both the fair value of its assets will not be less than the sum of its debts and that the present fair saleable value of its assets will not be less than the amount required to pay its probable liability on its recourse debts as they mature or become due) and (ii) will have adequate capital and liquidity with which to engage in the their businesses as currently conducted and as described in the SEC Documents. No order or petition has been presented or resolution passed for the administration, winding-up, dissolution, or liquidation of any of the Company and its Subsidiaries and no administrator, receiver, or manager has been appointed in respect thereof. None of the Company and its Subsidiaries has commenced any other proceeding under any bankruptcy, reorganization, composition, arrangement, adjustment of debt, release of debtors, dissolution, insolvency, liquidation, or similar law of any jurisdiction and no such proceedings have been commenced or is anticipated to be commenced against any of the Company and its Subsidiaries.



**ARTICLE 4**

**REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

The Purchaser represents and warrants to the Company that:

Section 4.01 *Organization*. The Purchaser is duly established, validly existing and in good standing under the laws of its jurisdiction of formation and has the requisite power and authorization to own, lease and operate its properties and to carry on its business as now being conducted.

Section 4.02 *Authorization; Enforcement; Validity*. The Purchaser has the requisite power and authority to execute and deliver this Agreement and perform its obligations under this Agreement in accordance with the terms hereof. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite action by the Purchaser and no other filing, consent or authorization on the part of the Purchaser is necessary to authorize or approve this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Purchaser, and, assuming the due authorization, execution and delivery by the Company, constitutes a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, subject to the Bankruptcy Exception.

Section 4.03 *No Conflicts*. The execution, delivery and performance by the Purchaser of this Agreement and the consummation by the Purchaser of the transactions contemplated hereby will not (i) result in a violation of the organizational or constitutional documents of the Purchaser, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any Contract to which the Purchaser is a party, or (iii) result in a violation of any Applicable Law to the Purchaser or by which any property or asset of the Purchaser is bound or affected.

Section 4.04 *Consents*. The execution, delivery and performance of this Agreement by the Purchaser require no (i) consent, approval, authorization, action or order of, any exemption by, any notice to, or any filing or registration with, any Governmental Authority or (ii) any consent, approval or authorization from or any waiver by any third party pursuant to any Contract to which it is a party.

Section 4.05 *Status and Investment Intent of the Purchaser*.

(a) The Purchaser is (i) not a "U.S. person" within the meaning of Regulation S under the Securities Act and is acquiring the Issued Shares in an offshore transaction under Rule 903 of Regulation S under the Securities Act, or (ii) an "accredited investor" within the meaning of SEC Rule 501 of Regulation D, as presently in effect, under the Act.



(b) The Purchaser (i) has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks involved in purchasing the Issued Shares and (ii) is capable of bearing the economic risk of the Investment.

(c) The Purchaser is acquiring the Issued Shares for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except pursuant to sales registered or exempted under the Securities Act. By executing this Agreement, the Purchaser further represents that, as of the date of this Agreement, it does not have any contract with any person to sell, transfer, or grant participation to any person, with respect to any of the Issued Shares.

(d) The Purchaser acknowledges and affirms that, with the assistance of its advisors (if applicable), it has conducted and completed its own investigation, analysis and evaluation related to the investment in the Issued Shares.

Section 4.06 *Restricted Securities*. The Purchaser understands that the Issued Shares it is purchasing are characterized as “restricted securities” under U.S. federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Act only in certain limited circumstances.

Section 4.07 *Legends*. It is understood that the certificates evidencing the Issued Shares shall bear the following legend:

“THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR A VALID EXEMPTION THEREFROM.”

## ARTICLE 5

### COVENANTS

Section 5.01 *Interim Conduct; Further Assurances*.

(a) From the date hereof until the Closing Date, the Company shall, and shall cause each of its Subsidiaries to, (i) conduct its business and affairs in the ordinary course of business consistent with past practice, (ii) not take any action, or omit to take any action, that would reasonably be expected to make (x) any of its representations and warranties in this Agreement untrue, or (y) any of the conditions for the benefit of the Purchaser set forth in Article 6 not to be satisfied, in each case, at, or as of any time before, the Closing Date.

(b) Each party hereto shall use its respective best efforts to promptly fulfill or obtain the fulfillment of the conditions precedent to the consummation of the transactions contemplated by this Agreement, including the execution and delivery of any documents, certificates, instruments or other papers that are required for the consummation of such transactions, and will cooperate and consult with the other and use its best efforts to prepare and file all necessary documentation, to effect all necessary applications, notices, petitions, filings and other documents, and to obtain all necessary Permits of, or any exemption by, all Governmental Authorities, necessary or advisable to consummate the transactions contemplated by this Agreement. After the Closing Date, each party shall execute and deliver such further certificates, agreements and other documents and take such other actions as the other party may reasonably request to consummate or implement any applicable transactions contemplated hereby or to evidence any relevant events or matters.



Section 5.02 *Listing of Securities*. The Company shall (i) take all actions necessary to continue the listing and trading of its ADSs on the NYSE and shall materially comply with the Company's reporting, filing and other obligations under the rules of the NYSE, in each case, through the Closing, and (ii) at its own cost file with the NYSE a supplemental listing application in respect of the Issued Shares.

Section 5.03 *Lock-up*. The Purchaser shall not, during the Lock-Up Period (as defined below), Transfer any Issued Shares or any interest therein without the prior written consent of the Company (which the Company may grant or withhold in the Company's sole discretion), except for the Affiliate of the Purchaser. As used herein, the "**Lock-Up Period**" with respect to any Issued Shares held by the Purchaser will commence on the Closing Date and continue until and include the date that is six (6) months after the Closing Date.

## ARTICLE 6

### CONDITIONS TO CLOSING

Section 6.01 *Conditions to Obligations of All Parties*. The obligations of each party hereto to consummate the Closing are subject to the satisfaction of the following conditions:

(a) No provision of any Applicable Law or no judgment entered by or with any Governmental Authority with competent jurisdiction, shall be in effect that enjoins, prohibits or materially alters the terms of the transactions contemplated by this Agreement.

(b) No Proceeding challenging this Agreement or the transactions contemplated hereby, or seeking to prohibit, alter, prevent or materially delay the Closing, shall have been instituted or be pending before any Governmental Authority.

Section 6.02 *Conditions to Obligation of the Purchaser*. The obligation of the Purchaser to consummate the Closing is subject to the satisfaction of the following further conditions:

(a) (i) the representations and warranties of the Company that are qualified by materiality or Material Adverse Effect shall be true and correct in all respects on and as of the Closing Date as though made on and as of the Closing Date; (ii) the representations and warranties of the Company that are not qualified by materiality or Material Adverse Effect shall be true and correct in all respects on and as of the Closing Date as though made on and as of the Closing Date; (iv) the Company shall have performed or complied with all obligations and conditions in this Agreement required to be performed or complied with by the Company on or prior to the Closing Date; and (v) there shall have been no Material Adverse Effect.

Section 6.03 *Conditions to Obligation of the Company*. The obligations of the Company to consummate the Closing are subject to the satisfaction of the following further conditions:



(a) The representations and warranties of the Purchaser in this Agreement shall be true and correct in all material respects on and as of the Closing Date as though made on and as of the Closing Date.

(b) The Purchaser shall have performed all obligations and conditions herein required to be performed or observed by the Purchaser on or prior to the Closing Date (including but not limited to its payment obligations under Section 2.02(a)).

## ARTICLE 7

### SURVIVAL; INDEMNIFICATION

#### Section 7.01 *Survival.*

(a) All representations and warranties made by any Party contained in this Agreement shall survive the Closing until twelve (12) months after of the Closing Date.

(b) Notwithstanding anything to the contrary in the foregoing clause, (i) any breach of representation or warranty in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to the preceding clause (a), if notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time and (ii) any breach of representation or warranty in respect of which indemnity may be sought that was caused as a result of fraud or intentional misrepresentation shall survive indefinitely or until the latest date permitted by law.

#### Section 7.02 *Indemnification.*

(a) Effective at and after the Closing, each Party hereto, as applicable (the “**Indemnifying Party**”) shall indemnify and hold harmless the other Party and its Affiliates (the “**Indemnified Parties**”) against and from any and all damage, loss, liability and expense (including reasonable expenses of investigation and reasonable attorneys’ fees and expenses) (“**Losses**”), incurred or suffered by the Indemnified Parties arising out of any misrepresentation or breach of representation or warranty or breach of covenants or agreements by the Indemnifying Party under this Agreement; *provided* that (i) the Indemnifying Party’s maximum liability under this Section 7.02 shall not exceed the Subscription Price, (ii) no Indemnifying Party shall be liable for any Losses consisting of punitive damages, (iii) the amount of any Losses for which indemnification is provided under this section shall be reduced by (a) any amounts that have been recovered by any Indemnified Party from any third party, and (b) any insurance proceeds or other cash receipts or source of reimbursement that have been received by any Indemnified Party with respect to such Losses, in each case, net of any costs of recovery, and (iv) each Indemnified Party shall use commercially reasonable efforts to mitigate the Losses it incurs.

(b) Notwithstanding any other provision contained herein, the remedies contained in this Section shall be the sole and exclusive monetary remedy of the Indemnified Parties for any claim arising out of or resulting from this Agreement, except that no limitation or exceptions with respect to the obligations or liabilities on either Party provided hereunder shall apply to a Loss incurred by any Indemnified Party arising due to the fraud or fraudulent misrepresentation of the Indemnifying Party.



Section 7.03 *Third Party Claim Procedures.*

(a) The Indemnified Party seeking indemnification under Section 7.02 agrees to give reasonably prompt notice in writing to Indemnifying Party of the assertion of any claim or the commencement of any suit, action or proceeding by any third party (“**Third Party Claim**”) in respect of which indemnity may be sought under Section 7.02. Such notice shall set forth in reasonable detail such Third Party Claim and the basis for indemnification (taking into account the information then available to the Indemnified Party). The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent such failure shall have actually materially and adversely prejudiced the Indemnifying Party.

(b) The Indemnifying Party shall be entitled to participate in the defense of any Third Party Claim and, subject to the limitations set forth in this Section 7.03, shall be entitled to control and appoint lead counsel (that is reasonably satisfactory to the Indemnified Party) for such defense, in each case at its own expense; *provided* that prior to assuming control of such defense, the Indemnifying Party must (i) acknowledge in writing that it would have an indemnity obligation to the Indemnified Party for the Losses resulting from such Third Party Claim and (ii) furnish the Indemnified Party with reasonable evidence that the Indemnifying Party has adequate resources to defend the Third Party Claim and fulfill its indemnity obligations hereunder.

(c) The Indemnifying Party shall not be entitled to assume or maintain control of the defense of any Third Party Claim and shall pay the reasonable fees, costs and expenses of counsel retained by the Indemnified Party if (i) the Indemnifying Party does not deliver the acknowledgment referred to in Section 7.03(b) within thirty (30) days of receipt of notice of the Third Party Claim pursuant to Section 7.03(a), (ii) the Third Party Claim relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation, (iii) the Indemnified Party reasonably believes an adverse determination with respect to the Third Party Claim would be materially detrimental to the reputation or future business prospects of the Indemnified Party or any of its Affiliates, (iv) the Third Party Claim seeks an injunction or equitable relief against the Indemnified Party or any of its Affiliates or (v) the Indemnifying Party has failed or is failing to prosecute or defend the Third Party Claim vigorously and prudently.

(d) If the Indemnifying Party shall assume the control of the defense of any Third Party Claim in accordance with the provisions of Section 7.03(c), the Indemnifying Party shall obtain the prior written consent of the Indemnified Party (which shall not be unreasonably withheld) before entering into any settlement of such Third Party Claim if the settlement does not expressly unconditionally release the Indemnified Party and its Affiliates from all liabilities and obligations with respect to such Third Party Claim or the settlement imposes injunctive or other equitable relief against the Indemnified Party or any of its Affiliates.

(e) In circumstances where the Indemnifying Party is controlling the defense of a Third Party Claim in accordance with Section 7.03(c), the Indemnified Party shall be entitled to participate in the defense of any Third Party Claim and to employ separate counsel of its choice for such purpose, in which case the fees, costs and expenses of such separate counsel shall be borne by the Indemnified Party; *provided* that Indemnifying Party shall pay the fees, costs and expenses of such separate counsel of the Indemnified Party if (i) incurred by the Indemnified Party prior to the date the Indemnifying Party assumes control of the defense of the Third Party Claim, (ii) if representation of both the Indemnifying Party and the Indemnified Party by the same counsel would create a conflict of interest or (iii) the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it which are different from or additional to those available to the Indemnifying Party.



(f) Each party shall reasonably cooperate, and cause their respective Affiliates to reasonably cooperate, in the defense or prosecution of any Third Party Claim.

Section 7.04 *Direct Claim Procedures*. In the event an Indemnified Party has a claim for indemnity under Section 7.02 against the Indemnifying Party that does not involve a Third Party Claim, the Indemnified Party agrees to give notice in writing of such claim to the Indemnifying Party. Such notice shall set forth in reasonable detail such claim and the basis for indemnification (taking into account the information then available to the Indemnified Party). The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent such failure shall have actually materially and adversely prejudiced the Indemnifying Party. If the Indemnifying Party does not notify the Indemnified Party within thirty (30) days following the receipt of a notice with respect to any such claim that the Indemnifying Party disputes its indemnity obligation to the Indemnified Party for any Losses with respect to such claim, such Losses shall be conclusively deemed a liability of the Indemnifying Party and the Indemnifying Party shall promptly pay to the Indemnified Party any and all Losses arising out of such claim. If the Indemnifying Party has timely disputed its indemnity obligation for any Losses with respect to such claim, the parties shall proceed in good faith to negotiate a resolution of such dispute and, if not resolved through such negotiations, such dispute shall be resolved by arbitration determined pursuant to Section 9.06.

**ARTICLE 8**

**TERMINATION**

Section 8.01 *Grounds for Termination*. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of each party hereto;

(b) by the Purchaser or the Company if the Closing shall not have occurred on or before December 31, 2021; *provided* that such right to terminate this Agreement shall not be available to any party whose failure to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to such date; or

(c) by any party in the event that any Governmental Authority shall have issued a judgment or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such judgment or other action shall have become final and non-appealable.

The party desiring to terminate this Agreement pursuant to Section 8.01(b) or Section 8.01(c) shall give notice of such termination to the other parties hereto specifying the provision hereof pursuant to which such termination is made.

Section 8.02 *Effect of Termination*. In the event of termination of this Agreement, this Agreement shall forthwith become void and of no further force or effect (except for Article 9, which shall survive such termination) and there shall be no liability on the part of any party hereto except that nothing herein shall relieve any party from any liability for Losses for any breach of this Agreement.





**ARTICLE 9**

**MISCELLANEOUS**

Section 9.01 *Notices*. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission and by letter, so long as a receipt of such letter is requested and received) and shall be given,

if to the Company, to:

AMTD International Inc.  
23/F, Nexxus Building  
41 Connaught Road Central  
Hong Kong  
Attention:  
Facsimile:  
Email:

if to the Purchaser, to:

Unicorn Star Limited  
11/F, 68 Yee Wo Street  
Causeway Bay  
Hong Kong  
Attention: Board of Directors  
Facsimile:

or such other address or facsimile number as such party may hereafter specify for the purpose by notice to the other parties hereto. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

Section 9.02 *Amendments and Waivers*. (a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.



Section 9.03 *Expenses*. Except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

Section 9.04 *Successors and Assigns*. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; *provided* that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of each other party hereto.

Section 9.05 *Governing Law*. This Agreement, the rights and obligations of the parties hereto, and all claims or disputes relating hereto, shall be governed by and construed in accordance with the law of Hong Kong, without regard to the conflicts of law rules thereunder.

Section 9.06 *Arbitration*. Any dispute, controversy or claim arising out of or relating to this Agreement, including, but not limited to, any question regarding the breach, termination or invalidity thereof shall be finally resolved by arbitration in Hong Kong in accordance with the administered rules (the “**Rules**”) of the Hong Kong International Arbitration Centre (the “**HKIAC**”) in force at the time of commencement of the arbitration, which Rules are deemed to be incorporated by reference into this Section. The number of arbitrators shall be three and shall be selected in accordance with the Rules. All selections shall be made within thirty (30) days after the selecting party gives or receives, as the case may be, the demand for arbitration. The seat of the arbitration shall be in Hong Kong and the language to be used shall be English. Any arbitration award shall be (i) in writing and shall contain the reasons for the decision, (ii) final and binding on the parties hereto and (iii) enforceable in any court of competent jurisdiction, and the parties hereto agree to be bound thereby and to act accordingly.

Section 9.07 *Counterparts; Effectiveness; Third Party Beneficiaries*. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Signatures in the form of facsimile or electronically imaged “PDF” shall be deemed to be original signatures for all purposes hereunder. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by all of the other parties hereto. Until and unless each party has received a counterpart hereof signed by the other party hereto, this Agreement shall have no effect and no party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). No provision of this Agreement is intended to confer any rights, benefits, remedies, obligations, or liabilities hereunder upon any Person other than the parties hereto and their respective successors and assigns.

Section 9.08 *Entire Agreement*. This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

Section 9.09 *Severability*. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other Governmental Authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.



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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

**AMTD INTERNATIONAL INC.**

By: /s/ William Fung  
Name: William Fung  
Title: Chief Executive Officer

*[Signature Page to SPA]*



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

**UNICORN STAR LIMITED**

By: /s/ Kenneth Ng Kwai Kai and Allen Wan Tze Wai

Name: Kenneth Ng Kwai Kai and

Allen Wan Tze Wai

Title: Directors

*[Signature Page to SPA]*



**SHARE PURCHASE AGREEMENT**

dated as of

December 29, 2021

between

**AMTD INTERNATIONAL INC.**

and

**LONGLING CAPITAL LTD**

**Summary of Key Terms**

**Purchaser: Longling Capital Ltd**

**Shares to be purchased:** 23,364 Class A ordinary shares of AMTD International Inc., par value US\$0.0001 each, to be newly issued

**Purchase price:** US\$4.28 per Class A ordinary share, or US\$100,000 in aggregate

**Lock-up period:** six (6) months after the closing

**Long stop date of closing:** January 14, 2021.



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**SHARE PURCHASE AGREEMENT**

This SHARE PURCHASE AGREEMENT dated as of December 29, 2021 (this “**Agreement**”) is made and entered into by and between (i) AMTD International Inc., a company incorporated under the laws of the Cayman Islands (the “**Company**”), and (ii) Longling Capital Ltd, a company organized under the laws of British Virgin Islands (the “**Purchaser**”).

**WITNESSETH:**

WHEREAS, the Company desires to issue, sell and deliver to the Purchaser, and the Purchaser desires to purchase and acquire from the Company (the “**Investment**”), upon the terms and conditions set forth in this Agreement, certain Class A Shares (as defined below) of the Company.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

**ARTICLE 1**

**DEFINITIONS**

Section 1.01 *Definitions*. (a) The following terms, as used herein, have the following meanings:

“**ADSs**” means the American depository shares of the Company, each representing one (1) Class A Share.

“**Affiliate**” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person; *provided* that none of the Company, any of its Subsidiaries shall be considered an Affiliate of the Purchaser. For purposes of this definition, “**control**” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms “**controlling**” and “**controlled**” have correlative meanings.

“**Applicable Law**” means, with respect to any Person, any international, domestic or foreign federal, state or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority that is binding upon or applicable to such Person, as amended unless expressly specified otherwise.

“**Board**” means the board of directors of the Company.

“**Business Day**” means a day, other than Saturday, Sunday or other day on which commercial banks in New York, NY, the Cayman Islands or Hong Kong are authorized or required by Applicable Law to close.





“**Class A Shares**” means Class A ordinary shares, par value US\$0.0001 per share, in the share capital of the Company.

“**Class B Shares**” means the Class B ordinary shares, par value US\$0.0001 per share, in the share capital of the Company.

“**Closing Date**” means the date of the Closing.

“**Contract**” means any agreement, contract, lease, indenture, instrument, note, debenture, bond, mortgage or deed of trust or other agreement, commitment, arrangement or understanding, whether written or oral.

“**Encumbrance**” means any security interest, pledge, mortgage, lien, charge, claim, hypothecation, title defect, right of first option or refusal, right of preemption, or other encumbrance of any kind.

“**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended, and any rules and regulations promulgated thereunder.

“**Governmental Authority**” means any transnational, domestic or foreign federal, state or local governmental, regulatory or administrative authority, department, court, agency or official, including any political subdivision thereof.

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“**IFRS**” means International Financial Reporting Standards issued by International Accounting Standards Board.

“**Issued Shares**” means 23,364 Class A Shares to be newly issued by the Company to the Purchaser on the Closing Date.

“**knowledge**” of any Person that is not an individual means the knowledge of such Person’s officers after reasonable inquiry.

“**Material Adverse Effect**” means any event, circumstance, development, change or effect that, individually or in the aggregate, has or would reasonably be expected to have a material adverse effect on (i) the financial condition or results of operations of the Company and its Subsidiaries, taken as a whole, excluding any such effect resulting from (A) the announcement of the transactions contemplated by this Agreement, (B) changes affecting any of the industries in which the Company or its Subsidiaries operate generally or the economy generally or (C) changes affecting general worldwide economic or capital market conditions, or (ii) the authority or ability of the Company to perform its obligations under this Agreement and to consummate the transactions contemplated hereby.

“**Memorandum and Articles**” means the Memorandum and Articles of Association of the Company in effect from time to time.

“**NYSE**” means the New York Stock Exchange.

“**Ordinary Shares**” means collectively the Class A Shares and the Class B Shares.



“**Person**” means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a Governmental Authority.

“**Sarbanes-Oxley Act**” means the Sarbanes-Oxley Act of 2002.

“**SEC**” means the U.S. Securities and Exchange Commission.

“**Securities**” means any Ordinary Shares or any equity interest of, or shares of any class in the share capital (ordinary, preferred or otherwise) of, the Company and any convertible securities, options, warrants and any other type of equity or equity-linked securities convertible, exercisable or exchangeable for any such equity interest or shares of any class in the share capital of the Company.

“**Securities Act**” means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“**Subsidiary**” of any Person means any corporation, partnership, limited liability company, joint stock company, joint venture or other organization or entity, whether incorporated or unincorporated, which is controlled by such Person.

“**Transfer**” means directly or indirectly, offer, sell, contract to sell, pledge, transfer, assign, give, hypothecate, encumber, grant a security interest in, convey in trust, gift, devise or descent, or otherwise dispose of, or suffer to exist (whether by operation of law or otherwise) any Encumbrance on, any Issued Shares or any right, title or interest therein or thereto, or enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of any Issued Shares, whether any such aforementioned transaction is to be settled by delivery of the Ordinary Shares, ADSs or such other securities, in cash or otherwise, or publicly disclose the intention to make any such disposition or to enter into any such transaction, swap, hedge or other arrangement, including transfers pursuant to divorce or legal separation, transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntary or by operation of law, directly or indirectly, of any Issued Shares.

“**U.S.**” or “**United States**” means the United States of America.

(b) Each of the following terms is defined in the Section set forth opposite such term:

<u>Term</u>	<u>Section</u>
Agreement	Preamble
Bankruptcy Exception	Section 3.04
Closing	Section 2.02
Company	Preamble
Company ESOP	Section 3.03(a)
e-mail	Section 9.01
Financial Statements	Section 3.10
HKIAC	Section 9.06
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Indemnifying Party	Section 7.02(a)
Investment	Recitals
Lock-Up Period	Section 5.03
Losses	Section 7.02(a)
Permits	Section 3.12
Purchaser	Preamble
Rules	Section 9.06
SEC Documents	Section 3.09
Subscription Price	Section 2.01
Third Party Claim	Section 7.03(a)



Section 1.02 *Other Definitional and Interpretative Provisions*. The words “hereof,” “herein” and “hereunder” and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections, Exhibits and Schedules are to Articles, Sections, Exhibits and Schedules of this Agreement unless otherwise specified. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation,” whether or not they are in fact followed by those words or words of like import. “Writing,” “written” and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof; provided that with respect to any agreement or contract listed on any schedules hereto, all such amendments, modifications or supplements must also be listed in the appropriate schedule. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to “law,” “laws” or to a particular statute or law shall be deemed also to include any and all Applicable Law.

**ARTICLE 2**

**PURCHASE AND SALE**

Section 2.01 *Purchase and Sale*. Upon the terms and subject to the conditions of this Agreement, at the Closing, the Company agrees to issue and sell to the Purchaser, and the Purchaser agrees to subscribe for and purchase from the Company, the Issued Shares. The aggregate subscription price for the Issued Shares is US\$100,000 (“**Subscription Price**”), or US\$4.28 per share. The Subscription Price shall be paid as provided in Section 2.02.

Section 2.02 *Closing*. The closing (the “**Closing**”) of the issuance and sale of the Issued Shares hereunder shall take place remotely via the electronic exchange of documents and signatures, as soon as possible, but in no event later than one (1) Business Day, after satisfaction or, to the extent permissible, waiver by the party or parties entitled to the benefit of the conditions set forth in Article 6 (other than conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or, to the extent permissible, waiver of those conditions at the Closing), or at such other time or place as the parties hereto may agree. At the Closing:



(a) the Purchaser shall deliver to the Company the Subscription Price by wire transfer in U.S. dollars of immediately available funds to a bank account designated by the Company at least one (1) Business Day prior to the Closing Date; and

(b) the Company shall deliver to the Purchaser: (i) a certified copy of the relevant page of the register of members of the Company reflecting the Purchaser as the owner of Issued Shares, and (ii) a share certificate representing the Issued Shares duly executed on behalf of the Company and registered in the name of the Purchaser (or, if not available at the Closing, a certified copy of such share certificate with the original to be delivered promptly as soon as possible after the Closing).

### ARTICLE 3

#### REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Purchaser that:

Section 3.01 *Organization and Qualification*. The Company is an exempted company duly incorporated, validly existing and in good standing under the laws of the Cayman Islands, and has the requisite corporate power and authorization to own, lease and operate its properties and to carry on its business as now being conducted and as described in the SEC Documents. The Company is duly qualified or licensed to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except to the extent that the failure to be so qualified or licensed would not have a Material Adverse Effect. The memorandum and articles of association of the Company as filed with the SEC is the current Memorandum and Articles and is in full force and effect. The Company is not in violation of any of the provisions of its Memorandum and Articles except as would not have a Material Adverse Effect.

Section 3.02 *Subsidiaries*. Each Subsidiary of the Company has been duly organized, is validly existing and in good standing (with respect to jurisdictions that recognize the concept of good standing) under the laws of its jurisdiction of organization, and has the requisite corporate power and authorization to own, lease and operate its properties and to carry on its business as now being conducted and as described in the SEC Documents. Each Subsidiary of the Company is duly qualified or licensed to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except to the extent that the failure to be so qualified or licensed would not have a Material Adverse Effect. The constitutional documents of each of the Company's Subsidiaries are in full force and effect except as would not have a Material Adverse Effect. None of the Company's Subsidiaries is in violation of any of the provisions of its constitutional documents except as would not have a Material Adverse Effect.



Section 3.03 *Capitalization.*

(a) As of the date of this Agreement, the authorized share capital of the Company consists of 8,000,000,000 Class A Shares and 2,000,000,000 Class B Shares. As of the date of this Agreement, (i)(A) 62,327,851 Class A Shares are issued and outstanding, (B) 27,017,263 Class A Shares are reserved and available for issuance pursuant to share-based compensation awards granted under the Company's SpiderMan Share Incentive Plan (the "Company ESOP") and (ii) 183,283,628 Class B Shares are issued and outstanding. Except as set forth in this Section 3.03(a), as of the date of this Agreement, no Securities were issued, reserved for issuance or outstanding and no securities of any of its Subsidiaries convertible into or exchangeable or exercisable for any Securities were issued or are outstanding. All outstanding Ordinary Shares are, and all such shares that may be issued prior to the date hereof will be, when issued, duly authorized, validly issued, fully paid and non-assessable and not subject to preemptive rights. Except for any obligations pursuant to this Agreement or as otherwise set forth above in this Section 3.03(a) and other than pursuant to the Company ESOP, as of the date of this Agreement, there are no options or other rights to acquire from the Company, or other obligation of the Company to issue, any additional Securities, and there are no outstanding obligations of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any Securities.

(b) All of the outstanding capital or other voting securities of each Subsidiary is owned by the Company, directly or indirectly, free and clear of any Encumbrance. All of the issued equity securities of each Subsidiary of the Company are validly issued, fully paid and non-assessable, and were issued in compliance with the applicable registration and qualification requirements of Applicable Laws.

(c) There are no preemptive rights, registration rights, rights of first offer, rights of first refusal, tag-along rights, director appointment rights, governance rights, veto rights or other similar rights with respect to the Securities or the securities of any Subsidiary of the Company that have been granted to any Person (other than the Company or any Subsidiary).

Section 3.04 *Authorization; Enforcement; Validity.* The Company has the requisite corporate power and authority to execute and deliver this Agreement and perform its obligations under this Agreement and to issue the Issued Shares in accordance with the terms hereof. This Agreement has been duly executed and delivered by the Company, and, assuming the due authorization, execution and delivery by the Purchaser (and each other party thereto), constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles (the "Bankruptcy Exception").

Section 3.05 *No Conflicts.* The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby (including the issuance of the Issued Shares) will not (i) result in a violation of the Memorandum and Articles, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any Contract to which the Company or any of its Subsidiaries is a party, or (iii) result in a violation of any Applicable Law to the Company or by which any property or asset of the Company or any of its Subsidiaries is bound or affected, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights or violations which would not have a Material Adverse Effect.

Section 3.06 *Consents.* The execution, delivery and performance of this Agreement by the Company require no (i) consent, approval, authorization, action or order of, any exemption by, any notice to, or any filing or registration with, any Governmental Authority or (ii) any consent, approval or authorization from or any waiver by any third party pursuant to any Contract to which the Company or any of its Subsidiaries except as would not have a Material Adverse Effect.



Section 3.07 *Valid Issuance*. The Issued Shares are duly authorized, and, when issued and paid for in accordance with the terms hereof and entered in the register of members of the Company, shall be validly issued and non-assessable and free from all preemptive or similar rights and Encumbrances, and the Purchaser shall be entitled to all rights accorded to a holder of the Class A Shares with respect to the Issued Shares (as applicable).

Section 3.08 *No Registration*. Assuming the accuracy of the representations and warranties set forth in Section 4.05 of this Agreement, it is not necessary in connection with the issuance and sale of the Issued Shares to register the Issued Shares under the Securities Act or to qualify or register the Issued Shares under applicable U.S. state securities laws. None of the Company, its Subsidiaries or their respective Affiliates or any Person acting on its or their behalf have engaged in any “directed selling efforts” within the meaning of Rule 903 of Regulation S under the Securities Act or any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act with respect to the Issued Shares.

Section 3.09 *SEC Documents*. The Company has timely filed or furnished, as applicable, all reports, schedules, forms, statements and other documents required to be filed or furnished by it with the SEC pursuant to the Securities Act or the Exchange Act (all of the foregoing documents filed with or furnished to the SEC and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the “**SEC Documents**”). As of their respective filing or furnishing dates, the SEC Documents complied in all material respects with the requirements of the Sarbanes-Oxley Act, the Securities Act or the Exchange Act, as the case may be, and the rules and regulations promulgated thereunder, as applicable, to the respective SEC Documents, and, other than as corrected or clarified in a subsequent SEC Document prior to the date of this Agreement, none of the SEC Documents, at the time they were filed or furnished, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The information contained in the SEC Documents, considered as a whole and as amended as of the date hereof, do not as of the date hereof, and will not as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. There are no contracts, agreements, arrangements, transactions or documents which are required to be described or disclosed in the SEC Documents or to be filed as exhibits to the SEC Documents which have not been so described, disclosed or filed.

Section 3.10 *Financial Statements*. As of their respective dates, the financial statements of the Company included in the SEC Documents (the “**Financial Statements**”) complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. The Financial Statements (including any related notes thereto) included or incorporated by reference in the SEC Documents fairly presented in all material respects the consolidated financial position of the Company as of the dates indicated therein and the consolidated results of its operations, cash flows and changes in shareholders’ equity for the periods specified therein. Such Financial Statements were prepared in accordance with IFRS applied on a consistent basis (except (i) as may be otherwise indicated in such Financial Statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed to summary statements).



Section 3.11 *Internal Controls and Procedures*. The Company has established and maintains disclosure controls and procedures as such terms are defined in, and required by, Rule 13a-15 or Rule 15d-15 under the Exchange Act. Except as may be disclosed in the SEC Documents, such disclosure controls and procedures are effective to ensure that all material information required to be disclosed by the Company in the reports that it files or furnishes under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. The Company maintains a system of internal controls over financial reporting sufficient to, except to the extent disclosed in the SEC Documents, provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations and (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS. Other than the material weaknesses in such internal controls over financial reporting disclosed in the SEC Documents, there are no such other material weaknesses in such system of internal controls. To the knowledge of the Company, there is no reason that its chief executive officer and chief financial officer will not be able to give the certifications and attestations required pursuant to the rules and regulations adopted pursuant to Section 404 of the Sarbanes-Oxley Act, without qualification, when next due.

Section 3.12 *Compliance with Applicable Laws*. The Company and each of its Subsidiaries have conducted their businesses in compliance with all Applicable Laws (including, without limitation, the U.S. Foreign Corrupt Practices Act, as amended) except as may be disclosed in the SEC Documents and as would not have a Material Adverse Effect. Except as may be disclosed in the SEC Documents, the Company and each of its Subsidiaries have all permits, licenses, authorizations, consents, orders and approvals (collectively, "**Permits**") that are required in order to carry on their business as presently conducted, except where the failure to have such Permits or the failure to make such filings, applications and registrations, would not have a Material Adverse Effect. Except as may be disclosed in the SEC Documents, all such Permits are in full force and effect and, to the knowledge of the Company, no suspension or cancellation of any of them is threatened, except where such absence, suspension or cancellation, would not have a Material Adverse Effect. The Company is in compliance with the applicable listing and corporate governance rules and regulations of the NYSE. The Company and its Subsidiaries have taken no action designed to, or reasonably likely to have the effect of, delisting the ADSs from the NYSE. The Company has not received any notification that the SEC or the NYSE is contemplating suspending or terminating such listing (or the applicable registration under the Exchange Act related thereto), and has no knowledge of any facts that would reasonably be expected to lead to delisting or suspension of its ADSs from the NYSE in the foreseeable future.

Section 3.13 *Insolvency and Winding-up*. Both before and after giving effect to the transactions contemplated by this Agreement, each of the Company and its Subsidiaries (i) will be solvent (in that both the fair value of its assets will not be less than the sum of its debts and that the present fair saleable value of its assets will not be less than the amount required to pay its probable liability on its recourse debts as they mature or become due) and (ii) will have adequate capital and liquidity with which to engage in the their businesses as currently conducted and as described in the SEC Documents. No order or petition has been presented or resolution passed for the administration, winding-up, dissolution, or liquidation of any of the Company and its Subsidiaries and no administrator, receiver, or manager has been appointed in respect thereof. None of the Company and its Subsidiaries has commenced any other proceeding under any bankruptcy, reorganization, composition, arrangement, adjustment of debt, release of debtors, dissolution, insolvency, liquidation, or similar law of any jurisdiction and no such proceedings have been commenced or is anticipated to be commenced against any of the Company and its Subsidiaries.



**ARTICLE 4**

**REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

The Purchaser represents and warrants to the Company that:

Section 4.01 *Organization*. The Purchaser is duly established, validly existing and in good standing under the laws of its jurisdiction of formation and has the requisite power and authorization to own, lease and operate its properties and to carry on its business as now being conducted.

Section 4.02 *Authorization; Enforcement; Validity*. The Purchaser has the requisite power and authority to execute and deliver this Agreement and perform its obligations under this Agreement in accordance with the terms hereof. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite action by the Purchaser and no other filing, consent or authorization on the part of the Purchaser is necessary to authorize or approve this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Purchaser, and, assuming the due authorization, execution and delivery by the Company, constitutes a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, subject to the Bankruptcy Exception.

Section 4.03 *No Conflicts*. The execution, delivery and performance by the Purchaser of this Agreement and the consummation by the Purchaser of the transactions contemplated hereby will not (i) result in a violation of the organizational or constitutional documents of the Purchaser, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any Contract to which the Purchaser is a party, or (iii) result in a violation of any Applicable Law to the Purchaser or by which any property or asset of the Purchaser is bound or affected.

Section 4.04 *Consents*. The execution, delivery and performance of this Agreement by the Purchaser require no (i) consent, approval, authorization, action or order of, any exemption by, any notice to, or any filing or registration with, any Governmental Authority or (ii) any consent, approval or authorization from or any waiver by any third party pursuant to any Contract to which it is a party.

Section 4.05 *Status and Investment Intent of the Purchaser*.

(a) The Purchaser is (i) not a "U.S. person" within the meaning of Regulation S under the Securities Act and is acquiring the Issued Shares in an offshore transaction under Rule 903 of Regulation S under the Securities Act, or (ii) an "accredited investor" within the meaning of SEC Rule 501 of Regulation D, as presently in effect, under the Act.





(b) The Purchaser (i) has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks involved in purchasing the Issued Shares and (ii) is capable of bearing the economic risk of the Investment.

(c) The Purchaser is acquiring the Issued Shares for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except pursuant to sales registered or exempted under the Securities Act. By executing this Agreement, the Purchaser further represents that, as of the date of this Agreement, it does not have any contract with any person to sell, transfer, or grant participation to any person, with respect to any of the Issued Shares.

(d) The Purchaser acknowledges and affirms that, with the assistance of its advisors (if applicable), it has conducted and completed its own investigation, analysis and evaluation related to the investment in the Issued Shares.

Section 4.06 *Restricted Securities*. The Purchaser understands that the Issued Shares it is purchasing are characterized as “restricted securities” under U.S. federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Act only in certain limited circumstances.

Section 4.07 *Legends*. It is understood that the certificates evidencing the Issued Shares shall bear the following legend:

“THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR A VALID EXEMPTION THEREFROM.”

**ARTICLE 5**

**COVENANTS**

Section 5.01 *Interim Conduct; Further Assurances*.

(a) From the date hereof until the Closing Date, the Company shall, and shall cause each of its Subsidiaries to, (i) conduct its business and affairs in the ordinary course of business consistent with past practice, (ii) not take any action, or omit to take any action, that would reasonably be expected to make (x) any of its representations and warranties in this Agreement untrue, or (y) any of the conditions for the benefit of the Purchaser set forth in Article 6 not to be satisfied, in each case, at, or as of any time before, the Closing Date.

(b) Each party hereto shall use its respective best efforts to promptly fulfill or obtain the fulfillment of the conditions precedent to the consummation of the transactions contemplated by this Agreement, including the execution and delivery of any documents, certificates, instruments or other papers that are required for the consummation of such transactions, and will cooperate and consult with the other and use its best efforts to prepare and file all necessary documentation, to effect all necessary applications, notices, petitions, filings and other documents, and to obtain all necessary Permits of, or any exemption by, all Governmental Authorities, necessary or advisable to consummate the transactions contemplated by this Agreement. After the Closing Date, each party shall execute and deliver such further certificates, agreements and other documents and take such other actions as the other party may reasonably request to consummate or implement any applicable transactions contemplated hereby or to evidence any relevant events or matters.



Section 5.02 *Listing of Securities*. The Company shall (i) take all actions necessary to continue the listing and trading of its ADSs on the NYSE and shall materially comply with the Company's reporting, filing and other obligations under the rules of the NYSE, in each case, through the Closing, and (ii) at its own cost file with the NYSE a supplemental listing application in respect of the Issued Shares.

Section 5.03 *Lock-up*. The Purchaser shall not, during the Lock-Up Period (as defined below), Transfer any Issued Shares or any interest therein without the prior written consent of the Company (which the Company may grant or withhold in the Company's sole discretion), except for the Affiliate of the Purchaser. As used herein, the "**Lock-Up Period**" with respect to any Issued Shares held by the Purchaser will commence on the Closing Date and continue until and include the date that is six (6) months after the Closing Date.

## ARTICLE 6

### CONDITIONS TO CLOSING

Section 6.01 *Conditions to Obligations of All Parties*. The obligations of each party hereto to consummate the Closing are subject to the satisfaction of the following conditions:

(a) No provision of any Applicable Law or no judgment entered by or with any Governmental Authority with competent jurisdiction, shall be in effect that enjoins, prohibits or materially alters the terms of the transactions contemplated by this Agreement.

(b) No Proceeding challenging this Agreement or the transactions contemplated hereby, or seeking to prohibit, alter, prevent or materially delay the Closing, shall have been instituted or be pending before any Governmental Authority.

Section 6.02 *Conditions to Obligation of the Purchaser*. The obligation of the Purchaser to consummate the Closing is subject to the satisfaction of the following further conditions:

(a) (i) the representations and warranties of the Company that are qualified by materiality or Material Adverse Effect shall be true and correct in all respects on and as of the Closing Date as though made on and as of the Closing Date; (ii) the representations and warranties of the Company that are not qualified by materiality or Material Adverse Effect shall be true and correct in all respects on and as of the Closing Date as though made on and as of the Closing Date; (iv) the Company shall have performed or complied with all obligations and conditions in this Agreement required to be performed or complied with by the Company on or prior to the Closing Date; and (v) there shall have been no Material Adverse Effect.

Section 6.03 *Conditions to Obligation of the Company*. The obligations of the Company to consummate the Closing are subject to the satisfaction of the following further conditions:



(a) The representations and warranties of the Purchaser in this Agreement shall be true and correct in all material respects on and as of the Closing Date as though made on and as of the Closing Date.

(b) The Purchaser shall have performed all obligations and conditions herein required to be performed or observed by the Purchaser on or prior to the Closing Date (including but not limited to its payment obligations under Section 2.02(a)).

## ARTICLE 7

### SURVIVAL; INDEMNIFICATION

#### Section 7.01 *Survival.*

(a) All representations and warranties made by any Party contained in this Agreement shall survive the Closing until twelve (12) months after of the Closing Date.

(b) Notwithstanding anything to the contrary in the foregoing clause, (i) any breach of representation or warranty in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to the preceding clause (a), if notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time and (ii) any breach of representation or warranty in respect of which indemnity may be sought that was caused as a result of fraud or intentional misrepresentation shall survive indefinitely or until the latest date permitted by law.

#### Section 7.02 *Indemnification.*

(a) Effective at and after the Closing, each Party hereto, as applicable (the “**Indemnifying Party**”) shall indemnify and hold harmless the other Party and its Affiliates (the “**Indemnified Parties**”) against and from any and all damage, loss, liability and expense (including reasonable expenses of investigation and reasonable attorneys’ fees and expenses) (“**Losses**”), incurred or suffered by the Indemnified Parties arising out of any misrepresentation or breach of representation or warranty or breach of covenants or agreements by the Indemnifying Party under this Agreement; *provided* that (i) the Indemnifying Party’s maximum liability under this Section 7.02 shall not exceed the Subscription Price, (ii) no Indemnifying Party shall be liable for any Losses consisting of punitive damages, (iii) the amount of any Losses for which indemnification is provided under this section shall be reduced by (a) any amounts that have been recovered by any Indemnified Party from any third party, and (b) any insurance proceeds or other cash receipts or source of reimbursement that have been received by any Indemnified Party with respect to such Losses, in each case, net of any costs of recovery, and (iv) each Indemnified Party shall use commercially reasonable efforts to mitigate the Losses it incurs.

(b) Notwithstanding any other provision contained herein, the remedies contained in this Section shall be the sole and exclusive monetary remedy of the Indemnified Parties for any claim arising out of or resulting from this Agreement, except that no limitation or exceptions with respect to the obligations or liabilities on either Party provided hereunder shall apply to a Loss incurred by any Indemnified Party arising due to the fraud or fraudulent misrepresentation of the Indemnifying Party.



Section 7.03 *Third Party Claim Procedures.*

(a) The Indemnified Party seeking indemnification under Section 7.02 agrees to give reasonably prompt notice in writing to Indemnifying Party of the assertion of any claim or the commencement of any suit, action or proceeding by any third party (“**Third Party Claim**”) in respect of which indemnity may be sought under Section 7.02. Such notice shall set forth in reasonable detail such Third Party Claim and the basis for indemnification (taking into account the information then available to the Indemnified Party). The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent such failure shall have actually materially and adversely prejudiced the Indemnifying Party.

(b) The Indemnifying Party shall be entitled to participate in the defense of any Third Party Claim and, subject to the limitations set forth in this Section 7.03, shall be entitled to control and appoint lead counsel (that is reasonably satisfactory to the Indemnified Party) for such defense, in each case at its own expense; *provided* that prior to assuming control of such defense, the Indemnifying Party must (i) acknowledge in writing that it would have an indemnity obligation to the Indemnified Party for the Losses resulting from such Third Party Claim and (ii) furnish the Indemnified Party with reasonable evidence that the Indemnifying Party has adequate resources to defend the Third Party Claim and fulfill its indemnity obligations hereunder.

(c) The Indemnifying Party shall not be entitled to assume or maintain control of the defense of any Third Party Claim and shall pay the reasonable fees, costs and expenses of counsel retained by the Indemnified Party if (i) the Indemnifying Party does not deliver the acknowledgment referred to in Section 7.03(b) within thirty (30) days of receipt of notice of the Third Party Claim pursuant to Section 7.03(a), (ii) the Third Party Claim relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation, (iii) the Indemnified Party reasonably believes an adverse determination with respect to the Third Party Claim would be materially detrimental to the reputation or future business prospects of the Indemnified Party or any of its Affiliates, (iv) the Third Party Claim seeks an injunction or equitable relief against the Indemnified Party or any of its Affiliates or (v) the Indemnifying Party has failed or is failing to prosecute or defend the Third Party Claim vigorously and prudently.

(d) If the Indemnifying Party shall assume the control of the defense of any Third Party Claim in accordance with the provisions of Section 7.03(c), the Indemnifying Party shall obtain the prior written consent of the Indemnified Party (which shall not be unreasonably withheld) before entering into any settlement of such Third Party Claim if the settlement does not expressly unconditionally release the Indemnified Party and its Affiliates from all liabilities and obligations with respect to such Third Party Claim or the settlement imposes injunctive or other equitable relief against the Indemnified Party or any of its Affiliates.

(e) In circumstances where the Indemnifying Party is controlling the defense of a Third Party Claim in accordance with Section 7.03(c), the Indemnified Party shall be entitled to participate in the defense of any Third Party Claim and to employ separate counsel of its choice for such purpose, in which case the fees, costs and expenses of such separate counsel shall be borne by the Indemnified Party; *provided* that Indemnifying Party shall pay the fees, costs and expenses of such separate counsel of the Indemnified Party if (i) incurred by the Indemnified Party prior to the date the Indemnifying Party assumes control of the defense of the Third Party Claim, (ii) if representation of both the Indemnifying Party and the Indemnified Party by the same counsel would create a conflict of interest or (iii) the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it which are different from or additional to those available to the Indemnifying Party.



(f) Each party shall reasonably cooperate, and cause their respective Affiliates to reasonably cooperate, in the defense or prosecution of any Third Party Claim.

Section 7.04 *Direct Claim Procedures*. In the event an Indemnified Party has a claim for indemnity under Section 7.02 against the Indemnifying Party that does not involve a Third Party Claim, the Indemnified Party agrees to give notice in writing of such claim to the Indemnifying Party. Such notice shall set forth in reasonable detail such claim and the basis for indemnification (taking into account the information then available to the Indemnified Party). The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent such failure shall have actually materially and adversely prejudiced the Indemnifying Party. If the Indemnifying Party does not notify the Indemnified Party within thirty (30) days following the receipt of a notice with respect to any such claim that the Indemnifying Party disputes its indemnity obligation to the Indemnified Party for any Losses with respect to such claim, such Losses shall be conclusively deemed a liability of the Indemnifying Party and the Indemnifying Party shall promptly pay to the Indemnified Party any and all Losses arising out of such claim. If the Indemnifying Party has timely disputed its indemnity obligation for any Losses with respect to such claim, the parties shall proceed in good faith to negotiate a resolution of such dispute and, if not resolved through such negotiations, such dispute shall be resolved by arbitration determined pursuant to Section 9.06.

**ARTICLE 8**

**TERMINATION**

Section 8.01 *Grounds for Termination*. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of each party hereto;

(b) by the Purchaser or the Company if the Closing shall not have occurred on or before January 14, 2022; *provided* that such right to terminate this Agreement shall not be available to any party whose failure to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to such date; or

(c) by any party in the event that any Governmental Authority shall have issued a judgment or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such judgment or other action shall have become final and non-appealable.

The party desiring to terminate this Agreement pursuant to Section 8.01(b) or Section 8.01(c) shall give notice of such termination to the other parties hereto specifying the provision hereof pursuant to which such termination is made.



Section 8.02 *Effect of Termination*. In the event of termination of this Agreement, this Agreement shall forthwith become void and of no further force or effect (except for Article 9, which shall survive such termination) and there shall be no liability on the part of any party hereto except that nothing herein shall relieve any party from any liability for Losses for any breach of this Agreement.

**ARTICLE 9**

**MISCELLANEOUS**

Section 9.01 *Notices*. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission and by letter, so long as a receipt of such letter is requested and received) and shall be given,

if to the Company, to:

AMTD International Inc.  
 23/F, Nexxus Building  
 41 Connaught Road Central  
 Hong Kong  
 Attention:  
 Facsimile:  
 Email:

if to the Purchaser, to:

Longling Capital Ltd  
 75B, Sun Tower, The Arch  
 1 Austin Road West, Kowloon  
 Hong Kong  
 Attention:

or such other address or facsimile number as such party may hereafter specify for the purpose by notice to the other parties hereto. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

Section 9.02 *Amendments and Waivers*. (a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.



Section 9.03 *Expenses*. Except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

Section 9.04 *Successors and Assigns*. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; *provided* that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of each other party hereto.

Section 9.05 *Governing Law*. This Agreement, the rights and obligations of the parties hereto, and all claims or disputes relating hereto, shall be governed by and construed in accordance with the law of Hong Kong, without regard to the conflicts of law rules thereunder.

Section 9.06 *Arbitration*. Any dispute, controversy or claim arising out of or relating to this Agreement, including, but not limited to, any question regarding the breach, termination or invalidity thereof shall be finally resolved by arbitration in Hong Kong in accordance with the administered rules (the “**Rules**”) of the Hong Kong International Arbitration Centre (the “**HKIAC**”) in force at the time of commencement of the arbitration, which Rules are deemed to be incorporated by reference into this Section. The number of arbitrators shall be three and shall be selected in accordance with the Rules. All selections shall be made within thirty (30) days after the selecting party gives or receives, as the case may be, the demand for arbitration. The seat of the arbitration shall be in Hong Kong and the language to be used shall be English. Any arbitration award shall be (i) in writing and shall contain the reasons for the decision, (ii) final and binding on the parties hereto and (iii) enforceable in any court of competent jurisdiction, and the parties hereto agree to be bound thereby and to act accordingly.

Section 9.07 *Counterparts; Effectiveness; Third Party Beneficiaries*. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Signatures in the form of facsimile or electronically imaged “PDF” shall be deemed to be original signatures for all purposes hereunder. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by all of the other parties hereto. Until and unless each party has received a counterpart hereof signed by the other party hereto, this Agreement shall have no effect and no party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). No provision of this Agreement is intended to confer any rights, benefits, remedies, obligations, or liabilities hereunder upon any Person other than the parties hereto and their respective successors and assigns.

Section 9.08 *Entire Agreement*. This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

Section 9.09 *Severability*. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other Governmental Authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

**AMTD INTERNATIONAL INC.**

By: /s/ William Fung  
Name: William Fung  
Title: Chief Executive Officer

*[Signature Page to SPA]*





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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

**LONGLING CAPITAL LTD**

By: /s/ Wensheng Cai

Name: Wensheng Cai

Title: Director

*[Signature Page to SPA]*



**SHARE PURCHASE AGREEMENT**

dated as of

December 29, 2021

between

**AMTD INTERNATIONAL INC.**

and

**EVERGLORY STRATEGIC INVESTMENT LIMITED**

**Summary of Key Terms**

**Purchaser:** EverGlory Strategic Investment Limited

**Shares to be purchased:** 5,852,805 Class A ordinary shares of AMTD International Inc., par value US\$0.0001 each, to be newly issued

**Purchase price:** US\$4.28 per Class A ordinary share, or US\$25,050,000 in aggregate

**Lock-up period:** six (6) months after the closing

**Long stop date of closing:** April 30, 2022.



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**SHARE PURCHASE AGREEMENT**

This SHARE PURCHASE AGREEMENT dated as of December 29, 2021 (this “**Agreement**”) is made and entered into by and between (i) AMTD International Inc., a company incorporated under the laws of the Cayman Islands (the “**Company**”), and (ii) EverGlory Strategic Investment Limited, a company organized under the laws of Cayman Islands (the “**Purchaser**”).

**WITNESSETH:**

WHEREAS, the Company desires to issue, sell and deliver to the Purchaser, and the Purchaser desires to purchase and acquire from the Company (the “**Investment**”), upon the terms and conditions set forth in this Agreement, certain Class A Shares (as defined below) of the Company.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

**ARTICLE 1**

**DEFINITIONS**

Section 1.01 *Definitions*. (a) The following terms, as used herein, have the following meanings:

“**ADSs**” means the American depository shares of the Company, each representing one (1) Class A Share.

“**Affiliate**” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person; *provided* that none of the Company, any of its Subsidiaries shall be considered an Affiliate of the Purchaser. For purposes of this definition, “**control**” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms “**controlling**” and “**controlled**” have correlative meanings.

“**Applicable Law**” means, with respect to any Person, any international, domestic or foreign federal, state or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority that is binding upon or applicable to such Person, as amended unless expressly specified otherwise.

“**Board**” means the board of directors of the Company.

“**Business Day**” means a day, other than Saturday, Sunday or other day on which commercial banks in New York, NY, the Cayman Islands or Hong Kong are authorized or required by Applicable Law to close.



“**Class A Shares**” means Class A ordinary shares, par value US\$0.0001 per share, in the share capital of the Company.

“**Class B Shares**” means the Class B ordinary shares, par value US\$0.0001 per share, in the share capital of the Company.

“**Closing Date**” means the date of the Closing.

“**Contract**” means any agreement, contract, lease, indenture, instrument, note, debenture, bond, mortgage or deed of trust or other agreement, commitment, arrangement or understanding, whether written or oral.

“**Encumbrance**” means any security interest, pledge, mortgage, lien, charge, claim, hypothecation, title defect, right of first option or refusal, right of preemption, or other encumbrance of any kind.

“**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended, and any rules and regulations promulgated thereunder.

“**Governmental Authority**” means any transnational, domestic or foreign federal, state or local governmental, regulatory or administrative authority, department, court, agency or official, including any political subdivision thereof.

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“**IFRS**” means International Financial Reporting Standards issued by International Accounting Standards Board.

“**Issued Shares**” means 23,364 Class A Shares to be newly issued by the Company to the Purchaser on the Closing Date.

“**knowledge**” of any Person that is not an individual means the knowledge of such Person’s officers after reasonable inquiry.

“**Material Adverse Effect**” means any event, circumstance, development, change or effect that, individually or in the aggregate, has or would reasonably be expected to have a material adverse effect on (i) the financial condition or results of operations of the Company and its Subsidiaries, taken as a whole, excluding any such effect resulting from (A) the announcement of the transactions contemplated by this Agreement, (B) changes affecting any of the industries in which the Company or its Subsidiaries operate generally or the economy generally or (C) changes affecting general worldwide economic or capital market conditions, or (ii) the authority or ability of the Company to perform its obligations under this Agreement and to consummate the transactions contemplated hereby.

“**Memorandum and Articles**” means the Memorandum and Articles of Association of the Company in effect from time to time.

“**NYSE**” means the New York Stock Exchange.

“**Ordinary Shares**” means collectively the Class A Shares and the Class B Shares.



“**Person**” means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a Governmental Authority.

“**Sarbanes-Oxley Act**” means the Sarbanes-Oxley Act of 2002.

“**SEC**” means the U.S. Securities and Exchange Commission.

“**Securities**” means any Ordinary Shares or any equity interest of, or shares of any class in the share capital (ordinary, preferred or otherwise) of, the Company and any convertible securities, options, warrants and any other type of equity or equity-linked securities convertible, exercisable or exchangeable for any such equity interest or shares of any class in the share capital of the Company.

“**Securities Act**” means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“**Subsidiary**” of any Person means any corporation, partnership, limited liability company, joint stock company, joint venture or other organization or entity, whether incorporated or unincorporated, which is controlled by such Person.

“**Transfer**” means directly or indirectly, offer, sell, contract to sell, pledge, transfer, assign, give, hypothecate, encumber, grant a security interest in, convey in trust, gift, devise or descent, or otherwise dispose of, or suffer to exist (whether by operation of law or otherwise) any Encumbrance on, any Issued Shares or any right, title or interest therein or thereto, or enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of any Issued Shares, whether any such aforementioned transaction is to be settled by delivery of the Ordinary Shares, ADSs or such other securities, in cash or otherwise, or publicly disclose the intention to make any such disposition or to enter into any such transaction, swap, hedge or other arrangement, including transfers pursuant to divorce or legal separation, transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntary or by operation of law, directly or indirectly, of any Issued Shares.

“**U.S.**” or “**United States**” means the United States of America.

(b) Each of the following terms is defined in the Section set forth opposite such term:

<u>Term</u>	<u>Section</u>
Agreement	Preamble
Bankruptcy Exception	Section 3.04
Closing	Section 2.02
Company	Preamble
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HKIAC	Section 9.06
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Indemnifying Party	Section 7.02(a)
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Lock-Up Period	Section 5.03
Losses	Section 7.02(a)
Permits	Section 3.12
Purchaser	Preamble
Rules	Section 9.06
SEC Documents	Section 3.09
Subscription Price	Section 2.01
Third Party Claim	Section 7.03(a)

Section 1.02 *Other Definitional and Interpretative Provisions.* The words “hereof,” “herein” and “hereunder” and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections, Exhibits and Schedules are to Articles, Sections, Exhibits and Schedules of this Agreement unless otherwise specified. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation,” whether or not they are in fact followed by those words or words of like import. “Writing,” “written” and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof; provided that with respect to any agreement or contract listed on any schedules hereto, all such amendments, modifications or supplements must also be listed in the appropriate schedule. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to “law,” “laws” or to a particular statute or law shall be deemed also to include any and all Applicable Law.

**ARTICLE 2**

**PURCHASE AND SALE**

Section 2.01 *Purchase and Sale.* Upon the terms and subject to the conditions of this Agreement, at the Closing, the Company agrees to issue and sell to the Purchaser, and the Purchaser agrees to subscribe for and purchase from the Company, the Issued Shares. The aggregate subscription price for the Issued Shares is US\$25,050,000 (“**Subscription Price**”), or US\$4.28 per share. The Subscription Price shall be paid as provided in Section 2.02.

Section 2.02 *Closing.* The closing (the “**Closing**”) of the issuance and sale of the Issued Shares hereunder shall take place remotely via the electronic exchange of documents and signatures, as soon as possible, but in no event later than one (1) Business Day, after satisfaction or, to the extent permissible, waiver by the party or parties entitled to the benefit of the conditions set forth in Article 6 (other than conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or, to the extent permissible, waiver of those conditions at the Closing), or at such other time or place as the parties hereto may agree. At the Closing:





(a) the Purchaser shall deliver to the Company the Subscription Price by wire transfer in U.S. dollars of immediately available funds to a bank account designated by the Company at least one (1) Business Day prior to the Closing Date; and

(b) the Company shall deliver to the Purchaser: (i) a certified copy of the relevant page of the register of members of the Company reflecting the Purchaser as the owner of Issued Shares, and (ii) a share certificate representing the Issued Shares duly executed on behalf of the Company and registered in the name of the Purchaser (or, if not available at the Closing, a certified copy of such share certificate with the original to be delivered promptly as soon as possible after the Closing).

### ARTICLE 3

#### REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Purchaser that:

Section 3.01 *Organization and Qualification*. The Company is an exempted company duly incorporated, validly existing and in good standing under the laws of the Cayman Islands, and has the requisite corporate power and authorization to own, lease and operate its properties and to carry on its business as now being conducted and as described in the SEC Documents. The Company is duly qualified or licensed to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except to the extent that the failure to be so qualified or licensed would not have a Material Adverse Effect. The memorandum and articles of association of the Company as filed with the SEC is the current Memorandum and Articles and is in full force and effect. The Company is not in violation of any of the provisions of its Memorandum and Articles except as would not have a Material Adverse Effect.

Section 3.02 *Subsidiaries*. Each Subsidiary of the Company has been duly organized, is validly existing and in good standing (with respect to jurisdictions that recognize the concept of good standing) under the laws of its jurisdiction of organization, and has the requisite corporate power and authorization to own, lease and operate its properties and to carry on its business as now being conducted and as described in the SEC Documents. Each Subsidiary of the Company is duly qualified or licensed to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except to the extent that the failure to be so qualified or licensed would not have a Material Adverse Effect. The constitutional documents of each of the Company's Subsidiaries are in full force and effect except as would not have a Material Adverse Effect. None of the Company's Subsidiaries is in violation of any of the provisions of its constitutional documents except as would not have a Material Adverse Effect.



Section 3.03 *Capitalization.*

(a) As of the date of this Agreement, the authorized share capital of the Company consists of 8,000,000,000 Class A Shares and 2,000,000,000 Class B Shares. As of the date of this Agreement, (i)(A) 62,327,851 Class A Shares are issued and outstanding, (B) 27,017,263 Class A Shares are reserved and available for issuance pursuant to share-based compensation awards granted under the Company's SpiderMan Share Incentive Plan (the "**Company ESOP**") and (ii) 183,283,628 Class B Shares are issued and outstanding. Except as set forth in this Section 3.03(a), as of the date of this Agreement, no Securities were issued, reserved for issuance or outstanding and no securities of any of its Subsidiaries convertible into or exchangeable or exercisable for any Securities were issued or are outstanding. All outstanding Ordinary Shares are, and all such shares that may be issued prior to the date hereof will be, when issued, duly authorized, validly issued, fully paid and non-assessable and not subject to preemptive rights. Except for any obligations pursuant to this Agreement or as otherwise set forth above in this Section 3.03(a) and other than pursuant to the Company ESOP, as of the date of this Agreement, there are no options or other rights to acquire from the Company, or other obligation of the Company to issue, any additional Securities, and there are no outstanding obligations of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any Securities.

(b) All of the outstanding capital or other voting securities of each Subsidiary is owned by the Company, directly or indirectly, free and clear of any Encumbrance. All of the issued equity securities of each Subsidiary of the Company are validly issued, fully paid and non-assessable, and were issued in compliance with the applicable registration and qualification requirements of Applicable Laws.

(c) There are no preemptive rights, registration rights, rights of first offer, rights of first refusal, tag-along rights, director appointment rights, governance rights, veto rights or other similar rights with respect to the Securities or the securities of any Subsidiary of the Company that have been granted to any Person (other than the Company or any Subsidiary).

Section 3.04 Authorization; Enforcement; Validity. The Company has the requisite corporate power and authority to execute and deliver this Agreement and perform its obligations under this Agreement and to issue the Issued Shares in accordance with the terms hereof. This Agreement has been duly executed and delivered by the Company, and, assuming the due authorization, execution and delivery by the Purchaser (and each other party thereto), constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles (the "**Bankruptcy Exception**").

Section 3.05 No Conflicts. The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby (including the issuance of the Issued Shares) will not (i) result in a violation of the Memorandum and Articles, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any Contract to which the Company or any of its Subsidiaries is a party, or (iii) result in a violation of any Applicable Law to the Company or by which any property or asset of the Company or any of its Subsidiaries is bound or affected, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights or violations which would not have a Material Adverse Effect.

Section 3.06 Consents. The execution, delivery and performance of this Agreement by the Company require no (i) consent, approval, authorization, action or order of, any exemption by, any notice to, or any filing or registration with, any Governmental Authority or (ii) any consent, approval or authorization from or any waiver by any third party pursuant to any Contract to which the Company or any of its Subsidiaries except as would not have a Material Adverse Effect.



Section 3.07 *Valid Issuance*. The Issued Shares are duly authorized, and, when issued and paid for in accordance with the terms hereof and entered in the register of members of the Company, shall be validly issued and non-assessable and free from all preemptive or similar rights and Encumbrances, and the Purchaser shall be entitled to all rights accorded to a holder of the Class A Shares with respect to the Issued Shares (as applicable).

Section 3.08 *No Registration*. Assuming the accuracy of the representations and warranties set forth in Section 4.05 of this Agreement, it is not necessary in connection with the issuance and sale of the Issued Shares to register the Issued Shares under the Securities Act or to qualify or register the Issued Shares under applicable U.S. state securities laws. None of the Company, its Subsidiaries or their respective Affiliates or any Person acting on its or their behalf have engaged in any “directed selling efforts” within the meaning of Rule 903 of Regulation S under the Securities Act or any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act with respect to the Issued Shares.

Section 3.09 *SEC Documents*. The Company has timely filed or furnished, as applicable, all reports, schedules, forms, statements and other documents required to be filed or furnished by it with the SEC pursuant to the Securities Act or the Exchange Act (all of the foregoing documents filed with or furnished to the SEC and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the “**SEC Documents**”). As of their respective filing or furnishing dates, the SEC Documents complied in all material respects with the requirements of the Sarbanes-Oxley Act, the Securities Act or the Exchange Act, as the case may be, and the rules and regulations promulgated thereunder, as applicable, to the respective SEC Documents, and, other than as corrected or clarified in a subsequent SEC Document prior to the date of this Agreement, none of the SEC Documents, at the time they were filed or furnished, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The information contained in the SEC Documents, considered as a whole and as amended as of the date hereof, do not as of the date hereof, and will not as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. There are no contracts, agreements, arrangements, transactions or documents which are required to be described or disclosed in the SEC Documents or to be filed as exhibits to the SEC Documents which have not been so described, disclosed or filed.

Section 3.10 *Financial Statements*. As of their respective dates, the financial statements of the Company included in the SEC Documents (the “**Financial Statements**”) complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. The Financial Statements (including any related notes thereto) included or incorporated by reference in the SEC Documents fairly presented in all material respects the consolidated financial position of the Company as of the dates indicated therein and the consolidated results of its operations, cash flows and changes in shareholders’ equity for the periods specified therein. Such Financial Statements were prepared in accordance with IFRS applied on a consistent basis (except (i) as may be otherwise indicated in such Financial Statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed to summary statements).



Section 3.11 *Internal Controls and Procedures*. The Company has established and maintains disclosure controls and procedures as such terms are defined in, and required by, Rule 13a-15 or Rule 15d-15 under the Exchange Act. Except as may be disclosed in the SEC Documents, such disclosure controls and procedures are effective to ensure that all material information required to be disclosed by the Company in the reports that it files or furnishes under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. The Company maintains a system of internal controls over financial reporting sufficient to, except to the extent disclosed in the SEC Documents, provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations and (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS. Other than the material weaknesses in such internal controls over financial reporting disclosed in the SEC Documents, there are no such other material weaknesses in such system of internal controls. To the knowledge of the Company, there is no reason that its chief executive officer and chief financial officer will not be able to give the certifications and attestations required pursuant to the rules and regulations adopted pursuant to Section 404 of the Sarbanes-Oxley Act, without qualification, when next due.

Section 3.12 *Compliance with Applicable Laws*. The Company and each of its Subsidiaries have conducted their businesses in compliance with all Applicable Laws (including, without limitation, the U.S. Foreign Corrupt Practices Act, as amended) except as may be disclosed in the SEC Documents and as would not have a Material Adverse Effect. Except as may be disclosed in the SEC Documents, the Company and each of its Subsidiaries have all permits, licenses, authorizations, consents, orders and approvals (collectively, "Permits") that are required in order to carry on their business as presently conducted, except where the failure to have such Permits or the failure to make such filings, applications and registrations, would not have a Material Adverse Effect. Except as may be disclosed in the SEC Documents, all such Permits are in full force and effect and, to the knowledge of the Company, no suspension or cancellation of any of them is threatened, except where such absence, suspension or cancellation, would not have a Material Adverse Effect. The Company is in compliance with the applicable listing and corporate governance rules and regulations of the NYSE. The Company and its Subsidiaries have taken no action designed to, or reasonably likely to have the effect of, delisting the ADSs from the NYSE. The Company has not received any notification that the SEC or the NYSE is contemplating suspending or terminating such listing (or the applicable registration under the Exchange Act related thereto), and has no knowledge of any facts that would reasonably be expected to lead to delisting or suspension of its ADSs from the NYSE in the foreseeable future.

Section 3.13 *Insolvency and Winding-up*. Both before and after giving effect to the transactions contemplated by this Agreement, each of the Company and its Subsidiaries (i) will be solvent (in that both the fair value of its assets will not be less than the sum of its debts and that the present fair saleable value of its assets will not be less than the amount required to pay its probable liability on its recourse debts as they mature or become due) and (ii) will have adequate capital and liquidity with which to engage in the their businesses as currently conducted and as described in the SEC Documents. No order or petition has been presented or resolution passed for the administration, winding-up, dissolution, or liquidation of any of the Company and its Subsidiaries and no administrator, receiver, or manager has been appointed in respect thereof. None of the Company and its Subsidiaries has commenced any other proceeding under any bankruptcy, reorganization, composition, arrangement, adjustment of debt, release of debtors, dissolution, insolvency, liquidation, or similar law of any jurisdiction and no such proceedings have been commenced or is anticipated to be commenced against any of the Company and its Subsidiaries.



**ARTICLE 4**

**REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

The Purchaser represents and warrants to the Company that:

Section 4.01 *Organization*. The Purchaser is duly established, validly existing and in good standing under the laws of its jurisdiction of formation and has the requisite power and authorization to own, lease and operate its properties and to carry on its business as now being conducted.

Section 4.02 *Authorization; Enforcement; Validity*. The Purchaser has the requisite power and authority to execute and deliver this Agreement and perform its obligations under this Agreement in accordance with the terms hereof. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite action by the Purchaser and no other filing, consent or authorization on the part of the Purchaser is necessary to authorize or approve this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Purchaser, and, assuming the due authorization, execution and delivery by the Company, constitutes a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, subject to the Bankruptcy Exception.

Section 4.03 *No Conflicts*. The execution, delivery and performance by the Purchaser of this Agreement and the consummation by the Purchaser of the transactions contemplated hereby will not (i) result in a violation of the organizational or constitutional documents of the Purchaser, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any Contract to which the Purchaser is a party, or (iii) result in a violation of any Applicable Law to the Purchaser or by which any property or asset of the Purchaser is bound or affected.

Section 4.04 *Consents*. The execution, delivery and performance of this Agreement by the Purchaser require no (i) consent, approval, authorization, action or order of, any exemption by, any notice to, or any filing or registration with, any Governmental Authority or (ii) any consent, approval or authorization from or any waiver by any third party pursuant to any Contract to which it is a party.

Section 4.05 *Status and Investment Intent of the Purchaser*.

(a) The Purchaser is (i) not a "U.S. person" within the meaning of Regulation S under the Securities Act and is acquiring the Issued Shares in an offshore transaction under Rule 903 of Regulation S under the Securities Act, or (ii) an "accredited investor" within the meaning of SEC Rule 501 of Regulation D, as presently in effect, under the Act.



(b) The Purchaser (i) has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks involved in purchasing the Issued Shares and (ii) is capable of bearing the economic risk of the Investment.

(c) The Purchaser is acquiring the Issued Shares for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except pursuant to sales registered or exempted under the Securities Act. By executing this Agreement, the Purchaser further represents that, as of the date of this Agreement, it does not have any contract with any person to sell, transfer, or grant participation to any person, with respect to any of the Issued Shares.

(d) The Purchaser acknowledges and affirms that, with the assistance of its advisors (if applicable), it has conducted and completed its own investigation, analysis and evaluation related to the investment in the Issued Shares.

Section 4.06 *Restricted Securities*. The Purchaser understands that the Issued Shares it is purchasing are characterized as “restricted securities” under U.S. federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Act only in certain limited circumstances.

Section 4.07 *Legends*. It is understood that the certificates evidencing the Issued Shares shall bear the following legend:

“THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR A VALID EXEMPTION THEREFROM.”

## ARTICLE 5

### COVENANTS

Section 5.01 *Interim Conduct; Further Assurances*.

(a) From the date hereof until the Closing Date, the Company shall, and shall cause each of its Subsidiaries to, (i) conduct its business and affairs in the ordinary course of business consistent with past practice, (ii) not take any action, or omit to take any action, that would reasonably be expected to make (x) any of its representations and warranties in this Agreement untrue, or (y) any of the conditions for the benefit of the Purchaser set forth in Article 6 not to be satisfied, in each case, at, or as of any time before, the Closing Date.

(b) Each party hereto shall use its respective best efforts to promptly fulfill or obtain the fulfillment of the conditions precedent to the consummation of the transactions contemplated by this Agreement, including the execution and delivery of any documents, certificates, instruments or other papers that are required for the consummation of such transactions, and will cooperate and consult with the other and use its best efforts to prepare and file all necessary documentation, to effect all necessary applications, notices, petitions, filings and other documents, and to obtain all necessary Permits of, or any exemption by, all Governmental Authorities, necessary or advisable to consummate the transactions contemplated by this Agreement. After the Closing Date, each party shall execute and deliver such further certificates, agreements and other documents and take such other actions as the other party may reasonably request to consummate or implement any applicable transactions contemplated hereby or to evidence any relevant events or matters.



Section 5.02 *Listing of Securities*. The Company shall (i) take all actions necessary to continue the listing and trading of its ADSs on the NYSE and shall materially comply with the Company's reporting, filing and other obligations under the rules of the NYSE, in each case, through the Closing, and (ii) at its own cost file with the NYSE a supplemental listing application in respect of the Issued Shares.

Section 5.03 *Lock-up*. The Purchaser shall not, during the Lock-Up Period (as defined below), Transfer any Issued Shares or any interest therein without the prior written consent of the Company (which the Company may grant or withhold in the Company's sole discretion), except for the Affiliate of the Purchaser. As used herein, the "**Lock-Up Period**" with respect to any Issued Shares held by the Purchaser will commence on the Closing Date and continue until and include the date that is six (6) months after the Closing Date.

## ARTICLE 6

### CONDITIONS TO CLOSING

Section 6.01 *Conditions to Obligations of All Parties*. The obligations of each party hereto to consummate the Closing are subject to the satisfaction of the following conditions:

(a) No provision of any Applicable Law or no judgment entered by or with any Governmental Authority with competent jurisdiction, shall be in effect that enjoins, prohibits or materially alters the terms of the transactions contemplated by this Agreement.

(b) No Proceeding challenging this Agreement or the transactions contemplated hereby, or seeking to prohibit, alter, prevent or materially delay the Closing, shall have been instituted or be pending before any Governmental Authority.

Section 6.02 *Conditions to Obligation of the Purchaser*. The obligation of the Purchaser to consummate the Closing is subject to the satisfaction of the following further conditions:

(a) (i) the representations and warranties of the Company that are qualified by materiality or Material Adverse Effect shall be true and correct in all respects on and as of the Closing Date as though made on and as of the Closing Date; (ii) the representations and warranties of the Company that are not qualified by materiality or Material Adverse Effect shall be true and correct in all respects on and as of the Closing Date as though made on and as of the Closing Date; (iv) the Company shall have performed or complied with all obligations and conditions in this Agreement required to be performed or complied with by the Company on or prior to the Closing Date; and (v) there shall have been no Material Adverse Effect.



Section 6.03 *Conditions to Obligation of the Company*. The obligations of the Company to consummate the Closing are subject to the satisfaction of the following further conditions:

(a) The representations and warranties of the Purchaser in this Agreement shall be true and correct in all material respects on and as of the Closing Date as though made on and as of the Closing Date.

(b) The Purchaser shall have performed all obligations and conditions herein required to be performed or observed by the Purchaser on or prior to the Closing Date (including but not limited to its payment obligations under Section 2.02(a)).

## ARTICLE 7

### SURVIVAL; INDEMNIFICATION

#### Section 7.01 *Survival*.

(a) All representations and warranties made by any Party contained in this Agreement shall survive the Closing until twelve (12) months after of the Closing Date.

(b) Notwithstanding anything to the contrary in the foregoing clause, (i) any breach of representation or warranty in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to the preceding clause (a), if notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time and (ii) any breach of representation or warranty in respect of which indemnity may be sought that was caused as a result of fraud or intentional misrepresentation shall survive indefinitely or until the latest date permitted by law.

#### Section 7.02 *Indemnification*.

(a) Effective at and after the Closing, each Party hereto, as applicable (the “**Indemnifying Party**”) shall indemnify and hold harmless the other Party and its Affiliates (the “**Indemnified Parties**”) against and from any and all damage, loss, liability and expense (including reasonable expenses of investigation and reasonable attorneys’ fees and expenses) (“**Losses**”), incurred or suffered by the Indemnified Parties arising out of any misrepresentation or breach of representation or warranty or breach of covenants or agreements by the Indemnifying Party under this Agreement; *provided* that (i) the Indemnifying Party’s maximum liability under this Section 7.02 shall not exceed the Subscription Price, (ii) no Indemnifying Party shall be liable for any Losses consisting of punitive damages, (iii) the amount of any Losses for which indemnification is provided under this section shall be reduced by (a) any amounts that have been recovered by any Indemnified Party from any third party, and (b) any insurance proceeds or other cash receipts or source of reimbursement that have been received by any Indemnified Party with respect to such Losses, in each case, net of any costs of recovery, and (iv) each Indemnified Party shall use commercially reasonable efforts to mitigate the Losses it incurs.

(b) Notwithstanding any other provision contained herein, the remedies contained in this Section shall be the sole and exclusive monetary remedy of the Indemnified Parties for any claim arising out of or resulting from this Agreement, except that no limitation or exceptions with respect to the obligations or liabilities on either Party provided hereunder shall apply to a Loss incurred by any Indemnified Party arising due to the fraud or fraudulent misrepresentation of the Indemnifying Party.





Section 7.03 *Third Party Claim Procedures.*

(a) The Indemnified Party seeking indemnification under Section 7.02 agrees to give reasonably prompt notice in writing to Indemnifying Party of the assertion of any claim or the commencement of any suit, action or proceeding by any third party (“**Third Party Claim**”) in respect of which indemnity may be sought under Section 7.02. Such notice shall set forth in reasonable detail such Third Party Claim and the basis for indemnification (taking into account the information then available to the Indemnified Party). The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent such failure shall have actually materially and adversely prejudiced the Indemnifying Party.

(b) The Indemnifying Party shall be entitled to participate in the defense of any Third Party Claim and, subject to the limitations set forth in this Section 7.03, shall be entitled to control and appoint lead counsel (that is reasonably satisfactory to the Indemnified Party) for such defense, in each case at its own expense; *provided* that prior to assuming control of such defense, the Indemnifying Party must (i) acknowledge in writing that it would have an indemnity obligation to the Indemnified Party for the Losses resulting from such Third Party Claim and (ii) furnish the Indemnified Party with reasonable evidence that the Indemnifying Party has adequate resources to defend the Third Party Claim and fulfill its indemnity obligations hereunder.

(c) The Indemnifying Party shall not be entitled to assume or maintain control of the defense of any Third Party Claim and shall pay the reasonable fees, costs and expenses of counsel retained by the Indemnified Party if (i) the Indemnifying Party does not deliver the acknowledgment referred to in Section 7.03(b) within thirty (30) days of receipt of notice of the Third Party Claim pursuant to Section 7.03(a), (ii) the Third Party Claim relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation, (iii) the Indemnified Party reasonably believes an adverse determination with respect to the Third Party Claim would be materially detrimental to the reputation or future business prospects of the Indemnified Party or any of its Affiliates, (iv) the Third Party Claim seeks an injunction or equitable relief against the Indemnified Party or any of its Affiliates or (v) the Indemnifying Party has failed or is failing to prosecute or defend the Third Party Claim vigorously and prudently.

(d) If the Indemnifying Party shall assume the control of the defense of any Third Party Claim in accordance with the provisions of Section 7.03(c), the Indemnifying Party shall obtain the prior written consent of the Indemnified Party (which shall not be unreasonably withheld) before entering into any settlement of such Third Party Claim if the settlement does not expressly unconditionally release the Indemnified Party and its Affiliates from all liabilities and obligations with respect to such Third Party Claim or the settlement imposes injunctive or other equitable relief against the Indemnified Party or any of its Affiliates.

(e) In circumstances where the Indemnifying Party is controlling the defense of a Third Party Claim in accordance with Section 7.03(c), the Indemnified Party shall be entitled to participate in the defense of any Third Party Claim and to employ separate counsel of its choice for such purpose, in which case the fees, costs and expenses of such separate counsel shall be borne by the Indemnified Party; *provided* that Indemnifying Party shall pay the fees, costs and expenses of such separate counsel of the Indemnified Party if (i) incurred by the Indemnified Party prior to the date the Indemnifying Party assumes control of the defense of the Third Party Claim, (ii) if representation of both the Indemnifying Party and the Indemnified Party by the same counsel would create a conflict of interest or (iii) the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it which are different from or additional to those available to the Indemnifying Party.



(f) Each party shall reasonably cooperate, and cause their respective Affiliates to reasonably cooperate, in the defense or prosecution of any Third Party Claim.

Section 7.04 *Direct Claim Procedures*. In the event an Indemnified Party has a claim for indemnity under Section 7.02 against the Indemnifying Party that does not involve a Third Party Claim, the Indemnified Party agrees to give notice in writing of such claim to the Indemnifying Party. Such notice shall set forth in reasonable detail such claim and the basis for indemnification (taking into account the information then available to the Indemnified Party). The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent such failure shall have actually materially and adversely prejudiced the Indemnifying Party. If the Indemnifying Party does not notify the Indemnified Party within thirty (30) days following the receipt of a notice with respect to any such claim that the Indemnifying Party disputes its indemnity obligation to the Indemnified Party for any Losses with respect to such claim, such Losses shall be conclusively deemed a liability of the Indemnifying Party and the Indemnifying Party shall promptly pay to the Indemnified Party any and all Losses arising out of such claim. If the Indemnifying Party has timely disputed its indemnity obligation for any Losses with respect to such claim, the parties shall proceed in good faith to negotiate a resolution of such dispute and, if not resolved through such negotiations, such dispute shall be resolved by arbitration determined pursuant to Section 9.06.

**ARTICLE 8**

**TERMINATION**

Section 8.01 *Grounds for Termination*. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of each party hereto;

(b) by the Purchaser or the Company if the Closing shall not have occurred on or before April 30, 2022; *provided* that such right to terminate this Agreement shall not be available to any party whose failure to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to such date; or

(c) by any party in the event that any Governmental Authority shall have issued a judgment or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such judgment or other action shall have become final and non-appealable.

The party desiring to terminate this Agreement pursuant to Section 8.01(b) or Section 8.01(c) shall give notice of such termination to the other parties hereto specifying the provision hereof pursuant to which such termination is made.

Section 8.02 *Effect of Termination*. In the event of termination of this Agreement, this Agreement shall forthwith become void and of no further force or effect (except for Article 9, which shall survive such termination) and there shall be no liability on the part of any party hereto except that nothing herein shall relieve any party from any liability for Losses for any breach of this Agreement.



**ARTICLE 9**

**MISCELLANEOUS**

Section 9.01 *Notices*. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission and by letter, so long as a receipt of such letter is requested and received) and shall be given,

if to the Company, to:

AMTD International Inc.  
23/F, Nexxus Building  
41 Connaught Road Central  
Hong Kong  
Attention:  
Facsimile:  
Email:

if to the Purchaser, to:

EverGlory Strategic Investment Limited  
P.O. Box 472, Harbour Place  
2<sup>nd</sup> Floor, Grand Cayman  
Cayman Islands, KY1-1106  
Attention:

or such other address or facsimile number as such party may hereafter specify for the purpose by notice to the other parties hereto. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

Section 9.02 *Amendments and Waivers*. (a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.



Section 9.03 *Expenses*. Except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

Section 9.04 *Successors and Assigns*. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; *provided* that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of each other party hereto.

Section 9.05 *Governing Law*. This Agreement, the rights and obligations of the parties hereto, and all claims or disputes relating hereto, shall be governed by and construed in accordance with the law of Hong Kong, without regard to the conflicts of law rules thereunder.

Section 9.06 *Arbitration*. Any dispute, controversy or claim arising out of or relating to this Agreement, including, but not limited to, any question regarding the breach, termination or invalidity thereof shall be finally resolved by arbitration in Hong Kong in accordance with the administered rules (the “**Rules**”) of the Hong Kong International Arbitration Centre (the “**HKIAC**”) in force at the time of commencement of the arbitration, which Rules are deemed to be incorporated by reference into this Section. The number of arbitrators shall be three and shall be selected in accordance with the Rules. All selections shall be made within thirty (30) days after the selecting party gives or receives, as the case may be, the demand for arbitration. The seat of the arbitration shall be in Hong Kong and the language to be used shall be English. Any arbitration award shall be (i) in writing and shall contain the reasons for the decision, (ii) final and binding on the parties hereto and (iii) enforceable in any court of competent jurisdiction, and the parties hereto agree to be bound thereby and to act accordingly.

Section 9.07 *Counterparts; Effectiveness; Third Party Beneficiaries*. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Signatures in the form of facsimile or electronically imaged “PDF” shall be deemed to be original signatures for all purposes hereunder. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by all of the other parties hereto. Until and unless each party has received a counterpart hereof signed by the other party hereto, this Agreement shall have no effect and no party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). No provision of this Agreement is intended to confer any rights, benefits, remedies, obligations, or liabilities hereunder upon any Person other than the parties hereto and their respective successors and assigns.

Section 9.08 *Entire Agreement*. This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

Section 9.09 *Severability*. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other Governmental Authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.



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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

**AMTD INTERNATIONAL INC.**

By: /s/ William Fung  
Name: William Fung  
Title: Chief Executive Officer

*[Signature Page to SPA]*



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

**EVERGLORY STRATEGIC INVESTMENT LIMITED**

By: /s/ Stella Sun  
Name: Stella Sun  
Title: Director

*[Signature Page to SPA]*



**SHARE PURCHASE AGREEMENT**

dated as of

December 29, 2021

between

**AMTD INTERNATIONAL INC.**

and

**INFINITY POWER INVESTMENTS LIMITED**

**Summary of Key Terms**

**Purchaser: Infinity Power Investments Limited**

**Shares to be purchased:** 3,271,028 Class B ordinary shares of AMTD International Inc., par value US\$0.0001 each, to be newly issued

**Purchase price:** US\$4.28 per Class B ordinary share, or US\$14,000,000 in aggregate

**Lock-up period:** six (6) months after the closing

**Long stop date of closing:** April 30, 2022.



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**SHARE PURCHASE AGREEMENT**

This SHARE PURCHASE AGREEMENT dated as of December 29, 2021 (this “**Agreement**”) is made and entered into by and between (i) AMTD International Inc., a company incorporated under the laws of Cayman Islands (the “**Company**”), and (ii) Infinity Power Investments Limited, a company incorporated under the laws of British Virgin Islands (the “**Purchaser**”).

**WITNESSETH:**

WHEREAS, the Company desires to issue, sell and deliver to the Purchaser, and the Purchaser desires to purchase and acquire from the Company (the “**Investment**”), upon the terms and conditions set forth in this Agreement, certain Class B Shares (as defined below) of the Company.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

**ARTICLE 1**

**DEFINITIONS**

Section 1.01 *Definitions*. (a) The following terms, as used herein, have the following meanings:

“**ADSs**” means the American depository shares of the Company, each representing one (1) Class A Share.

“**Affiliate**” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person; *provided* that none of the Company, any of its Subsidiaries shall be considered an Affiliate of the Purchaser. For purposes of this definition, “**control**” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms “**controlling**” and “**controlled**” have correlative meanings.

“**Applicable Law**” means, with respect to any Person, any international, domestic or foreign federal, state or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority that is binding upon or applicable to such Person, as amended unless expressly specified otherwise.

“**Board**” means the board of directors of the Company.

“**Business Day**” means a day, other than Saturday, Sunday or other day on which commercial banks in New York, NY, the Cayman Islands or Hong Kong are authorized or required by Applicable Law to close.



“**Class A Shares**” means Class A ordinary shares, par value US\$0.0001 per share, in the share capital of the Company.

“**Class B Shares**” means the Class B ordinary shares, par value US\$0.0001 per share, in the share capital of the Company.

“**Closing Date**” means the date of the Closing.

“**Contract**” means any agreement, contract, lease, indenture, instrument, note, debenture, bond, mortgage or deed of trust or other agreement, commitment, arrangement or understanding, whether written or oral.

“**Encumbrance**” means any security interest, pledge, mortgage, lien, charge, claim, hypothecation, title defect, right of first option or refusal, right of preemption, or other encumbrance of any kind.

“**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended, and any rules and regulations promulgated thereunder.

“**Governmental Authority**” means any transnational, domestic or foreign federal, state or local governmental, regulatory or administrative authority, department, court, agency or official, including any political subdivision thereof.

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“**IFRS**” means International Financial Reporting Standards issued by International Accounting Standards Board.

“**Issued Shares**” means 3,271,028 Class B Shares to be newly issued by the Company to the Purchaser on the Closing Date.

“**knowledge**” of any Person that is not an individual means the knowledge of such Person’s officers after reasonable inquiry.

“**Material Adverse Effect**” means any event, circumstance, development, change or effect that, individually or in the aggregate, has or would reasonably be expected to have a material adverse effect on (i) the financial condition or results of operations of the Company and its Subsidiaries, taken as a whole, excluding any such effect resulting from (A) the announcement of the transactions contemplated by this Agreement, (B) changes affecting any of the industries in which the Company or its Subsidiaries operate generally or the economy generally or (C) changes affecting general worldwide economic or capital market conditions, or (ii) the authority or ability of the Company to perform its obligations under this Agreement and to consummate the transactions contemplated hereby.

“**Memorandum and Articles**” means the Memorandum and Articles of Association of the Company in effect from time to time.

“**NYSE**” means the New York Stock Exchange.

“**Ordinary Shares**” means collectively the Class A Shares and the Class B Shares.



“**Person**” means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a Governmental Authority.

“**Sarbanes-Oxley Act**” means the Sarbanes-Oxley Act of 2002.

“**SEC**” means the U.S. Securities and Exchange Commission.

“**Securities**” means any Ordinary Shares or any equity interest of, or shares of any class in the share capital (ordinary, preferred or otherwise) of, the Company and any convertible securities, options, warrants and any other type of equity or equity-linked securities convertible, exercisable or exchangeable for any such equity interest or shares of any class in the share capital of the Company.

“**Securities Act**” means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“**Subsidiary**” of any Person means any corporation, partnership, limited liability company, joint stock company, joint venture or other organization or entity, whether incorporated or unincorporated, which is controlled by such Person.

“**Transfer**” means directly or indirectly, offer, sell, contract to sell, pledge, transfer, assign, give, hypothecate, encumber, grant a security interest in, convey in trust, gift, devise or descent, or otherwise dispose of, or suffer to exist (whether by operation of law or otherwise) any Encumbrance on, any Securities or any right, title or interest therein or thereto, or enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of any Securities, whether any such aforementioned transaction is to be settled by delivery of the Ordinary Shares, ADSs or such other securities, in cash or otherwise, or publicly disclose the intention to make any such disposition or to enter into any such transaction, swap, hedge or other arrangement, including transfers pursuant to divorce or legal separation, transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntary or by operation of law, directly or indirectly, of any Company Securities.

“**U.S.**” or “**United States**” means the United States of America.

(b) Each of the following terms is defined in the Section set forth opposite such term:

<u>Term</u>	<u>Section</u>
Agreement	Preamble
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Closing	Section 2.02
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Rules	Section 9.06
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Third Party Claim	Section 7.03(a)



Section 1.02 *Other Definitional and Interpretative Provisions*. The words “hereof,” “herein” and “hereunder” and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections, Exhibits and Schedules are to Articles, Sections, Exhibits and Schedules of this Agreement unless otherwise specified. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation,” whether or not they are in fact followed by those words or words of like import. “Writing,” “written” and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof; provided that with respect to any agreement or contract listed on any schedules hereto, all such amendments, modifications or supplements must also be listed in the appropriate schedule. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to “law,” “laws” or to a particular statute or law shall be deemed also to include any and all Applicable Law.

## ARTICLE 2

### PURCHASE AND SALE

Section 2.01 *Purchase and Sale*. Upon the terms and subject to the conditions of this Agreement, at the Closing, the Company agrees to issue and sell to the Purchaser, and the Purchaser agrees to subscribe for and purchase from the Company, the Issued Shares. The aggregate subscription price for the Issued Shares is US\$14,000,000 (“**Subscription Price**”), or US\$4.28 per share. The Subscription Price shall be paid as provided in Section 2.02.

Section 2.02 *Closing*. The closing (the “**Closing**”) of the issuance and sale of the Issued Shares hereunder shall take place remotely via the electronic exchange of documents and signatures, as soon as possible, but in no event later than one (1) Business Day, after satisfaction or, to the extent permissible, waiver by the party or parties entitled to the benefit of the conditions set forth in Article 6 (other than conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or, to the extent permissible, waiver of those conditions at the Closing), or at such other time or place as the parties hereto may agree. At the Closing:



(a) the Purchaser shall deliver to the Company the Subscription Price by wire transfer in U.S. dollars of immediately available funds to a bank account designated by the Company at least one (1) Business Day prior to the Closing Date; and

(b) the Company shall deliver to the Purchaser: (i) a certified copy of the relevant page of the register of members of the Company reflecting the Purchaser as the owner of Issued Shares, and (ii) a share certificate representing the Issued Shares duly executed on behalf of the Company and registered in the name of the Purchaser (or, if not available at the Closing, a certified copy of such share certificate with the original to be delivered promptly as soon as possible after the Closing).

**ARTICLE 3**

**REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

The Company hereby represents and warrants to the Purchaser that:

Section 3.01 *Organization and Qualification*. The Company is an exempted company duly incorporated, validly existing and in good standing under the laws of the Cayman Islands, and has the requisite corporate power and authorization to own, lease and operate its properties and to carry on its business as now being conducted and as described in the SEC Documents. The Company is duly qualified or licensed to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except to the extent that the failure to be so qualified or licensed would not have a Material Adverse Effect. The memorandum and articles of association of the Company as filed with the SEC, is the current Memorandum and Articles and is in full force and effect. The Company is not in violation of any of the provisions of its Memorandum and Articles except as would not have a Material Adverse Effect.

Section 3.02 *Subsidiaries*. Each Subsidiary of the Company has been duly organized, is validly existing and in good standing (with respect to jurisdictions that recognize the concept of good standing) under the laws of its jurisdiction of organization, and has the requisite corporate power and authorization to own, lease and operate its properties and to carry on its business as now being conducted and as described in the SEC Documents. Each Subsidiary of the Company is duly qualified or licensed to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except to the extent that the failure to be so qualified or licensed would not have a Material Adverse Effect. The constitutional documents of each of the Company’s Subsidiaries are in full force and effect except as would not have a Material Adverse Effect. None of the Company’s Subsidiaries is in violation of any of the provisions of its constitutional documents except as would not have a Material Adverse Effect.

Section 3.03 *Capitalization*.

(a) As of the date of this Agreement, the authorized share capital of the Company consists of 8,000,000,000 Class A Shares and 2,000,000,000 Class B Shares. As of the date of this Agreement, (i)(A) 62,327,851 Class A Shares are issued and outstanding, (B) 27,017,263 Class A Shares are reserved and available for issuance pursuant to share-based compensation awards granted under the Company’s SpiderMan Share Incentive Plan (the “**Company ESOP**”) and (ii) 183,283,628 Class B Shares are issued and outstanding. Except as set forth in this Section 3.03(a), as of the date of this Agreement, no Securities were issued, reserved for issuance or outstanding and no securities of any of its Subsidiaries convertible into or exchangeable or exercisable for any Securities were issued or are outstanding. All outstanding Ordinary Shares are, and all such shares that may be issued prior to the date hereof will be, when issued, duly authorized, validly issued, fully paid and non-assessable and not subject to preemptive rights. Except for any obligations pursuant to this Agreement or as otherwise set forth above in this Section 3.03(a) and other than pursuant to the Company ESOP, as of the date of this Agreement, there are no options or other rights to acquire from the Company, or other obligation of the Company to issue, any additional Securities, and there are no outstanding obligations of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any Securities.



(b) All of the outstanding capital or other voting securities of each Subsidiary is owned by the Company, directly or indirectly, free and clear of any Encumbrance. All of the issued equity securities of each Subsidiary of the Company are validly issued, fully paid and non-assessable, and were issued in compliance with the applicable registration and qualification requirements of Applicable Laws.

(c) There are no preemptive rights, registration rights, rights of first offer, rights of first refusal, tag-along rights, director appointment rights, governance rights, veto rights or other similar rights with respect to the Securities or the securities of any Subsidiary of the Company that have been granted to any Person (other than the Company or any Subsidiary).

Section 3.04 *Authorization; Enforcement; Validity*. The Company has the requisite corporate power and authority to execute and deliver this Agreement and perform its obligations under this Agreement and to issue the Issued Shares in accordance with the terms hereof. This Agreement has been duly executed and delivered by the Company, and, assuming the due authorization, execution and delivery by the Purchaser (and each other party thereto), constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles (the "**Bankruptcy Exception**").

Section 3.05 *No Conflicts*. The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby (including the issuance of the Issued Shares) will not (i) result in a violation of the Memorandum and Articles, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any Contract to which the Company or any of its Subsidiaries is a party, or (iii) result in a violation of any Applicable Law to the Company or by which any property or asset of the Company or any of its Subsidiaries is bound or affected, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights or violations which would not have a Material Adverse Effect.

Section 3.06 *Consents*. The execution, delivery and performance of this Agreement by the Company require no (i) consent, approval, authorization, action or order of, any exemption by, any notice to, or any filing or registration with, any Governmental Authority or (ii) any consent, approval or authorization from or any waiver by any third party pursuant to any Contract to which the Company or any of its Subsidiaries except as would not have a Material Adverse Effect.



Section 3.07 *Valid Issuance*. The Issued Shares are duly authorized, and, when issued and paid for in accordance with the terms hereof and entered in the register of members of the Company, shall be validly issued and non-assessable and free from all preemptive or similar rights and Encumbrances, and the Purchaser shall be entitled to all rights accorded to a holder of the Class B Shares with respect to the Issued Shares (as applicable).

Section 3.08 *No Registration*. Assuming the accuracy of the representations and warranties set forth in Section 4.05 of this Agreement, it is not necessary in connection with the issuance and sale of the Issued Shares to register the Issued Shares under the Securities Act or to qualify or register the Issued Shares under applicable U.S. state securities laws. None of the Company, its Subsidiaries or their respective Affiliates or any Person acting on its or their behalf have engaged in any “directed selling efforts” within the meaning of Rule 903 of Regulation S under the Securities Act or any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act with respect to the Issued Shares.

Section 3.09 *SEC Documents*. The Company has timely filed or furnished, as applicable, all reports, schedules, forms, statements and other documents required to be filed or furnished by it with the SEC pursuant to the Securities Act or the Exchange Act (all of the foregoing documents filed with or furnished to the SEC and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the “**SEC Documents**”). As of their respective filing or furnishing dates, the SEC Documents complied in all material respects with the requirements of the Sarbanes-Oxley Act, the Securities Act or the Exchange Act, as the case may be, and the rules and regulations promulgated thereunder, as applicable, to the respective SEC Documents, and, other than as corrected or clarified in a subsequent SEC Document prior to the date of this Agreement, none of the SEC Documents, at the time they were filed or furnished, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The information contained in the SEC Documents, considered as a whole and as amended as of the date hereof, do not as of the date hereof, and will not as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. There are no contracts, agreements, arrangements, transactions or documents which are required to be described or disclosed in the SEC Documents or to be filed as exhibits to the SEC Documents which have not been so described, disclosed or filed.

Section 3.10 *Financial Statements*. As of their respective dates, the financial statements of the Company included in the SEC Documents (the “**Financial Statements**”) complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. The Financial Statements (including any related notes thereto) included or incorporated by reference in the SEC Documents fairly presented in all material respects the consolidated financial position of the Company as of the dates indicated therein and the consolidated results of its operations, cash flows and changes in shareholders’ equity for the periods specified therein. Such Financial Statements were prepared in accordance with IFRS applied on a consistent basis (except (i) as may be otherwise indicated in such Financial Statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed to summary statements).





Section 3.11 *Internal Controls and Procedures*. The Company has established and maintains disclosure controls and procedures as such terms are defined in, and required by, Rule 13a-15 or Rule 15d-15 under the Exchange Act. Except as may be disclosed in the SEC Documents, such disclosure controls and procedures are effective to ensure that all material information required to be disclosed by the Company in the reports that it files or furnishes under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. The Company maintains a system of internal controls over financial reporting sufficient to, except to the extent disclosed in the SEC Documents, provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations and (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS. Other than the material weaknesses in such internal controls over financial reporting disclosed in the SEC Documents, there are no such other material weaknesses in such system of internal controls. To the knowledge of the Company, there is no reason that its chief executive officer and chief financial officer will not be able to give the certifications and attestations required pursuant to the rules and regulations adopted pursuant to Section 404 of the Sarbanes-Oxley Act, without qualification, when next due.

Section 3.12 *Compliance with Applicable Laws*. The Company and each of its Subsidiaries have conducted their businesses in compliance with all Applicable Laws (including, without limitation, the U.S. Foreign Corrupt Practices Act, as amended) except as may be disclosed in the SEC Documents and as would not have a Material Adverse Effect. Except as may be disclosed in the SEC Documents, the Company and each of its Subsidiaries have all permits, licenses, authorizations, consents, orders and approvals (collectively, "Permits") that are required in order to carry on their business as presently conducted, except where the failure to have such Permits or the failure to make such filings, applications and registrations, would not have a Material Adverse Effect. Except as may be disclosed in the SEC Documents, all such Permits are in full force and effect and, to the knowledge of the Company, no suspension or cancellation of any of them is threatened, except where such absence, suspension or cancellation, would not have a Material Adverse Effect. The Company is in compliance with the applicable listing and corporate governance rules and regulations of the NYSE. The Company and its Subsidiaries have taken no action designed to, or reasonably likely to have the effect of, delisting the ADSs from the NYSE. The Company has not received any notification that the SEC or the NYSE is contemplating suspending or terminating such listing (or the applicable registration under the Exchange Act related thereto), and has no knowledge of any facts that would reasonably be expected to lead to delisting or suspension of its ADSs from the NYSE in the foreseeable future.

Section 3.13 *Insolvency and Winding-up*. Both before and after giving effect to the transactions contemplated by this Agreement, each of the Company and its Subsidiaries (i) will be solvent (in that both the fair value of its assets will not be less than the sum of its debts and that the present fair saleable value of its assets will not be less than the amount required to pay its probable liability on its recourse debts as they mature or become due) and (ii) will have adequate capital and liquidity with which to engage in the their businesses as currently conducted and as described in the SEC Documents. No order or petition has been presented or resolution passed for the administration, winding-up, dissolution, or liquidation of any of the Company and its Subsidiaries and no administrator, receiver, or manager has been appointed in respect thereof. None of the Company and its Subsidiaries has commenced any other proceeding under any bankruptcy, reorganization, composition, arrangement, adjustment of debt, release of debtors, dissolution, insolvency, liquidation, or similar law of any jurisdiction and no such proceedings have been commenced or is anticipated to be commenced against any of the Company and its Subsidiaries.



**ARTICLE 4**

**REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

The Purchaser represents and warrants to the Company that:

Section 4.01 *Organization*. The Purchaser is duly established, validly existing and in good standing under the laws of its jurisdiction of formation and has the requisite power and authorization to own, lease and operate its properties and to carry on its business as now being conducted.

Section 4.02 *Authorization; Enforcement; Validity*. The Purchaser has the requisite power and authority to execute and deliver this Agreement and perform its obligations under this Agreement in accordance with the terms hereof. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite action by the Purchaser and no other filing, consent or authorization on the part of the Purchaser is necessary to authorize or approve this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Purchaser, and, assuming the due authorization, execution and delivery by the Company, constitutes a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, subject to the Bankruptcy Exception.

Section 4.03 *No Conflicts*. The execution, delivery and performance by the Purchaser of this Agreement and the consummation by the Purchaser of the transactions contemplated hereby will not (i) result in a violation of the organizational or constitutional documents of the Purchaser, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any Contract to which the Purchaser is a party, or (iii) result in a violation of any Applicable Law to the Purchaser or by which any property or asset of the Purchaser is bound or affected.

Section 4.04 *Consents*. The execution, delivery and performance of this Agreement by the Purchaser require no (i) consent, approval, authorization, action or order of, any exemption by, any notice to, or any filing or registration with, any Governmental Authority or (ii) any consent, approval or authorization from or any waiver by any third party pursuant to any Contract to which it is a party.

Section 4.05 *Status and Investment Intent of the Purchaser*.

(a) The Purchaser is (i) not a "U.S. person" within the meaning of Regulation S under the Securities Act and is acquiring the Issued Shares in an offshore transaction under Rule 903 of Regulation S under the Securities Act, or (ii) an "accredited investor" within the meaning of SEC Rule 501 of Regulation D, as presently in effect, under the Act.



(b) The Purchaser (i) has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks involved in purchasing the Issued Shares and (ii) is capable of bearing the economic risk of the Investment.

(c) The Purchaser is acquiring the Issued Shares for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except pursuant to sales registered or exempted under the Securities Act. By executing this Agreement, the Purchaser further represents that, as of the date of this Agreement, it does not have any contract with any person to sell, transfer, or grant participation to any person, with respect to any of the Issued Shares.

(d) The Purchaser acknowledges and affirms that, with the assistance of its advisors (if applicable), it has conducted and completed its own investigation, analysis and evaluation related to the investment in the Issued Shares.

Section 4.06 *Restricted Securities*. The Purchaser understands that the Issued Shares it is purchasing are characterized as “restricted securities” under U.S. federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Act only in certain limited circumstances.

Section 4.07 *Legends*. It is understood that the certificates evidencing the Purchased Shares shall bear the following legend:

“THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR A VALID EXEMPTION THEREFROM.”

**ARTICLE 5**

**COVENANTS**

Section 5.01 *Interim Conduct; Further Assurances*.

(a) From the date hereof until the Closing Date, the Company shall, and shall cause each of its Subsidiaries to, (i) conduct its business and affairs in the ordinary course of business consistent with past practice, (ii) not take any action, or omit to take any action, that would reasonably be expected to make (x) any of its representations and warranties in this Agreement untrue, or (y) any of the conditions for the benefit of the Purchaser set forth in Article 6 not to be satisfied, in each case, at, or as of any time before, the Closing Date.

(b) Each party hereto shall use its respective best efforts to promptly fulfill or obtain the fulfillment of the conditions precedent to the consummation of the transactions contemplated by this Agreement, including the execution and delivery of any documents, certificates, instruments or other papers that are required for the consummation of such transactions, and will cooperate and consult with the other and use its best efforts to prepare and file all necessary documentation, to effect all necessary applications, notices, petitions, filings and other documents, and to obtain all necessary Permits of, or any exemption by, all Governmental Authorities, necessary or advisable to consummate the transactions contemplated by this Agreement. After the Closing Date, each party shall execute and deliver such further certificates, agreements and other documents and take such other actions as the other party may reasonably request to consummate or implement any applicable transactions contemplated hereby or to evidence any relevant events or matters.



Section 5.02 *Listing of Securities*. The Company shall (i) take all actions necessary to continue the listing and trading of its ADSs on the NYSE and shall materially comply with the Company's reporting, filing and other obligations under the rules of the NYSE, in each case, through the Closing, and (ii) at its own cost file with the NYSE a supplemental listing application in respect of the Issued Shares.

Section 5.03 *Lock-up*. The Purchaser shall not, during the Lock-Up Period (as defined below), Transfer any Securities or any interest therein without the prior written consent of the Company (which the Company may grant or withhold in the Company's sole discretion). As used herein, the "**Lock-Up Period**" with respect to any Securities held by the Purchaser will commence on the Closing Date and continue until and include the date that is six (6) months after the Closing Date.

## ARTICLE 6

### CONDITIONS TO CLOSING

Section 6.01 *Conditions to Obligations of All Parties*. The obligations of each party hereto to consummate the Closing are subject to the satisfaction of the following conditions:

(a) No provision of any Applicable Law or no Judgment entered by or with any Governmental Authority with competent jurisdiction, shall be in effect that enjoins, prohibits or materially alters the terms of the transactions contemplated by this Agreement.

(b) No Proceeding challenging this Agreement or the transactions contemplated hereby, or seeking to prohibit, alter, prevent or materially delay the Closing, shall have been instituted or be pending before any Governmental Authority.

Section 6.02 *Conditions to Obligation of the Purchaser*. The obligation of the Purchaser to consummate the Closing is subject to the satisfaction of the following further conditions:

(a) (i) the representations and warranties of the Company that are qualified by materiality or Material Adverse Effect shall be true and correct in all respects on and as of the Closing Date as though made on and as of the Closing Date; (ii) the representations and warranties of the Company that are not qualified by materiality or Material Adverse Effect shall be true and correct in all material respects on and as of the Closing Date as though made on and as of the Closing Date; (iv) the Company shall have performed or complied with all obligations and conditions in this Agreement required to be performed or complied with by the Company on or prior to the Closing Date; and (v) there shall have been no Material Adverse Effect.



Section 6.03 *Conditions to Obligation of the Company*. The obligations of the Company to consummate the Closing are subject to the satisfaction of the following further conditions:

- (a) The representations and warranties of the Purchaser in this Agreement shall be true and correct on and as of the Closing Date as though made on and as of the Closing Date.
- (b) The Purchaser shall have performed all obligations and conditions herein required to be performed or observed by the Purchaser on or prior to the Closing Date (including but not limited to its payment obligations under Section 2.02(a)).

**ARTICLE 7**

**SURVIVAL; INDEMNIFICATION**

*Section 7.01 Survival.*

(a) All representations and warranties made by any Party contained in this Agreement shall survive the Closing until twelve (12) months after of the Closing Date.

(b) Notwithstanding anything to the contrary in the foregoing clause, (i) any breach of representation or warranty in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to the preceding clause (a), if notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time and (ii) any breach of representation or warranty in respect of which indemnity may be sought that was caused as a result of fraud or intentional misrepresentation shall survive indefinitely or until the latest date permitted by law.

*Section 7.02 Indemnification.*

(a) Effective at and after the Closing, each Party hereto, as applicable (the “**Indemnifying Party**”) shall indemnify and hold harmless the other Party and its Affiliates (the “**Indemnified Parties**”) against and from any and all damage, loss, liability and expense (including reasonable expenses of investigation and reasonable attorneys’ fees and expenses) (“**Losses**”), incurred or suffered by the Indemnified Parties arising out of any misrepresentation or breach of representation or warranty or breach of covenants or agreements by the Indemnifying Party under this Agreement; *provided* that (i) the Indemnifying Party’s maximum liability under this Section 7.02 shall not exceed the Subscription Price, (ii) no Indemnifying Party shall be liable for any Losses consisting of punitive damages, (iii) the amount of any Losses for which indemnification is provided under this section shall be reduced by (a) any amounts that have been recovered by any Indemnified Party from any third party, and (b) any insurance proceeds or other cash receipts or source of reimbursement that have been received by any Indemnified Party with respect to such Losses, in each case, net of any costs of recovery, and (iv) each Indemnified Party shall use commercially reasonable efforts to mitigate the Losses it incurs.

(b) Notwithstanding any other provision contained herein, the remedies contained in this Section shall be the sole and exclusive monetary remedy of the Indemnified Parties for any claim arising out of or resulting from this Agreement, except that no limitation or exceptions with respect to the obligations or liabilities on either Party provided hereunder shall apply to a Loss incurred by any Indemnified Party arising due to the fraud or fraudulent misrepresentation of the Indemnifying Party.



Section 7.03 *Third Party Claim Procedures.*

(a) The Indemnified Party seeking indemnification under Section 7.02 agrees to give reasonably prompt notice in writing to Indemnifying Party of the assertion of any claim or the commencement of any suit, action or proceeding by any third party (“**Third Party Claim**”) in respect of which indemnity may be sought under Section 7.02. Such notice shall set forth in reasonable detail such Third Party Claim and the basis for indemnification (taking into account the information then available to the Indemnified Party). The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent such failure shall have actually materially and adversely prejudiced the Indemnifying Party.

(b) The Indemnifying Party shall be entitled to participate in the defense of any Third Party Claim and, subject to the limitations set forth in this Section 7.03, shall be entitled to control and appoint lead counsel (that is reasonably satisfactory to the Indemnified Party) for such defense, in each case at its own expense; *provided* that prior to assuming control of such defense, the Indemnifying Party must (i) acknowledge in writing that it would have an indemnity obligation to the Indemnified Party for the Losses resulting from such Third Party Claim and (ii) furnish the Indemnified Party with reasonable evidence that the Indemnifying Party has adequate resources to defend the Third Party Claim and fulfill its indemnity obligations hereunder.

(c) The Indemnifying Party shall not be entitled to assume or maintain control of the defense of any Third Party Claim and shall pay the reasonable fees, costs and expenses of counsel retained by the Indemnified Party if (i) the Indemnifying Party does not deliver the acknowledgment referred to in Section 7.03(b) within thirty (30) days of receipt of notice of the Third Party Claim pursuant to Section 7.03(a), (ii) the Third Party Claim relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation, (iii) the Indemnified Party reasonably believes an adverse determination with respect to the Third Party Claim would be materially detrimental to the reputation or future business prospects of the Indemnified Party or any of its Affiliates, (iv) the Third Party Claim seeks an injunction or equitable relief against the Indemnified Party or any of its Affiliates or (v) the Indemnifying Party has failed or is failing to prosecute or defend the Third Party Claim vigorously and prudently.

(d) If the Indemnifying Party shall assume the control of the defense of any Third Party Claim in accordance with the provisions of Section 7.03(c), the Indemnifying Party shall obtain the prior written consent of the Indemnified Party (which shall not be unreasonably withheld) before entering into any settlement of such Third Party Claim if the settlement does not expressly unconditionally release the Indemnified Party and its Affiliates from all liabilities and obligations with respect to such Third Party Claim or the settlement imposes injunctive or other equitable relief against the Indemnified Party or any of its Affiliates.

(e) In circumstances where the Indemnifying Party is controlling the defense of a Third Party Claim in accordance with Section 7.03(c), the Indemnified Party shall be entitled to participate in the defense of any Third Party Claim and to employ separate counsel of its choice for such purpose, in which case the fees, costs and expenses of such separate counsel shall be borne by the Indemnified Party; *provided* that Indemnifying Party shall pay the fees, costs and expenses of such separate counsel of the Indemnified Party if (i) incurred by the Indemnified Party prior to the date the Indemnifying Party assumes control of the defense of the Third Party Claim, (ii) if representation of both the Indemnifying Party and the Indemnified Party by the same counsel would create a conflict of interest or (iii) the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it which are different from or additional to those available to the Indemnifying Party.



(f) Each party shall reasonably cooperate, and cause their respective Affiliates to reasonably cooperate, in the defense or prosecution of any Third Party Claim.

Section 7.04 *Direct Claim Procedures*. In the event an Indemnified Party has a claim for indemnity under Section 7.02 against the Indemnifying Party that does not involve a Third Party Claim, the Indemnified Party agrees to give notice in writing of such claim to the Indemnifying Party. Such notice shall set forth in reasonable detail such claim and the basis for indemnification (taking into account the information then available to the Indemnified Party). The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent such failure shall have actually materially and adversely prejudiced the Indemnifying Party. If the Indemnifying Party does not notify the Indemnified Party within thirty (30) days following the receipt of a notice with respect to any such claim that the Indemnifying Party disputes its indemnity obligation to the Indemnified Party for any Losses with respect to such claim, such Losses shall be conclusively deemed a liability of the Indemnifying Party and the Indemnifying Party shall promptly pay to the Indemnified Party any and all Losses arising out of such claim. If the Indemnifying Party has timely disputed its indemnity obligation for any Losses with respect to such claim, the parties shall proceed in good faith to negotiate a resolution of such dispute and, if not resolved through such negotiations, such dispute shall be resolved by arbitration determined pursuant to Section 9.06.

**ARTICLE 8**

**TERMINATION**

Section 8.01 *Grounds for Termination*. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of each party hereto;

(b) by the Purchaser or the Company if the Closing shall not have occurred on or before April 30, 2022; *provided* that such right to terminate this Agreement shall not be available to any party whose failure to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to such date; or

(c) by any party in the event that any Governmental Entity shall have issued a Judgment or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such Judgment or other action shall have become final and non-appealable.

The party desiring to terminate this Agreement pursuant to Section 8.01(b) or Section 8.01(c) shall give notice of such termination to the other parties hereto specifying the provision hereof pursuant to which such termination is made.

Section 8.02 *Effect of Termination*. In the event of termination of this Agreement, this Agreement shall forthwith become void and of no further force or effect (except for Article 9, which shall survive such termination) and there shall be no liability on the part of any party hereto except that nothing herein shall relieve any party from any liability for Losses for any breach of this Agreement.



**ARTICLE 9**

**MISCELLANEOUS**

Section 9.01 *Notices*. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission and electronic mail (“**e-mail**”) transmission, so long as a receipt of such e-mail is requested and received) and shall be given,

if to the Company, to:

AMTD International Inc.  
 23/F, Nexxus Building  
 41 Connaught Road Central  
 Hong Kong  
 Attention:  
 Facsimile:  
 Email:

if to the Purchaser, to:

Infinity Power Investments Limited  
 Vistra Corporate Services Centre, Wickhams Cay II  
 Road Town, Tortola  
 British Virgin Islands  
 Attention: Board of Directors  
 Email:

or such other address or facsimile number as such party may hereafter specify for the purpose by notice to the other parties hereto. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

Section 9.02 *Amendments and Waivers*. (a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.





Section 9.03 *Expenses*. Except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

Section 9.04 *Successors and Assigns*. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; *provided* that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of each other party hereto.

Section 9.05 *Governing Law*. This Agreement, the rights and obligations of the parties hereto, and all claims or disputes relating hereto, shall be governed by and construed in accordance with the law of Hong Kong, without regard to the conflicts of law rules thereunder.

Section 9.06 *Arbitration*. Any dispute, controversy or claim arising out of or relating to this Agreement, including, but not limited to, any question regarding the breach, termination or invalidity thereof shall be finally resolved by arbitration in Hong Kong in accordance with the administered rules (the “**Rules**”) of the Hong Kong International Arbitration Centre (the “**HKIAC**”) in force at the time of commencement of the arbitration, which Rules are deemed to be incorporated by reference into this Section. The number of arbitrators shall be three and shall be selected in accordance with the Rules. All selections shall be made within thirty (30) days after the selecting party gives or receives, as the case may be, the demand for arbitration. The seat of the arbitration shall be in Hong Kong and the language to be used shall be English. Any arbitration award shall be (i) in writing and shall contain the reasons for the decision, (ii) final and binding on the parties hereto and (iii) enforceable in any court of competent jurisdiction, and the parties hereto agree to be bound thereby and to act accordingly.

Section 9.07 *Counterparts; Effectiveness; Third Party Beneficiaries*. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Signatures in the form of facsimile or electronically imaged “PDF” shall be deemed to be original signatures for all purposes hereunder. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by all of the other parties hereto. Until and unless each party has received a counterpart hereof signed by the other party hereto, this Agreement shall have no effect and no party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). No provision of this Agreement is intended to confer any rights, benefits, remedies, obligations, or liabilities hereunder upon any Person other than the parties hereto and their respective successors and assigns.

Section 9.08 *Entire Agreement*. This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

Section 9.09 *Severability*. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other Governmental Authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

**AMTD INTERNATIONAL INC.**

By: /s/ WILLIAM FUNG  
Name: WILLIAM FUNG  
Title: Chief Executive Officer

*[Signature Page to SPA]*



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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

**INFINITY POWER INVESTMENTS LIMITED**

By: /s/ Calvin Choi  
Name: Calvin Choi  
Title: Director

*[Signature Page to SPA]*



**SHARE PURCHASE AGREEMENT**

dated as of

January 15, 2022

between

**AMTD INTERNATIONAL INC.**

and

**NGSP HOLDINGS LIMITED**

**Summary of Key Terms**

**Purchaser:** NGSP HOLDINGS LIMITED

**Shares to be purchased:** 58,411 Class A ordinary shares of AMTD International Inc., par value US\$0.0001 each, to be newly issued

**Purchase price:** US\$4.28 per Class A ordinary share, or US\$250,000 in aggregate

**Lock-up period:** six (6) months after the closing

**Long stop date of closing:** January 18, 2022.



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**SHARE PURCHASE AGREEMENT**

This SHARE PURCHASE AGREEMENT dated as of January 15, 2022 (this “**Agreement**”) is made and entered into by and between (i) AMTD International Inc., a company incorporated under the laws of the Cayman Islands (the “**Company**”), and (ii) NGSP Holdings Limited, a company organized under the laws of British Virgin Islands (the “**Purchaser**”).

**WITNESSETH:**

WHEREAS, the Company desires to issue, sell and deliver to the Purchaser, and the Purchaser desires to purchase and acquire from the Company (the “**Investment**”), upon the terms and conditions set forth in this Agreement, certain Class A Shares (as defined below) of the Company.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

**ARTICLE 1**

**DEFINITIONS**

Section 1.01 *Definitions*. (a) The following terms, as used herein, have the following meanings:

“**ADSs**” means the American depositary shares of the Company, each representing one (1) Class A Share.

“**Affiliate**” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person; *provided* that none of the Company, any of its Subsidiaries shall be considered an Affiliate of the Purchaser. For purposes of this definition, “**control**” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms “**controlling**” and “**controlled**” have correlative meanings.

“**Applicable Law**” means, with respect to any Person, any international, domestic or foreign federal, state or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority that is binding upon or applicable to such Person, as amended unless expressly specified otherwise.

“**Board**” means the board of directors of the Company.

“**Business Day**” means a day, other than Saturday, Sunday or other day on which commercial banks in New York, NY, the Cayman Islands or Hong Kong are authorized or required by Applicable Law to close.



“**Class A Shares**” means Class A ordinary shares, par value US\$0.0001 per share, in the share capital of the Company.

“**Class B Shares**” means the Class B ordinary shares, par value US\$0.0001 per share, in the share capital of the Company.

“**Closing Date**” means the date of the Closing.

“**Contract**” means any agreement, contract, lease, indenture, instrument, note, debenture, bond, mortgage or deed of trust or other agreement, commitment, arrangement or understanding, whether written or oral.

“**Encumbrance**” means any security interest, pledge, mortgage, lien, charge, claim, hypothecation, title defect, right of first option or refusal, right of preemption, or other encumbrance of any kind.

“**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended, and any rules and regulations promulgated thereunder.

“**Governmental Authority**” means any transnational, domestic or foreign federal, state or local governmental, regulatory or administrative authority, department, court, agency or official, including any political subdivision thereof.

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“**IFRS**” means International Financial Reporting Standards issued by International Accounting Standards Board.

“**Issued Shares**” means 58,411 Class A Shares to be newly issued by the Company to the Purchaser on the Closing Date.

“**knowledge**” of any Person that is not an individual means the knowledge of such Person’s officers after reasonable inquiry.

“**Material Adverse Effect**” means any event, circumstance, development, change or effect that, individually or in the aggregate, has or would reasonably be expected to have a material adverse effect on (i) the financial condition or results of operations of the Company and its Subsidiaries, taken as a whole, excluding any such effect resulting from (A) the announcement of the transactions contemplated by this Agreement, (B) changes affecting any of the industries in which the Company or its Subsidiaries operate generally or the economy generally or (C) changes affecting general worldwide economic or capital market conditions, or (ii) the authority or ability of the Company to perform its obligations under this Agreement and to consummate the transactions contemplated hereby.

“**Memorandum and Articles**” means the Memorandum and Articles of Association of the Company in effect from time to time.

“**NYSE**” means the New York Stock Exchange.

“**Ordinary Shares**” means collectively the Class A Shares and the Class B Shares.





“**Person**” means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a Governmental Authority.

“**Sarbanes-Oxley Act**” means the Sarbanes-Oxley Act of 2002.

“**SEC**” means the U.S. Securities and Exchange Commission.

“**Securities**” means any Ordinary Shares or any equity interest of, or shares of any class in the share capital (ordinary, preferred or otherwise) of, the Company and any convertible securities, options, warrants and any other type of equity or equity-linked securities convertible, exercisable or exchangeable for any such equity interest or shares of any class in the share capital of the Company.

“**Securities Act**” means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“**Subsidiary**” of any Person means any corporation, partnership, limited liability company, joint stock company, joint venture or other organization or entity, whether incorporated or unincorporated, which is controlled by such Person.

“**Transfer**” means directly or indirectly, offer, sell, contract to sell, pledge, transfer, assign, give, hypothecate, encumber, grant a security interest in, convey in trust, gift, devise or descent, or otherwise dispose of, or suffer to exist (whether by operation of law or otherwise) any Encumbrance on, any Issued Shares or any right, title or interest therein or thereto, or enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of any Issued Shares, whether any such aforementioned transaction is to be settled by delivery of the Ordinary Shares, ADSs or such other securities, in cash or otherwise, or publicly disclose the intention to make any such disposition or to enter into any such transaction, swap, hedge or other arrangement, including transfers pursuant to divorce or legal separation, transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntary or by operation of law, directly or indirectly, of any Issued Shares.

“**U.S.**” or “**United States**” means the United States of America.

(b) Each of the following terms is defined in the Section set forth opposite such term:

<u>Term</u>	<u>Section</u>
Agreement	Preamble
Bankruptcy Exception	Section 3.04
Closing	Section 2.02
Company	Preamble
Company ESOP	Section 3.03(a)
e-mail	Section 9.01
Financial Statements	Section 3.10
HKIAC	Section 9.06
Indemnified Parties	Section 7.02(a)
Indemnifying Party	Section 7.02(a)
Investment	Recitals
Lock-Up Period	Section 5.03
Losses	Section 7.02(a)
Permits	Section 3.12
Purchaser	Preamble
Rules	Section 9.06
SEC Documents	Section 3.09
Subscription Price	Section 2.01
Third Party Claim	Section 7.03(a)



Section 1.02 *Other Definitional and Interpretative Provisions*. The words “hereof,” “herein” and “hereunder” and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections, Exhibits and Schedules are to Articles, Sections, Exhibits and Schedules of this Agreement unless otherwise specified. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation,” whether or not they are in fact followed by those words or words of like import. “Writing,” “written” and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof; provided that with respect to any agreement or contract listed on any schedules hereto, all such amendments, modifications or supplements must also be listed in the appropriate schedule. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively. References to “law,” “laws” or to a particular statute or law shall be deemed also to include any and all Applicable Law.

**ARTICLE 2**

**PURCHASE AND SALE**

Section 2.01 *Purchase and Sale*. Upon the terms and subject to the conditions of this Agreement, at the Closing, the Company agrees to issue and sell to the Purchaser, and the Purchaser agrees to subscribe for and purchase from the Company, the Issued Shares. The aggregate subscription price for the Issued Shares is US\$250,000 (“**Subscription Price**”), or US\$4.28 per share. The Subscription Price shall be paid as provided in Section 2.02.

Section 2.02 *Closing*. The closing (the “**Closing**”) of the issuance and sale of the Issued Shares hereunder shall take place remotely via the electronic exchange of documents and signatures, as soon as possible, but in no event later than one (1) Business Day, after satisfaction or, to the extent permissible, waiver by the party or parties entitled to the benefit of the conditions set forth in Article 6 (other than conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or, to the extent permissible, waiver of those conditions at the Closing), or at such other time or place as the parties hereto may agree. At the Closing:

(a) the Purchaser shall deliver to the Company the Subscription Price by wire transfer in U.S. dollars of immediately available funds to a bank account designated by the Company at least one (1) Business Day prior to the Closing Date; and



(b) the Company shall deliver to the Purchaser: (i) a certified copy of the relevant page of the register of members of the Company reflecting the Purchaser as the owner of Issued Shares, and (ii) a share certificate representing the Issued Shares duly executed on behalf of the Company and registered in the name of the Purchaser (or, if not available at the Closing, a certified copy of such share certificate with the original to be delivered promptly as soon as possible after the Closing).

### ARTICLE 3

#### REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Purchaser that:

Section 3.01 *Organization and Qualification*. The Company is an exempted company duly incorporated, validly existing and in good standing under the laws of the Cayman Islands, and has the requisite corporate power and authorization to own, lease and operate its properties and to carry on its business as now being conducted and as described in the SEC Documents. The Company is duly qualified or licensed to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except to the extent that the failure to be so qualified or licensed would not have a Material Adverse Effect. The memorandum and articles of association of the Company as filed with the SEC is the current Memorandum and Articles and is in full force and effect. The Company is not in violation of any of the provisions of its Memorandum and Articles except as would not have a Material Adverse Effect.

Section 3.02 *Subsidiaries*. Each Subsidiary of the Company has been duly organized, is validly existing and in good standing (with respect to jurisdictions that recognize the concept of good standing) under the laws of its jurisdiction of organization, and has the requisite corporate power and authorization to own, lease and operate its properties and to carry on its business as now being conducted and as described in the SEC Documents. Each Subsidiary of the Company is duly qualified or licensed to do business in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except to the extent that the failure to be so qualified or licensed would not have a Material Adverse Effect. The constitutional documents of each of the Company's Subsidiaries are in full force and effect except as would not have a Material Adverse Effect. None of the Company's Subsidiaries is in violation of any of the provisions of its constitutional documents except as would not have a Material Adverse Effect.



Section 3.03 *Capitalization.*

(a) As of the date of this Agreement, the authorized share capital of the Company consists of 8,000,000,000 Class A Shares and 2,000,000,000 Class B Shares. As of the date of this Agreement, (i)(A) 62,327,851 Class A Shares are issued and outstanding, (B) 27,017,263 Class A Shares are reserved and available for issuance pursuant to share-based compensation awards granted under the Company's SpiderMan Share Incentive Plan (the "Company ESOP") and (ii) 183,283,628 Class B Shares are issued and outstanding. Except as set forth in this Section 3.03(a), as of the date of this Agreement, no Securities were issued, reserved for issuance or outstanding and no securities of any of its Subsidiaries convertible into or exchangeable or exercisable for any Securities were issued or are outstanding. All outstanding Ordinary Shares are, and all such shares that may be issued prior to the date hereof will be, when issued, duly authorized, validly issued, fully paid and non-assessable and not subject to preemptive rights. Except for any obligations pursuant to this Agreement or as otherwise set forth above in this Section 3.03(a) and other than pursuant to the Company ESOP, as of the date of this Agreement, there are no options or other rights to acquire from the Company, or other obligation of the Company to issue, any additional Securities, and there are no outstanding obligations of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any Securities.

(b) All of the outstanding capital or other voting securities of each Subsidiary is owned by the Company, directly or indirectly, free and clear of any Encumbrance. All of the issued equity securities of each Subsidiary of the Company are validly issued, fully paid and non-assessable, and were issued in compliance with the applicable registration and qualification requirements of Applicable Laws.

(c) There are no preemptive rights, registration rights, rights of first offer, rights of first refusal, tag-along rights, director appointment rights, governance rights, veto rights or other similar rights with respect to the Securities or the securities of any Subsidiary of the Company that have been granted to any Person (other than the Company or any Subsidiary).

Section 3.04 *Authorization; Enforcement; Validity.* The Company has the requisite corporate power and authority to execute and deliver this Agreement and perform its obligations under this Agreement and to issue the Issued Shares in accordance with the terms hereof. This Agreement has been duly executed and delivered by the Company, and, assuming the due authorization, execution and delivery by the Purchaser (and each other party thereto), constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles (the "Bankruptcy Exception").

Section 3.05 *No Conflicts.* The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby (including the issuance of the Issued Shares) will not (i) result in a violation of the Memorandum and Articles, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any Contract to which the Company or any of its Subsidiaries is a party, or (iii) result in a violation of any Applicable Law to the Company or by which any property or asset of the Company or any of its Subsidiaries is bound or affected, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights or violations which would not have a Material Adverse Effect.

Section 3.06 *Consents.* The execution, delivery and performance of this Agreement by the Company require no (i) consent, approval, authorization, action or order of, any exemption by, any notice to, or any filing or registration with, any Governmental Authority or (ii) any consent, approval or authorization from or any waiver by any third party pursuant to any Contract to which the Company or any of its Subsidiaries except as would not have a Material Adverse Effect.



Section 3.07 *Valid Issuance*. The Issued Shares are duly authorized, and, when issued and paid for in accordance with the terms hereof and entered in the register of members of the Company, shall be validly issued and non-assessable and free from all preemptive or similar rights and Encumbrances, and the Purchaser shall be entitled to all rights accorded to a holder of the Class A Shares with respect to the Issued Shares (as applicable).

Section 3.08 *No Registration*. Assuming the accuracy of the representations and warranties set forth in Section 4.05 of this Agreement, it is not necessary in connection with the issuance and sale of the Issued Shares to register the Issued Shares under the Securities Act or to qualify or register the Issued Shares under applicable U.S. state securities laws. None of the Company, its Subsidiaries or their respective Affiliates or any Person acting on its or their behalf have engaged in any “directed selling efforts” within the meaning of Rule 903 of Regulation S under the Securities Act or any form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act with respect to the Issued Shares.

Section 3.09 *SEC Documents*. The Company has timely filed or furnished, as applicable, all reports, schedules, forms, statements and other documents required to be filed or furnished by it with the SEC pursuant to the Securities Act or the Exchange Act (all of the foregoing documents filed with or furnished to the SEC and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the “**SEC Documents**”). As of their respective filing or furnishing dates, the SEC Documents complied in all material respects with the requirements of the Sarbanes-Oxley Act, the Securities Act or the Exchange Act, as the case may be, and the rules and regulations promulgated thereunder, as applicable, to the respective SEC Documents, and, other than as corrected or clarified in a subsequent SEC Document prior to the date of this Agreement, none of the SEC Documents, at the time they were filed or furnished, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The information contained in the SEC Documents, considered as a whole and as amended as of the date hereof, do not as of the date hereof, and will not as of the Closing Date, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. There are no contracts, agreements, arrangements, transactions or documents which are required to be described or disclosed in the SEC Documents or to be filed as exhibits to the SEC Documents which have not been so described, disclosed or filed.

Section 3.10 *Financial Statements*. As of their respective dates, the financial statements of the Company included in the SEC Documents (the “**Financial Statements**”) complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. The Financial Statements (including any related notes thereto) included or incorporated by reference in the SEC Documents fairly presented in all material respects the consolidated financial position of the Company as of the dates indicated therein and the consolidated results of its operations, cash flows and changes in shareholders’ equity for the periods specified therein. Such Financial Statements were prepared in accordance with IFRS applied on a consistent basis (except (i) as may be otherwise indicated in such Financial Statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed to summary statements).



Section 3.11 *Internal Controls and Procedures*. The Company has established and maintains disclosure controls and procedures as such terms are defined in, and required by, Rule 13a-15 or Rule 15d-15 under the Exchange Act. Except as may be disclosed in the SEC Documents, such disclosure controls and procedures are effective to ensure that all material information required to be disclosed by the Company in the reports that it files or furnishes under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. The Company maintains a system of internal controls over financial reporting sufficient to, except to the extent disclosed in the SEC Documents, provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations and (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS. Other than the material weaknesses in such internal controls over financial reporting disclosed in the SEC Documents, there are no such other material weaknesses in such system of internal controls. To the knowledge of the Company, there is no reason that its chief executive officer and chief financial officer will not be able to give the certifications and attestations required pursuant to the rules and regulations adopted pursuant to Section 404 of the Sarbanes-Oxley Act, without qualification, when next due.

Section 3.12 *Compliance with Applicable Laws*. The Company and each of its Subsidiaries have conducted their businesses in compliance with all Applicable Laws (including, without limitation, the U.S. Foreign Corrupt Practices Act, as amended) except as may be disclosed in the SEC Documents and as would not have a Material Adverse Effect. Except as may be disclosed in the SEC Documents, the Company and each of its Subsidiaries have all permits, licenses, authorizations, consents, orders and approvals (collectively, "Permits") that are required in order to carry on their business as presently conducted, except where the failure to have such Permits or the failure to make such filings, applications and registrations, would not have a Material Adverse Effect. Except as may be disclosed in the SEC Documents, all such Permits are in full force and effect and, to the knowledge of the Company, no suspension or cancellation of any of them is threatened, except where such absence, suspension or cancellation, would not have a Material Adverse Effect. The Company is in compliance with the applicable listing and corporate governance rules and regulations of the NYSE. The Company and its Subsidiaries have taken no action designed to, or reasonably likely to have the effect of, delisting the ADSs from the NYSE. The Company has not received any notification that the SEC or the NYSE is contemplating suspending or terminating such listing (or the applicable registration under the Exchange Act related thereto), and has no knowledge of any facts that would reasonably be expected to lead to delisting or suspension of its ADSs from the NYSE in the foreseeable future.

Section 3.13 *Insolvency and Winding-up*. Both before and after giving effect to the transactions contemplated by this Agreement, each of the Company and its Subsidiaries (i) will be solvent (in that both the fair value of its assets will not be less than the sum of its debts and that the present fair saleable value of its assets will not be less than the amount required to pay its probable liability on its recourse debts as they mature or become due) and (ii) will have adequate capital and liquidity with which to engage in the their businesses as currently conducted and as described in the SEC Documents. No order or petition has been presented or resolution passed for the administration, winding-up, dissolution, or liquidation of any of the Company and its Subsidiaries and no administrator, receiver, or manager has been appointed in respect thereof. None of the Company and its Subsidiaries has commenced any other proceeding under any bankruptcy, reorganization, composition, arrangement, adjustment of debt, release of debtors, dissolution, insolvency, liquidation, or similar law of any jurisdiction and no such proceedings have been commenced or is anticipated to be commenced against any of the Company and its Subsidiaries.



**ARTICLE 4**

**REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

The Purchaser represents and warrants to the Company that:

Section 4.01 *Organization*. The Purchaser is duly established, validly existing and in good standing under the laws of its jurisdiction of formation and has the requisite power and authorization to own, lease and operate its properties and to carry on its business as now being conducted.

Section 4.02 *Authorization; Enforcement; Validity*. The Purchaser has the requisite power and authority to execute and deliver this Agreement and perform its obligations under this Agreement in accordance with the terms hereof. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite action by the Purchaser and no other filing, consent or authorization on the part of the Purchaser is necessary to authorize or approve this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Purchaser, and, assuming the due authorization, execution and delivery by the Company, constitutes a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, subject to the Bankruptcy Exception.

Section 4.03 *No Conflicts*. The execution, delivery and performance by the Purchaser of this Agreement and the consummation by the Purchaser of the transactions contemplated hereby will not (i) result in a violation of the organizational or constitutional documents of the Purchaser, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any Contract to which the Purchaser is a party, or (iii) result in a violation of any Applicable Law to the Purchaser or by which any property or asset of the Purchaser is bound or affected.

Section 4.04 *Consents*. The execution, delivery and performance of this Agreement by the Purchaser require no (i) consent, approval, authorization, action or order of, any exemption by, any notice to, or any filing or registration with, any Governmental Authority or (ii) any consent, approval or authorization from or any waiver by any third party pursuant to any Contract to which it is a party.

Section 4.05 *Status and Investment Intent of the Purchaser*.

(a) The Purchaser is (i) not a "U.S. person" within the meaning of Regulation S under the Securities Act and is acquiring the Issued Shares in an offshore transaction under Rule 903 of Regulation S under the Securities Act, or (ii) an "accredited investor" within the meaning of SEC Rule 501 of Regulation D, as presently in effect, under the Act.



(b) The Purchaser (i) has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks involved in purchasing the Issued Shares and (ii) is capable of bearing the economic risk of the Investment.

(c) The Purchaser is acquiring the Issued Shares for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except pursuant to sales registered or exempted under the Securities Act. By executing this Agreement, the Purchaser further represents that, as of the date of this Agreement, it does not have any contract with any person to sell, transfer, or grant participation to any person, with respect to any of the Issued Shares.

(d) The Purchaser acknowledges and affirms that, with the assistance of its advisors (if applicable), it has conducted and completed its own investigation, analysis and evaluation related to the investment in the Issued Shares.

Section 4.06 *Restricted Securities*. The Purchaser understands that the Issued Shares it is purchasing are characterized as “restricted securities” under U.S. federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Act only in certain limited circumstances.

Section 4.07 *Legends*. It is understood that the certificates evidencing the Issued Shares shall bear the following legend:

“THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO THE SECURITIES UNDER SUCH ACT OR A VALID EXEMPTION THEREFROM.”

## ARTICLE 5

### COVENANTS

Section 5.01 *Interim Conduct; Further Assurances*.

(a) From the date hereof until the Closing Date, the Company shall, and shall cause each of its Subsidiaries to, (i) conduct its business and affairs in the ordinary course of business consistent with past practice, (ii) not take any action, or omit to take any action, that would reasonably be expected to make (x) any of its representations and warranties in this Agreement untrue, or (y) any of the conditions for the benefit of the Purchaser set forth in Article 6 not to be satisfied, in each case, at, or as of any time before, the Closing Date.

(b) Each party hereto shall use its respective best efforts to promptly fulfill or obtain the fulfillment of the conditions precedent to the consummation of the transactions contemplated by this Agreement, including the execution and delivery of any documents, certificates, instruments or other papers that are required for the consummation of such transactions, and will cooperate and consult with the other and use its best efforts to prepare and file all necessary documentation, to effect all necessary applications, notices, petitions, filings and other documents, and to obtain all necessary Permits of, or any exemption by, all Governmental Authorities, necessary or advisable to consummate the transactions contemplated by this Agreement. After the Closing Date, each party shall execute and deliver such further certificates, agreements and other documents and take such other actions as the other party may reasonably request to consummate or implement any applicable transactions contemplated hereby or to evidence any relevant events or matters.





Section 5.02 *Listing of Securities*. The Company shall (i) take all actions necessary to continue the listing and trading of its ADSs on the NYSE and shall materially comply with the Company's reporting, filing and other obligations under the rules of the NYSE, in each case, through the Closing, and (ii) at its own cost file with the NYSE a supplemental listing application in respect of the Issued Shares.

Section 5.03 *Lock-up*. The Purchaser shall not, during the Lock-Up Period (as defined below), Transfer any Issued Shares or any interest therein without the prior written consent of the Company (which the Company may grant or withhold in the Company's sole discretion), except for the Affiliate of the Purchaser. As used herein, the "**Lock-Up Period**" with respect to any Issued Shares held by the Purchaser will commence on the Closing Date and continue until and include the date that is six (6) months after the Closing Date.

## ARTICLE 6

### CONDITIONS TO CLOSING

Section 6.01 *Conditions to Obligations of All Parties*. The obligations of each party hereto to consummate the Closing are subject to the satisfaction of the following conditions:

(a) No provision of any Applicable Law or no judgment entered by or with any Governmental Authority with competent jurisdiction, shall be in effect that enjoins, prohibits or materially alters the terms of the transactions contemplated by this Agreement.

(b) No Proceeding challenging this Agreement or the transactions contemplated hereby, or seeking to prohibit, alter, prevent or materially delay the Closing, shall have been instituted or be pending before any Governmental Authority.

Section 6.02 *Conditions to Obligation of the Purchaser*. The obligation of the Purchaser to consummate the Closing is subject to the satisfaction of the following further conditions:

(a) (i) the representations and warranties of the Company that are qualified by materiality or Material Adverse Effect shall be true and correct in all respects on and as of the Closing Date as though made on and as of the Closing Date; (ii) the representations and warranties of the Company that are not qualified by materiality or Material Adverse Effect shall be true and correct in all respects on and as of the Closing Date as though made on and as of the Closing Date; (iv) the Company shall have performed or complied with all obligations and conditions in this Agreement required to be performed or complied with by the Company on or prior to the Closing Date; and (v) there shall have been no Material Adverse Effect.



Section 6.03 *Conditions to Obligation of the Company*. The obligations of the Company to consummate the Closing are subject to the satisfaction of the following further conditions:

(a) The representations and warranties of the Purchaser in this Agreement shall be true and correct in all material respects on and as of the Closing Date as though made on and as of the Closing Date.

(b) The Purchaser shall have performed all obligations and conditions herein required to be performed or observed by the Purchaser on or prior to the Closing Date (including but not limited to its payment obligations under Section 2.02(a)).

## ARTICLE 7

### SURVIVAL; INDEMNIFICATION

#### Section 7.01 *Survival*.

(a) All representations and warranties made by any Party contained in this Agreement shall survive the Closing until twelve (12) months after of the Closing Date.

(b) Notwithstanding anything to the contrary in the foregoing clause, (i) any breach of representation or warranty in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate pursuant to the preceding clause (a), if notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time and (ii) any breach of representation or warranty in respect of which indemnity may be sought that was caused as a result of fraud or intentional misrepresentation shall survive indefinitely or until the latest date permitted by law.

#### Section 7.02 *Indemnification*.

(a) Effective at and after the Closing, each Party hereto, as applicable (the “**Indemnifying Party**”) shall indemnify and hold harmless the other Party and its Affiliates (the “**Indemnified Parties**”) against and from any and all damage, loss, liability and expense (including reasonable expenses of investigation and reasonable attorneys’ fees and expenses) (“**Losses**”), incurred or suffered by the Indemnified Parties arising out of any misrepresentation or breach of representation or warranty or breach of covenants or agreements by the Indemnifying Party under this Agreement; *provided* that (i) the Indemnifying Party’s maximum liability under this Section 7.02 shall not exceed the Subscription Price, (ii) no Indemnifying Party shall be liable for any Losses consisting of punitive damages, (iii) the amount of any Losses for which indemnification is provided under this section shall be reduced by (a) any amounts that have been recovered by any Indemnified Party from any third party, and (b) any insurance proceeds or other cash receipts or source of reimbursement that have been received by any Indemnified Party with respect to such Losses, in each case, net of any costs of recovery, and (iv) each Indemnified Party shall use commercially reasonable efforts to mitigate the Losses it incurs.

(b) Notwithstanding any other provision contained herein, the remedies contained in this Section shall be the sole and exclusive monetary remedy of the Indemnified Parties for any claim arising out of or resulting from this Agreement, except that no limitation or exceptions with respect to the obligations or liabilities on either Party provided hereunder shall apply to a Loss incurred by any Indemnified Party arising due to the fraud or fraudulent misrepresentation of the Indemnifying Party.



Section 7.03 *Third Party Claim Procedures.*

(a) The Indemnified Party seeking indemnification under Section 7.02 agrees to give reasonably prompt notice in writing to Indemnifying Party of the assertion of any claim or the commencement of any suit, action or proceeding by any third party (“**Third Party Claim**”) in respect of which indemnity may be sought under Section 7.02. Such notice shall set forth in reasonable detail such Third Party Claim and the basis for indemnification (taking into account the information then available to the Indemnified Party). The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent such failure shall have actually materially and adversely prejudiced the Indemnifying Party.

(b) The Indemnifying Party shall be entitled to participate in the defense of any Third Party Claim and, subject to the limitations set forth in this Section 7.03, shall be entitled to control and appoint lead counsel (that is reasonably satisfactory to the Indemnified Party) for such defense, in each case at its own expense; *provided* that prior to assuming control of such defense, the Indemnifying Party must (i) acknowledge in writing that it would have an indemnity obligation to the Indemnified Party for the Losses resulting from such Third Party Claim and (ii) furnish the Indemnified Party with reasonable evidence that the Indemnifying Party has adequate resources to defend the Third Party Claim and fulfill its indemnity obligations hereunder.

(c) The Indemnifying Party shall not be entitled to assume or maintain control of the defense of any Third Party Claim and shall pay the reasonable fees, costs and expenses of counsel retained by the Indemnified Party if (i) the Indemnifying Party does not deliver the acknowledgment referred to in Section 7.03(b) within thirty (30) days of receipt of notice of the Third Party Claim pursuant to Section 7.03(a), (ii) the Third Party Claim relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation, (iii) the Indemnified Party reasonably believes an adverse determination with respect to the Third Party Claim would be materially detrimental to the reputation or future business prospects of the Indemnified Party or any of its Affiliates, (iv) the Third Party Claim seeks an injunction or equitable relief against the Indemnified Party or any of its Affiliates or (v) the Indemnifying Party has failed or is failing to prosecute or defend the Third Party Claim vigorously and prudently.

(d) If the Indemnifying Party shall assume the control of the defense of any Third Party Claim in accordance with the provisions of Section 7.03(c), the Indemnifying Party shall obtain the prior written consent of the Indemnified Party (which shall not be unreasonably withheld) before entering into any settlement of such Third Party Claim if the settlement does not expressly unconditionally release the Indemnified Party and its Affiliates from all liabilities and obligations with respect to such Third Party Claim or the settlement imposes injunctive or other equitable relief against the Indemnified Party or any of its Affiliates.

(e) In circumstances where the Indemnifying Party is controlling the defense of a Third Party Claim in accordance with Section 7.03(c), the Indemnified Party shall be entitled to participate in the defense of any Third Party Claim and to employ separate counsel of its choice for such purpose, in which case the fees, costs and expenses of such separate counsel shall be borne by the Indemnified Party; *provided* that Indemnifying Party shall pay the fees, costs and expenses of such separate counsel of the Indemnified Party if (i) incurred by the Indemnified Party prior to the date the Indemnifying Party assumes control of the defense of the Third Party Claim, (ii) if representation of both the Indemnifying Party and the Indemnified Party by the same counsel would create a conflict of interest or (iii) the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it which are different from or additional to those available to the Indemnifying Party.



(f) Each party shall reasonably cooperate, and cause their respective Affiliates to reasonably cooperate, in the defense or prosecution of any Third Party Claim.

Section 7.04 *Direct Claim Procedures*. In the event an Indemnified Party has a claim for indemnity under Section 7.02 against the Indemnifying Party that does not involve a Third Party Claim, the Indemnified Party agrees to give notice in writing of such claim to the Indemnifying Party. Such notice shall set forth in reasonable detail such claim and the basis for indemnification (taking into account the information then available to the Indemnified Party). The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent such failure shall have actually materially and adversely prejudiced the Indemnifying Party. If the Indemnifying Party does not notify the Indemnified Party within thirty (30) days following the receipt of a notice with respect to any such claim that the Indemnifying Party disputes its indemnity obligation to the Indemnified Party for any Losses with respect to such claim, such Losses shall be conclusively deemed a liability of the Indemnifying Party and the Indemnifying Party shall promptly pay to the Indemnified Party any and all Losses arising out of such claim. If the Indemnifying Party has timely disputed its indemnity obligation for any Losses with respect to such claim, the parties shall proceed in good faith to negotiate a resolution of such dispute and, if not resolved through such negotiations, such dispute shall be resolved by arbitration determined pursuant to Section 9.06.

## ARTICLE 8

### TERMINATION

Section 8.01 *Grounds for Termination*. This Agreement may be terminated at any time prior to the Closing:

- (a) by the mutual written consent of each party hereto;
- (b) by the Purchaser or the Company if the Closing shall not have occurred on or before January 18, 2022; *provided* that such right to terminate this Agreement shall not be available to any party whose failure to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to such date; or
- (c) by any party in the event that any Governmental Authority shall have issued a judgment or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such judgment or other action shall have become final and non-appealable.

The party desiring to terminate this Agreement pursuant to Section 8.01(b) or Section 8.01(c) shall give notice of such termination to the other parties hereto specifying the provision hereof pursuant to which such termination is made.



Section 8.02 *Effect of Termination*. In the event of termination of this Agreement, this Agreement shall forthwith become void and of no further force or effect (except for Article 9, which shall survive such termination) and there shall be no liability on the part of any party hereto except that nothing herein shall relieve any party from any liability for Losses for any breach of this Agreement.

**ARTICLE 9**

**MISCELLANEOUS**

Section 9.01 *Notices*. All notices, requests and other communications to any party hereunder shall be in writing (including facsimile transmission and by letter, so long as a receipt of such letter is requested and received) and shall be given,

if to the Company, to:

AMTD International Inc.  
 23/F, Nexxus Building  
 41 Connaught Road Central  
 Hong Kong  
 Attention:  
 Facsimile:  
 Email:

if to the Purchaser, to:

NGSP Holdings Limited  
 74 Ocean Drive, Singapore 098313  
 Attention:  
 Email:

or such other address or facsimile number as such party may hereafter specify for the purpose by notice to the other parties hereto. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

Section 9.02 *Amendments and Waivers*. (a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.



Section 9.03 *Expenses*. Except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

Section 9.04 *Successors and Assigns*. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; *provided* that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of each other party hereto.

Section 9.05 *Governing Law*. This Agreement, the rights and obligations of the parties hereto, and all claims or disputes relating hereto, shall be governed by and construed in accordance with the law of Hong Kong, without regard to the conflicts of law rules thereunder.

Section 9.06 *Arbitration*. Any dispute, controversy or claim arising out of or relating to this Agreement, including, but not limited to, any question regarding the breach, termination or invalidity thereof shall be finally resolved by arbitration in Hong Kong in accordance with the administered rules (the “**Rules**”) of the Hong Kong International Arbitration Centre (the “**HKIAC**”) in force at the time of commencement of the arbitration, which Rules are deemed to be incorporated by reference into this Section. The number of arbitrators shall be three and shall be selected in accordance with the Rules. All selections shall be made within thirty (30) days after the selecting party gives or receives, as the case may be, the demand for arbitration. The seat of the arbitration shall be in Hong Kong and the language to be used shall be English. Any arbitration award shall be (i) in writing and shall contain the reasons for the decision, (ii) final and binding on the parties hereto and (iii) enforceable in any court of competent jurisdiction, and the parties hereto agree to be bound thereby and to act accordingly.

Section 9.07 *Counterparts; Effectiveness; Third Party Beneficiaries*. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Signatures in the form of facsimile or electronically imaged “PDF” shall be deemed to be original signatures for all purposes hereunder. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by all of the other parties hereto. Until and unless each party has received a counterpart hereof signed by the other party hereto, this Agreement shall have no effect and no party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). No provision of this Agreement is intended to confer any rights, benefits, remedies, obligations, or liabilities hereunder upon any Person other than the parties hereto and their respective successors and assigns.

Section 9.08 *Entire Agreement*. This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

Section 9.09 *Severability*. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other Governmental Authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.



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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

**AMTD INTERNATIONAL INC.**

By: /s/ William Fung  
Name: William Fung  
Title: Chief Executive Officer

*[Signature Page to SPA]*



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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

**NGSP HOLDINGS LIMITED**

By: /s/ Nihil Rajnikant Parekh  
Name: Nihil Rajnikant Parekh  
Title: Director

*[Signature Page to SPA]*





**SHARE PURCHASE AGREEMENT**

**Dated January 19, 2022**

**by and between**

**AMTD INTERNATIONAL INC.**

**and**

**VALUE PARTNERS HONG KONG LIMITED ACTING AS THE INVESTMENT  
MANAGER FOR AND ON BEHALF OF VALUE PARTNERS GREATER CHINA HIGH  
YIELD INCOME FUND**



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**SHARE PURCHASE AGREEMENT**

THIS SHARE PURCHASE AGREEMENT (this “Agreement”) is entered into on January 19, 2022 by and between AMTD International Inc., an exempted company incorporated under the laws of the Cayman Islands (the “Buyer”) and Value Partners Hong Kong Limited, acting as the investment manager for and on behalf of Value Partners Greater China High Yield Income Fund, an exempted company incorporated under the laws of the Cayman Islands (the “Selling Shareholder”) and, together with the Buyer, the “Parties”).

**RECITALS**

WHEREAS, the Selling Shareholder holds 5,500,000 Class A ordinary shares of US\$0.0001 par value each (the “Sale Shares”) in AMTD Digital Inc., an exempted company incorporated under the laws of the Cayman Islands (the “Company”);

WHEREAS, the Selling Shareholder desires to sell and transfer to the Buyer, and the Buyer desires to purchase and accept from the Selling Shareholder, upon the terms and subject to the conditions set forth in this Agreement, the Sale Shares held by the Selling Shareholder;

WHEREAS, as consideration for the Sale Shares, the Buyer desires to issue to the Selling Shareholder, and the Selling Shareholder desires to subscribe for, upon the terms and subject to the conditions set forth in this Agreement, 11,647,606 Class A ordinary shares of US\$0.0001 par value each in the Buyer (the “Subscription Shares”); and

WHEREAS, the Parties desire to enter into this Agreement and make the respective representations, warranties, covenants and agreements set forth herein on the terms and subject to the conditions set forth herein.

**AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

**1. DEFINITIONS**

In this Agreement, unless the context otherwise requires, the following words and expressions have the meanings as follows:

“Affiliate” means, (i) with respect to a Person that is a natural person, such Person’s relatives and any other Person (other than natural persons) directly or indirectly Controlled by such Person, and (ii) with respect to a Person that is not a natural person, a Person that directly, or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, such Person. For the purposes of this definition, a “relative” of a Person means such Person’s spouse, parent, grandparent, child, grandchild, sibling, uncle, aunt, nephew, niece or great-grandparent or the spouse of such Person’s child, grandchild, sibling, uncle, aunt, nephew or niece.



“Agreement” has the meaning set forth in the preamble.

“Arbitration Notice” has the meaning set forth in Section 9.12.

“Authorization” has the meaning set forth in Section 5.5.

“Business Day” means a day (other than a Saturday or a Sunday) that the banks in New York, Hong Kong, the PRC, or the Cayman Islands are generally open for business.

“Buyer” has the meaning set forth in the preamble.

“Buyer Group” or “Buyer Group Companies” means, collectively, the Buyer and its Affiliates, and each an “Buyer Group Company.”

“Buyer Indemnitee” has the meaning set forth in Section 8.2(b).

“Closing” has the meaning set forth in Section 3.1.

“Closing Date” has the meaning set forth in Section 3.1.

“Company” has the meaning set forth in the recitals.

“Company Entities” means, collectively, the Company and its Affiliates, and each an “Company Entity.”

“Confidential Information” has the meaning set forth in Section 6.4(a).

“Contracts” means legally binding contracts, agreements, engagements, purchase orders, commitments, understandings, indentures, notes, bonds, loans, instruments, leases, mortgages, franchises, licenses or any other contractual arrangements or obligations which are currently subsisting and not terminated or completed (with each of such Contracts being referred to as a “Contract”).

“Control” 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.

“Dispute” has the meaning set forth in Section 9.12.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

“Fundamental Representations of the Buyer” shall mean the representations and warranties made by the Buyer to the Selling Shareholder contained in Section 4.1, Section 4.2, Section 4.3 and Section 4.4.

“Fundamental Representations of the Selling Shareholder” shall mean the representations and warranties made by the Selling Shareholder to the Buyer contained in Section 5.1, Section 5.2, Section 5.4 and Section 5.5.



“Governmental Authorities” means any nation, government, province, state, or any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of any government or any political subdivision thereof, court, tribunal, arbitrator, the governing body of any securities exchange, and self-regulatory organization, in each case having competent jurisdiction.

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“IFRS” means the International Financial Reporting Standards and interpretations thereof as established by the International Accounting Standards Board, as in effect at the time any applicable financial statements were prepared.

“Indemnified Party” has the meaning set forth in Section 8.2(c).

“Indemnifying Party” has the meaning set forth in Section 8.2(c).

“Instrument of Transfer” has the meaning set forth in Section 3.3(b).

“Law” means any law, rule, constitution, code, ordinance, statute, treaty, decree, regulation, common law, order, official policy, circular, provision, administrative order, interpretation, injunction, judgment, ruling, assessment, writ or other legislative measure, in each case of any Governmental Authority.

“Liability” means all indebtedness, obligations and other liabilities of a Person, whether direct or indirect, absolute, accrued, contingent or otherwise, known or unknown, fixed or otherwise, due or to become due, whether or not accrued or paid.

“Lien” means (a) any mortgage, charge, lien, pledge or other encumbrance securing any obligation of any Person, (b) any option, right to acquire, right of pre-emption, right of set off or other arrangement under which money or claims to, or for the benefit of, any Person may be applied or set off so as to effect discharge of any sum owed or payable to any Person, or (c) any equity, assignment, hypothecation, title retention, claim, restriction, power of sale or other type of preferential arrangement the effect of which is to give a creditor in respect of indebtedness a preferential position in relation to any asset of a Person on any insolvency proceeding of that Person.

“Losses” has the meaning set forth in Section 8.2(a).

“Order” means any injunction, judgment, order, decree, stipulation or determination by or with any Governmental Authority.

“Parties” has the meaning set forth in the preamble.

“Person” means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise, entity or legal person.



“PRC” means the People’s Republic of China and, for purposes of this Agreement, excludes Hong Kong, the Macao Special Administrative Region and Taiwan.

“Sale Shares” has the meaning set forth in the recitals.

“SEC” means the Securities and Exchange Commission of the United States or any other federal agency at the time administering the Securities Act.

“SEC Documents” has the meaning set forth in Section 4.5(a).

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Selling Shareholder” has the meaning set forth in the preamble.

“Selling Shareholder Indemnitee” has the meaning set forth in Section 8.2(a).

“Subscription Shares” has the meaning set forth in the recitals.

“Tax Return” means any return, report or statement showing Taxes, used to pay Taxes, or required to be filed with respect to any Tax (including any elections, declarations, schedules or attachments thereto, and any amendment thereof), including any information return, claim for refund, amended return or declaration of estimated or provisional Tax.

“Taxes” means (i) any net income, alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, value added, goods and services, transfer, franchise, business and occupation, profits, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental or windfall profit tax, custom duty or other tax, governmental fee or other like assessment or charge, together with any interest or any penalty, addition to tax or additional amount imposed by any Governmental Authority responsible for the imposition of any such tax (domestic or foreign), whether disputed or not, (ii) any liability for the payment of any amounts of the type described in clause (i) of this sentence as a result of being a member of an affiliated, consolidated, combined, unitary or aggregate group for any taxable period, and (iii) any liability for the payment of any amounts of the type described in clause (i) or (ii) of this sentence as a result of being a transferee of or successor to any Person or as a result of any express or implied obligation to indemnify any other Person.

“U.S.,” “US” and “United States” means the United States of America.

“US\$” means United States Dollars, the lawful currency of the United States.

## 2. THE TRANSACTION

At the Closing, the Selling Shareholder shall transfer to the Buyer, and the Buyer shall accept from the Selling Shareholder, the Sale Shares, free and clear of any Lien and with all rights attaching on and from the Closing, and the Buyer shall issue to the Selling Shareholder, and the Selling Shareholder shall subscribe for, the Subscription Shares on the terms and subject to the conditions of this Agreement.



3. **CLOSING; CLOSING DELIVERIES**

3.1 Closing. The closing of the transactions contemplated under Article 2 (the “Closing”) shall take place remotely within five (5) Business Days following the satisfaction or waiver of the conditions set forth in Section 3.4 and Section 3.5 (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions), or at such other time as the Parties may agree in writing, but in any event shall not be later than 15 February 2022 (the date on which the Closing occurs, the “Closing Date”). All transactions occurring at the Closing shall be deemed to occur simultaneously, and shall be effective as of the Closing and upon occurrence of all transactions contemplated by Article 2 and this Article 3. For the avoidance of doubt, the consummation of the transactions described in Article 2 and this Article 3 shall occur together, and the Closing shall be deemed not to have occurred if any party fails to deliver any agreement or other instrument or document required under Article 2 and this Article 3. At the Closing, share certificate issued in the name of the Selling Shareholder in relation to the Sale Shares shall be cancelled, and the Selling Shareholder shall, promptly after Closing, deliver to the Company any such share certificate issued to the Selling Shareholder in relation to the Sale Shares or, where any such share certificate has been issued but has been lost, stolen or destroyed, such indemnity in respect of such lost, stolen or destroyed share certificate as the Buyer may reasonably request.

3.2 Deliveries by the Buyer at the Closing. At the Closing, the Buyer shall deliver to the Selling Shareholder a copy of the share certificate issued in the name of the Selling Shareholder, dated on the Closing Date, evidencing the ownership by the Selling Shareholder of the Subscription Shares (the original copy of which shall be delivered to the Selling Shareholder after the Closing).

3.3 Deliveries by the Selling Shareholder at the Closing. At the Closing, the Selling Shareholder shall deliver to the Buyer:

(a) a copy of the share certificate issued in the name of the Buyer, dated on the Closing Date, evidencing the ownership by the Buyer of the Sale Shares (the original copy of which shall be delivered to the Buyer after the Closing); and

(b) an instrument of transfer duly executed by the Selling Shareholder in the form attached as Exhibit A to this Agreement (an “Instrument of Transfer”).

3.4 Conditions to the Obligation of the Buyer to Effect the Closing. The obligation of the Buyer to consummate the transactions contemplated by Article 2 is subject to the satisfaction, as of the Closing Date, of the following conditions, any of which may be waived in writing by the Buyer in its sole discretion:

(a) The Selling Shareholder shall have performed and complied in all material respects with all, and not be in breach or default in any material respects under any, agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with on or before the Closing Date; and

(b) No court or other Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the transactions contemplated hereby.





3.5 Conditions to the Obligation of the Selling Shareholder to Effect the Closing. The obligation of the Selling Shareholder to consummate the transactions contemplated by Article 2 is subject to the satisfaction, as of the Closing Date, of the following conditions, any of which may be waived in writing by the Selling Shareholder in its sole discretion:

(a) The Buyer shall have performed and complied in all material respects with all, and not be in breach or default in any material respects under any, agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with on or before the Closing Date; and

(b) No court or other Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the transactions contemplated hereby.

**4. REPRESENTATIONS AND WARRANTIES OF THE BUYER**

The Buyer hereby represents and warrants to the Selling Shareholder the following.

4.1 Due Formation; Qualification. The Buyer is an exempted company, duly incorporated, validly existing and in good standing under the laws of the Cayman Islands, has the requisite corporate power and authority to own, lease and operate its business and assets and to conduct its business as currently conducted and as described in the SEC Documents, and is duly qualified to transact business in all material respects in each jurisdiction in which the conduct of its business or its ownership, leasing or operation of property requires such qualification.

4.2 Authorization; Enforceability. The Buyer has requisite legal power and authority to execute, deliver and perform its obligations under this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Buyer and, assuming due authorization, execution and delivery by the Selling Shareholder, constitutes a legal, valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies or general principles of equity.

4.3 Due Issuance. The Subscription Shares are duly authorized and, when issued in accordance with this Agreement, will be validly issued, fully paid and non-assessable and free and clear of any Lien, right of first refusal, third-party right or interest, claim or restriction of any kind or nature, except for restrictions arising under the Securities Act or created by virtue of this Agreement. Good and valid title to the Subscription Shares will be passed to the Selling Shareholder upon entry of the Selling Shareholder into the register of members of the Buyer as the respective legal owners of the applicable Subscription Shares.



4.4 Non-Contravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby by the Buyer, will (i) violate any provision of the organizational documents of the Buyer or materially violate any Law to which the Buyer is subject, or (ii) conflict with, result in a breach of or constitute a default under any material Contract to which the Buyer is a party or by which the Buyer is bound, except in each case of (i) and (ii) above, would not reasonably be expected to prohibit, materially delay or materially impair the consummation of the transactions contemplated hereby.

4.5 SEC Matters; Financial Statements.

(a) The Buyer has filed or furnished, as applicable, on a timely basis, all registration statements, proxy statements and other statements, reports, schedules, forms and other documents required to be filed or furnished by it with the SEC (all of the foregoing documents filed with or furnished to the SEC and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein, the "SEC Documents"). As of their respective effective dates (in the case of the SEC Documents that are registration statements filed pursuant to the requirements of the Securities Act) and as of their respective SEC filing dates (in the case of all other SEC Documents), or in each case, if amended prior to the date hereof, as of the date of the last such amendment: (A) each of the SEC Documents complied in all material respects with the applicable requirements of the Securities Act and the Exchange Act and any rules and regulations promulgated thereunder applicable to the SEC Documents (as the case may be) and (B) none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the material statements therein, in the light of the circumstances under which they were made, not misleading.

(b) The financial statements (including any related notes) contained in the SEC Documents: (i) complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, (ii) were prepared in accordance with IFRS and (iii) fairly present in all material respects the consolidated financial position of the Buyer Group Companies as of the respective dates thereof and the consolidated results of operations and cash flows of the Buyer Group for the periods covered thereby, except as disclosed therein and as permitted under the Exchange Act.

4.6 No Registration. Assuming the accuracy of the representations and warranties of the Selling Shareholder set forth in Section 5.9, Section 5.10 and Section 5.11, it is not necessary in connection with the issuance and sale of the Subscription Shares to register the Subscription Shares under the Securities Act. No directed selling efforts (as defined in Rule 902 of Regulation S under the Securities Act) have been made by any Buyer Group Company or any person acting on its behalf with respect to any Subscription Shares.

4.7 Brokers. None of the Buyer Group Companies has engaged with or received services from any broker, finder, commission agent, placement agent or arranger in connection with the transactions contemplated by this Agreement.



4.8 No Other Representations and Warranties. The Buyer makes no other representations and warranties, implied or otherwise, other than those expressly set out in this Agreement.

5. **REPRESENTATIONS AND WARRANTIES OF THE SELLING SHAREHOLDER**

The Selling Shareholder hereby represents and warrants to the Buyer the following.

5.1 Due Formation; Qualification. The Selling Shareholder is duly incorporated, validly existing and in good standing under the laws of its jurisdiction of organization and has all necessary corporate power and authority to enter into this Agreement and the applicable Instrument of Transfer, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby.

5.2 Authorization; Enforceability. The Selling Shareholder has requisite legal power and authority to execute, deliver and perform its obligations under this Agreement and the applicable Instrument of Transfer and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by the Selling Shareholder and, assuming due authorization, execution and delivery by the Buyer, constitutes a legal, valid and binding obligation of the Selling Shareholder, enforceable against the Selling Shareholder in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies or general principles of equity.

5.3 Valid Title. The Selling Shareholder is the sole record and beneficial owner of and has good and valid title to the Sale Shares, free and clear of any Lien, right of first refusal, third-party right or interest, claim or restriction of any kind or nature, except for restrictions created by virtue of this Agreement. The Selling Shareholder is not a party nor subject to any Contract that affects or relates to the voting or giving of written consents with respect to the Sale Shares. Good and valid title to the Sale Shares will be passed to the Buyer upon entry of the Buyer into the register of members of the Company as the legal owner of the Sale Shares.

5.4 Non-Contravention. Neither the execution and the delivery of this Agreement or any Instrument of Transfer, nor the consummation of the transactions contemplated hereby and thereby by the Selling Shareholder, will (i) violate any provision of the organizational documents of the Company or materially violate any Law to which the Selling Shareholder is subject, or (ii) conflict with, result in a breach of or constitute a default under any material Contract to which the Selling Shareholder is a party or by which the Selling Shareholder is bound, except in each case of (i) and (ii) above, would not reasonably be expected to prohibit, materially delay or materially impair the consummation of the transactions contemplated hereby.

5.5 Consents and Approvals. Neither the execution and the delivery of this Agreement or the applicable Instrument of Transfer, nor the consummation of the transactions contemplated hereby and thereby by the Selling Shareholder, requires any consent, approval, order, license or authorization of, registration, certificate, declaration or filing with or notice to any Governmental Authority or other third party (each, an "Authorization"), except for those Authorizations that have already been obtained.



5.6 Compliance with Law. The Selling Shareholder has, in connection with the execution and delivery of this Agreement and the Instrument of Transfer and the consummation of the transactions contemplated hereby and thereby, complied with all applicable Laws.

5.7 Solvency. No bankruptcy, insolvency or judicial composition proceedings concerning the Selling Shareholder have been applied for. No circumstances exist which could require an application for any bankruptcy, insolvency or judicial composition proceedings concerning the Selling Shareholder nor do any circumstances exist according to any applicable bankruptcy or insolvency Laws which could justify the avoidance of this Agreement. No steps have been taken or proposed in relation to the winding-up, bankruptcy, administration, insolvency or dissolution of the Selling Shareholder, nor has any analogous procedure or step been taken or proposed in any jurisdiction in relation to the Selling Shareholder. The Selling Shareholder is not or is not expected to be insolvent under the laws of its jurisdiction of incorporation nor is unable to pay its debts as they fall due and the Selling Shareholder has not stopped paying its debts or indicated an intention to do so.

5.8 Brokers. The Selling Shareholder has not engaged with or received services from any broker, finder, commission agent, placement agent or arranger in connection with the acquisition of the Subscription Shares, the transfer of the Sale Shares or matters in connection therewith.

5.9 Status; Purchase for Own Account. The Selling Shareholder is not a “U.S. person” as defined in Rule 902 of Regulation S under the Securities Act. The Selling Shareholder is acquiring the applicable Subscription Shares outside the United States in reliance upon the exemption from registration provided by Regulation S under the Securities Act, and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. The Selling Shareholder has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the applicable Subscription Shares. The Selling Shareholder is capable of bearing the economic risks of its investment, including a complete loss thereof. The Subscription Shares will be acquired for the Selling Shareholder’s own account, not as a nominee or agent and not with a view to or in connection with the sale or distribution of any part thereof. The Selling Shareholder does not have any direct or indirect arrangement, or understanding with any other Persons regarding the distribution of the Subscription Shares in violation of the Securities Act or any other applicable state securities law.

5.10 Solicitation. The Selling Shareholder was not identified or contacted through the marketing of the transactions contemplated by this Agreement. The Selling Shareholder did not contact the Buyer as a result of any general solicitation or directed selling efforts. The purchase of the Subscription Shares by the Selling Shareholder was not solicited by or through anyone other than the Buyer.

5.11 Restricted Securities. The Selling Shareholder acknowledges that the Subscription Shares are “restricted securities” that have not been registered under the Securities Act or any applicable state securities law. The Selling Shareholder further acknowledges that, absent an effective registration under the Securities Act, the Subscription Shares may only be offered, sold or otherwise transferred (i) to the Buyer, (ii) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, or (iii) pursuant to an exemption from registration under the Securities Act.



6. **COVENANTS; ADDITIONAL AGREEMENTS**

6.1 **Further Assurances.** Each Party shall use reasonable best efforts to make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents and assurances without further consideration, which may reasonably be required or advisable to effect the transactions contemplated by this Agreement and the Instruments of Transfer.

6.2 **Taxes.** Except as otherwise provided in this Agreement, each Party shall bear its respective Taxes incurred in connection with the consummation of the transactions contemplated by this Agreement and the Instruments of Transfer.

6.3 **Release.** From and after the Closing, except as arising out of actions or omissions occurring after the Closing Date or arising as a result of this Agreement, the Selling Shareholder hereby waives and releases, on behalf of itself and each of its Affiliates, the Company from any and all Liabilities, rights, defenses, claims and causes of action, known or unknown, foreseen or unforeseen which the Selling Shareholder or any of its Affiliates has or may have in the future against the Company with respect to matters in connection with its ownership in the Selling Shares and arising prior to the Closing Date.

6.4 **Confidentiality.**

(a) Each Party shall, and shall cause its Affiliates to, keep confidential any non-public material or information with respect to this Agreement and the Instruments of Transfer, any of the terms and conditions of, and the status or other facts with respect to, this Agreement and the Instruments of Transfer and the transactions contemplated hereby and thereby, including the existence of this Agreement and the Instruments of Transfer (including written or non-written information, hereinafter the "**Confidential Information**"). Confidential Information shall not include any information that is (a) previously known on a non-confidential basis by the receiving Party, (b) in the public domain through no fault of such receiving Party, its Affiliates or its or its Affiliates' officers, directors or employees, (c) received from a party other than the Parties or their Affiliates, representatives or agents, so long as such party was not, to the knowledge of the receiving Party, subject to a duty of confidentiality to such Party or Affiliates or (d) developed independently by the receiving Party without reference to confidential information of the disclosing Party. No Party shall disclose such Confidential Information to any third party. Each Party may use the Confidential Information only for the purpose of, and to the extent necessary for, performing this Agreement, and shall not use such Confidential Information for any other purposes.



(b) Notwithstanding any other provisions in this Section 6.4, if any Party believes in good faith that any announcement or notice must be prepared or published pursuant to applicable Laws (including any rules or regulations of any relevant securities exchange or valid legal process) or information is otherwise required to be disclosed to any Governmental Authority, such Party may, in accordance with its understanding of the applicable Laws, make the required disclosure in the manner it deems in compliance with the requirements of applicable Laws, rules or regulations. In addition, each Party may disclose, subject to any practicable arrangements to protect confidentiality, Confidential Information to the extent required under judicial or regulatory process or in connection with any judicial process regarding any legal action, suit or proceeding arising out of or relating to this Agreement or the Instruments of Transfer.

(c) Each Party may disclose the Confidential Information only to its Affiliates and its and its Affiliates' officers, directors, employees, agents and representatives on a need-to-know basis in the performance of this Agreement; provided that such Party shall ensure such Persons strictly abide by the confidentiality obligations hereunder.

(d) The confidentiality obligations of each Party hereunder shall survive the termination of this Agreement for a period of two (2) years. Each Party shall continue to abide by the confidentiality clause hereof and perform the obligation of confidentiality it undertakes until the other Party approves release of that obligation or until a breach of the confidentiality clause hereof will no longer result in any prejudice to the other Party.

## 7. TERMINATION

7.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by any Party through written notice to the other Parties if any Governmental Authority shall have enacted or issued any Law or Order or taken any other action permanently restraining, enjoining, preventing, prohibiting or otherwise making illegal the consummation of the transactions contemplated under this Agreement and such Law, Order or other action has become final and non-appealable; provided that a Party shall have no right to terminate this Agreement pursuant to this Section 7.1(a) if the imposition of such Law, Order or other action was caused by the breach by such Party or its Affiliate of any representation, warranty, covenant or agreement in this Agreement;

(b) by the Buyer if there exists a material breach of any representation, warranty, covenant or agreement of the Selling Shareholder such that the conditions set forth in Section 3.4 would not be satisfied and such breach has not been cured, or is incapable of being cured, by the Selling Shareholder within fifteen (15) days following its receipt of written notice from the Buyer of such breach;

(c) by the Selling Shareholder, if there exists a material breach of any representation, warranty, covenant or agreement of the Buyer such that the conditions set forth in Section 3.5 would not be satisfied and such breach has not been cured, or is incapable of being cured, by the Buyer within fifteen (15) days following its receipt of written notice from the Selling Shareholder of such breach; or

(d) by occurrence of listing of the Company's shares on the New York Stock Exchange (or any other recognized stock exchange elsewhere) prior to the Closing.



7.2 Automatic Termination. This Agreement will be automatically terminated if the Closing does not occur by the Closing Date.

7.3 Effects of Termination. Upon the termination of this Agreement pursuant to Section 7.1, this Agreement (other than Article 1 and Article 9) shall become void and have no further force or effect; provided that no such termination shall relieve any Party of liability for any breach of this Agreement prior to such termination.

## 8. INDEMNITY

8.1 Survival. The representations and warranties of the Buyer and the Selling Shareholder and their respective Affiliates contained in this Agreement shall survive the Closing for a period of eighteen (18) months after the Closing Date, save for the Fundamental Representations of the Buyer and the Fundamental Representations of the Selling Shareholder which shall survive until the expiration of the applicable statutory limitation periods. The covenants and agreements of the Buyer and the Selling Shareholder and their respective Affiliates set forth herein shall survive the Closing until fully discharged in accordance with their terms, except for those covenants and agreements which shall be complied with or discharged prior to the Closing in accordance with the terms of this Agreement. Notwithstanding the foregoing, any breach of any representation, warranty, covenant or agreement in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate, if notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time.

### 8.2 Indemnification.

(a) Indemnification by the Buyer. From and after the Closing, the Buyer shall indemnify and hold harmless the Selling Shareholder and its directors, officers, employees, Affiliates, agents and assigns (each, a "Selling Shareholder Indemnitee") against any losses, liabilities, damages, penalties, diminution in value, reasonable costs and expenses, including reasonable advisor's fees and other expenses of investigation and defense of any of the foregoing (collectively, "Losses"), incurred by the Selling Shareholder Indemnitee as a result of, arising out of or in connection with (i) any material breach or violation of, or inaccuracy in, any representation or warranty made by the Buyer in this Agreement; and (ii) any material breach or violation of, or failure to perform, any covenants or agreements made by or on behalf of, or to be performed by, the Buyer in this Agreement.

(b) Indemnification by the Selling Shareholder. From and after the Closing, the Selling Shareholder shall indemnify and hold harmless the Buyer and its directors, officers, employees, Affiliates, agents and assigns (each, a "Buyer Indemnitee") against any Losses incurred by such Buyer Indemnitee as a result of, arising out of or in connection with (i) any breach or violation of, or inaccuracy in, any representation or warranty made by or on behalf of the Selling Shareholder in this Agreement or any claim by any third party alleging, constituting or involving such a breach violation or inaccuracy; (ii) any breach or violation of, or failure to perform, any covenants or agreements made by or on behalf of, or to be performed by, the Selling Shareholder in this Agreement, or any claim by any third party alleging, constituting or involving any such breach or violation or default or failure to perform; (iii) any violation or non-compliance with applicable Laws by the Selling Shareholder or Company Entity on or prior to the Closing Date, whether in the course of business or in connection with the execution and delivery of this Agreement and the Instrument of Transfer and the consummation of the transactions contemplated hereby and thereby; (iv) any failure to timely file applicable Tax Returns (or any failure for such Tax Returns to be true, correct and complete) by any Company Entity or any failure to timely and fully pay applicable Taxes owed by any Company Entity, for any tax period (or portion thereof) up to the Closing Date; and (v) any litigation or arbitration proceedings involving any Company Entity arising out of or based on an event that occurred or an action that was taken on or prior to the Closing Date.



(c) For purposes of this Agreement, (i) “Indemnifying Party” means the Buyer (with respect to Section 8.2(a)) or the Selling Shareholder (with respect to Section 8.2(b)); and (ii) “Indemnified Party” means the Selling Shareholder Indemnitee(s) (with respect to Section 8.2(a)) or the Buyer Indemnitee(s) (with respect to Section 8.2(b)).

8.3 Reliance. Each of the Buyer and the Selling Shareholder acknowledge and agree that (i) the Buyer has entered into this Agreement and agreed to the purchase of the Sale Shares from the Selling Shareholder and the allotment and issuance of the Subscription Shares to the Selling Shareholder hereunder, in reliance on the representations and warranties, and covenants and agreements, made by the Selling Shareholder in this Agreement, and (ii) the Selling Shareholder has entered into this Agreement and agreed to transfer the Sale Shares to the Buyer and to subscribe for the Subscription Shares in reliance on the representations and warranties, and covenants and agreements, made by the Buyer in this Agreement.

9. **MISCELLANEOUS**

9.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Cayman Islands without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than Cayman Islands to the rights and duties of the Parties hereunder.

9.2 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the Parties. This Agreement and the rights and obligations therein may not be assigned by any Party without the written consent of the other Party.

9.3 Entire Agreement. This Agreement, including the schedules and exhibits hereto, constitute the entire understanding and agreement among the Parties with regard to the subjects hereof and thereof.

9.4 Notices. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given to the Party at the address set forth below (a) if in writing and served by personal delivery upon the Party for whom it is intended, on the date of such delivery, (b) if delivered by certified mail, registered mail or courier service, return-receipt received, on the date of such delivery, or (c) if delivered by email, upon confirmation of receipt by a non-automated response:





If to the Buyer, at:

Address: 23/F, Nexxus Building, 41 Connaught Road Central, Hong Kong

Attention:

Email:

If to the Selling Shareholder, at:

Address: c/o Value Partners Hong Kong Limited, 43/F, The Center,  
99 Queen's Road Central, Hong Kong

Attention:

Email:

9.5 Amendments. Any term of this Agreement may be amended only by a written instrument executed by both the Buyer and the Selling Shareholder.

9.6 Specific Performance. The Parties agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with the terms hereof or thereof, and that the Parties shall be entitled to seek specific performance of the terms hereof or thereof, in addition to any other remedy at law or equity.

9.7 Fees and Expenses. Except as otherwise provided in this Agreement, each Party shall bear its respective expenses incurred in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated hereby, including fees and expenses of attorneys, accountants, consultants and financial advisors.

9.8 Delays or Omissions; Waivers. No delay or omission to exercise any right, power or remedy accruing to any Party, upon any breach or default of any Party under this Agreement, shall impair any such right, power or remedy of such Party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach of default thereafter occurring. Any waiver by any Party of any condition or breach of default under this Agreement must be in writing signed by such Party and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by Laws or otherwise afforded to any Party shall be cumulative and not alternative.

9.9 Interpretation. This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this Agreement. The headings of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. Unless otherwise expressly provided herein, all references to sections and schedules herein are to sections and schedules of this Agreement. Unless a provision hereof expressly provides otherwise: (i) the term "or" is not exclusive; (ii) the terms "herein," "hereof," and other similar words refer to this Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other subdivision; (iii) the masculine, feminine, and neuter genders will each be deemed to include the others; and (iv) whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."



9.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

9.11 Severability. If any provision of this Agreement is found to be invalid or unenforceable, then such provision shall be construed, to the extent feasible, so as to render the provision enforceable and to provide for the consummation of the transactions contemplated hereby on substantially the same terms as originally set forth herein, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or benefits intended by the Parties. In such event, the Parties shall use their best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the Parties' intent in entering into this Agreement.

9.12 Dispute Resolution. Any dispute, controversy or claim (each, a "Dispute") arising out of or relating to this Agreement, or the interpretation, breach, termination, validity or invalidity thereof, shall be referred to arbitration upon the demand of either party to the dispute with notice (the "Arbitration Notice") to the other. The Dispute shall be settled by arbitration in Cayman Islands. Each party to the arbitration shall cooperate with each other party to the arbitration in making full disclosure of and providing complete access to all information and documents requested by such other party in connection with such arbitral proceedings, subject only to any confidentiality obligations binding on such party. The award of the arbitral tribunal shall be final and binding upon the parties thereto, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award. Any party to the Dispute shall be entitled to seek preliminary injunctive relief, if possible, from any court of competent jurisdiction pending the constitution of the arbitral tribunal. During the course of the arbitral tribunal's adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

[SIGNATURE PAGES FOLLOW]



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IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement on the date and year first above written.

**BUYER**

AMTD INTERNATIONAL INC.

By: /s/ William Fung

Name: William Fung

Title: Chief Executive Officer

[Signature Page to Share Purchase Agreement]



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IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement on the date and year first above written.

**SELLING SHAREHOLDER**

VALUE PARTNERS HONG KONG LIMITED as  
investment manager of VALUE PARTNERS GREATER  
CHINA HIGH YIELD INCOME FUND

By: /s/ Lam Mei Kuen Winnie \_\_\_\_\_  
Name: Lam Mei Kuen Winnie  
Title: Authorised signatory

[Signature Page to Share Purchase Agreement]



**Exhibit A**

**Instrument of Transfer**

**AMTD DIGITAL INC.**

an exempted company incorporated in the Cayman Islands  
(the “**Company**”)

**SHARE TRANSFER FORM**

dated \_\_\_\_\_

VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND (the “**Transferor**”), for good and valuable consideration received by it from AMTD International Inc. (the “**Transferee**”), does hereby transfer to the Transferee the 5,500,000 fully paid Class A ordinary shares in the Company (of a par value of US\$0.0001 each) standing in the Transferor’s name in the Register of Members of the Company to hold unto the Transferee, its executors, administrators and assigns, subject to the several conditions on which the Transferor held the same at the time of execution of this Share Transfer Form.

Signed by the Transferor on the date first above written:

**VALUE PARTNERS HONG KONG LIMITED** as  
investment manager of **VALUE PARTNERS GREATER  
CHINA HIGH YIELD INCOME FUND**

By: \_\_\_\_\_

Name: Lam Mei Kuen Winnie

Title: Authorised signatory



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**AMTD IDEA GROUP**  
**FORM 20-F**

Donnelley Financial  
None

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Page 1 of 1

Exhibit 4.23

**SHARE PURCHASE AGREEMENT**

**Dated January 19, 2022**

**by and between**

**AMTD INTERNATIONAL INC.**

**and**

**MAOYAN ENTERTAINMENT**



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**SHARE PURCHASE AGREEMENT**

THIS SHARE PURCHASE AGREEMENT (this "Agreement") is entered into on January 19, 2022 by and between AMTD International Inc., an exempted company incorporated under the laws of the Cayman Islands (the "Buyer") and Maoyan Entertainment, an exempted company incorporated under the laws of the Cayman Islands (the "Selling Shareholder" and, together with the Buyer, the "Parties").

**RECITALS**

WHEREAS, the Selling Shareholder holds 300,000 Class A ordinary shares of US\$0.0001 par value each (the "Sale Shares") in AMTD Digital Inc., an exempted company incorporated under the laws of the Cayman Islands (the "Company");

WHEREAS, the Selling Shareholder desires to sell and transfer to the Buyer, and the Buyer desires to purchase and accept from the Selling Shareholder, upon the terms and subject to the conditions set forth in this Agreement, the Sale Shares held by the Selling Shareholder;

WHEREAS, as consideration for the Sale Shares, the Buyer desires to issue to the Selling Shareholder, and the Selling Shareholder desires to subscribe for, upon the terms and subject to the conditions set forth in this Agreement, 635,323 Class A ordinary shares of US\$0.0001 par value each in the Buyer (the "Subscription Shares"); and

WHEREAS, the Parties desire to enter into this Agreement and make the respective representations, warranties, covenants and agreements set forth herein on the terms and subject to the conditions set forth herein.

**AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

**1. DEFINITIONS**

In this Agreement, unless the context otherwise requires, the following words and expressions have the meanings as follows:

"Affiliate" means, (i) with respect to a Person that is a natural person, such Person's relatives and any other Person (other than natural persons) directly or indirectly Controlled by such Person, and (ii) with respect to a Person that is not a natural person, a Person that directly, or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, such Person. For the purposes of this definition, a "relative" of a Person means such Person's spouse, parent, grandparent, child, grandchild, sibling, uncle, aunt, nephew, niece or great-grandparent or the spouse of such Person's child, grandchild, sibling, uncle, aunt, nephew or niece.

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1 Buyer [ ] / Selling Shareholder [ ]



“Agreement” has the meaning set forth in the preamble.

“Arbitration Notice” has the meaning set forth in Section 9.12.

“Authorization” has the meaning set forth in Section 5.5.

“Business Day” means a day (other than a Saturday or a Sunday) that the banks in New York, Hong Kong, the PRC, or the Cayman Islands are generally open for business.

“Buyer” has the meaning set forth in the preamble.

“Buyer Group” or “Buyer Group Companies” means, collectively, the Buyer and its Affiliates, and each an “Buyer Group Company.”

“Buyer Indemnitee” has the meaning set forth in Section 8.2(b).

“Buyer Material Adverse Effect” means any event, fact, circumstance or occurrence that, individually or in the aggregate, results in or would result in a material adverse change in or a material adverse effect on (a) the financial condition, assets, liabilities or results of operations of the Buyer or (b) the ability of any Buyer Group Company to consummate the transactions contemplated by this Agreement; provided that in determining whether a Buyer Material Adverse Effect has occurred, there shall be excluded any effect on any Buyer Group Company to the extent relating to or arising in connection with (i) any action required to be taken pursuant to the terms and conditions of this Agreement, (ii) changes or effects affecting the industry in which the Buyer operates or the economy or financial, credit or securities markets or political conditions generally (to the extent that in each case such changes do not have a unique or disproportionate impact on the Buyer); (iii) the announcement or consummation of the transactions contemplated by this Agreement; (iv) any change in IFRS or in Law or accounting standards or interpretations thereof applicable to the Buyer; (v) any change resulting from any action by the Buyer or any of its Affiliates taken at the written request of the Selling Shareholder; or (vi) acts of God.

“Closing” has the meaning set forth in Section 3.1.

“Closing Date” has the meaning set forth in Section 3.1.

“Company” has the meaning set forth in the recitals.

“Company Entities” means, collectively, the Company and its Affiliates, and each an “Company Entity.”

“Company Financial Statements” means the audited consolidated financial statements (including balance sheet, income statement and statement of cash flows) for the Company Entities, prepared in accordance with IFRS, as of April 30, 2021 and for the three fiscal years ended April 30, 2021, as applicable.

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Buyer [            ] / Selling Shareholder [            ]



“Company Material Adverse Effect” means any event, fact, circumstance or occurrence that, individually or in the aggregate, results in or would result in a material adverse change in or a material adverse effect on (a) the financial condition, assets, liabilities or results of operations of the Company Entities or (b) the ability of any Company Entity to consummate the transactions contemplated by this Agreement; provided that in determining whether a Company Material Adverse Effect has occurred, there shall be excluded any effect on the Company Entities to the extent relating to or arising in connection with (i) any action required to be taken pursuant to the terms and conditions of this Agreement, (ii) changes or effects affecting the industry in which the Company Entities operate or the economy or financial, credit or securities markets or political conditions generally (to the extent that in each case such changes do not have a unique or disproportionate impact on the Company Entities); (iii) the announcement or consummation of the transactions contemplated by this Agreement; (iv) any change in IFRS or in Law or accounting standards or interpretations thereof applicable to the Company Entities; (v) any change resulting from any action by any Selling Shareholder taken at the written request of the Buyer; or (vi) acts of God.

“Confidential Information” has the meaning set forth in Section 6.4(a).

“Contracts” means legally binding contracts, agreements, engagements, purchase orders, commitments, understandings, indentures, notes, bonds, loans, instruments, leases, mortgages, franchises, licenses or any other contractual arrangements or obligations which are currently subsisting and not terminated or completed (with each of such Contracts being referred to as a “Contract”).

“Control” 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.

“Dispute” has the meaning set forth in Section 9.12.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

“Fundamental Representations of the Buyer” shall mean the representations and warranties made by the Buyer to the Selling Shareholder contained in Section 4.1, Section 4.2, Section 4.3 and Section 4.4.

“Fundamental Representations of the Selling Shareholder” shall mean the representations and warranties made by the Selling Shareholder to the Buyer contained in Section 5.1, Section 5.2, Section 5.4 and Section 5.5.

“Governmental Authorities” means any nation, government, province, state, or any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of any government or any political subdivision thereof, court, tribunal, arbitrator, the governing body of any securities exchange, and self-regulatory organization, in each case having competent jurisdiction.

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Buyer [            ] / Selling Shareholder [            ]



“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“IFRS” means the International Financial Reporting Standards and interpretations thereof as established by the International Accounting Standards Board, as in effect at the time any applicable financial statements were prepared.

“Indemnified Party” has the meaning set forth in Section 8.2(c).

“Indemnifying Party” has the meaning set forth in Section 8.2(c).

“Instrument of Transfer” has the meaning set forth in Section 3.3(b).

“Law” means any law, rule, constitution, code, ordinance, statute, treaty, decree, regulation, common law, order, official policy, circular, provision, administrative order, interpretation, injunction, judgment, ruling, assessment, writ or other legislative measure, in each case of any Governmental Authority.

“Liability” means all indebtedness, obligations and other liabilities of a Person, whether direct or indirect, absolute, accrued, contingent or otherwise, known or unknown, fixed or otherwise, due or to become due, whether or not accrued or paid.

“Lien” means (a) any mortgage, charge, lien, pledge or other encumbrance securing any obligation of any Person, (b) any option, right to acquire, right of pre-emption, right of set off or other arrangement under which money or claims to, or for the benefit of, any Person may be applied or set off so as to effect discharge of any sum owed or payable to any Person, or (c) any equity, assignment, hypothecation, title retention, claim, restriction, power of sale or other type of preferential arrangement the effect of which is to give a creditor in respect of indebtedness a preferential position in relation to any asset of a Person on any insolvency proceeding of that Person.

“Losses” has the meaning set forth in Section 8.2(a).

“Order” means any injunction, judgment, order, decree, stipulation or determination by or with any Governmental Authority.

“Parties” has the meaning set forth in the preamble.

“Person” means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise, entity or legal person.

“PRC” means the People’s Republic of China and, for purposes of this Agreement, excludes Hong Kong, the Macao Special Administrative Region and Taiwan.

“Sale Shares” has the meaning set forth in the recitals.

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Buyer [                    ] / Selling Shareholder [                    ]



“SEC” means the Securities and Exchange Commission of the United States or any other federal agency at the time administering the Securities Act.

“SEC Documents” has the meaning set forth in Section 4.5(a).

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Selling Shareholder” has the meaning set forth in the preamble.

“Selling Shareholder Indemnitee” has the meaning set forth in Section 8.2(a).

“Subscription Shares” has the meaning set forth in the recitals.

“Tax Return” means any return, report or statement showing Taxes, used to pay Taxes, or required to be filed with respect to any Tax (including any elections, declarations, schedules or attachments thereto, and any amendment thereof), including any information return, claim for refund, amended return or declaration of estimated or provisional Tax.

“Taxes” means (i) any net income, alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, value added, goods and services, transfer, franchise, business and occupation, profits, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental or windfall profit tax, custom duty or other tax, governmental fee or other like assessment or charge, together with any interest or any penalty, addition to tax or additional amount imposed by any Governmental Authority responsible for the imposition of any such tax (domestic or foreign), whether disputed or not, (ii) any liability for the payment of any amounts of the type described in clause (i) of this sentence as a result of being a member of an affiliated, consolidated, combined, unitary or aggregate group for any taxable period, and (iii) any liability for the payment of any amounts of the type described in clause (i) or (ii) of this sentence as a result of being a transferee of or successor to any Person or as a result of any express or implied obligation to indemnify any other Person.

“U.S.,” “US” and “United States” means the United States of America.

“US\$” means United States Dollars, the lawful currency of the United States.

**2. THE TRANSACTION**

At the Closing, the Selling Shareholder shall transfer to the Buyer, and the Buyer shall accept from the Selling Shareholder, the Sale Shares, free and clear of any Lien and with all rights attaching on and from the Closing, and the Buyer shall issue to the Selling Shareholder, and the Selling Shareholder shall subscribe for, the Subscription Shares on the terms and subject to the conditions of this Agreement.

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5 Buyer [ ] / Selling Shareholder [ ]



3. **CLOSING; CLOSING DELIVERIES**

3.1 Closing. The closing of the transactions contemplated under Article 2 (the “Closing”) shall take place remotely within five (5) Business Days following the satisfaction or waiver of the conditions set forth in Section 3.4 and Section 3.5 (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions), or at such other time as the Parties may agree in writing (the date on which the Closing occurs, the “Closing Date”). All transactions occurring at the Closing shall be deemed to occur simultaneously, and shall be effective as of the Closing and upon occurrence of all transactions contemplated by Article 2 and this Article 3. For the avoidance of doubt, the consummation of the transactions described in Article 2 and this Article 3 shall occur together, and the Closing shall be deemed not to have occurred if any party fails to deliver any agreement or other instrument or document required under Article 2 and this Article 3. At the Closing, share certificate issued in the name of the Selling Shareholder in relation to the Sale Shares shall be cancelled, and the Selling Shareholder shall, promptly after Closing, deliver to the Company any such share certificate issued to the Selling Shareholder in relation to the Sale Shares or, where any such share certificate has been issued but has been lost, stolen or destroyed, such indemnity in respect of such lost, stolen or destroyed share certificate as the Buyer may reasonably request.

3.2 Deliveries by the Buyer at the Closing. At the Closing, the Buyer shall deliver to the Selling Shareholder a copy of the share certificate issued in the name of the Selling Shareholder, dated on the Closing Date, evidencing the ownership by the Selling Shareholder of the Subscription Shares (the original copy of which shall be delivered to the Selling Shareholder after the Closing).

3.3 Deliveries by the Selling Shareholder at the Closing. At the Closing, the Selling Shareholder shall deliver to the Buyer:

(a) a copy of the share certificate issued in the name of the Buyer, dated on the Closing Date, evidencing the ownership by the Buyer of the Sale Shares (the original copy of which shall be delivered to the Buyer after the Closing); and

(b) an instrument of transfer duly executed by the Selling Shareholder in the form attached as Exhibit A to this Agreement (an “Instrument of Transfer”).

3.4 Conditions to the Obligation of the Buyer to Effect the Closing. The obligation of the Buyer to consummate the transactions contemplated by Article 2 is subject to the satisfaction, as of the Closing Date, of the following conditions, any of which may be waived in writing by the Buyer in its sole discretion:

(a) The Selling Shareholder shall have performed and complied in all material respects with all, and not be in breach or default in any material respects under any, agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with on or before the Closing Date; and

(b) No court or other Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the transactions contemplated hereby.

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Buyer [            ] / Selling Shareholder [            ]



3.5 Conditions to the Obligation of the Selling Shareholder to Effect the Closing. The obligation of the Selling Shareholder to consummate the transactions contemplated by Article 2 is subject to the satisfaction, as of the Closing Date, of the following conditions, any of which may be waived in writing by the Selling Shareholder in its sole discretion:

(a) The Buyer shall have performed and complied in all material respects with all, and not be in breach or default in any material respects under any, agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with on or before the Closing Date;

(b) No court or other Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the transactions contemplated hereby.

**4. REPRESENTATIONS AND WARRANTIES OF THE BUYER**

The Buyer hereby represents and warrants to the Selling Shareholder the following.

4.1 Due Formation; Qualification. The Buyer is an exempted company, duly incorporated, validly existing and in good standing under the laws of the Cayman Islands, has the requisite corporate power and authority to own, lease and operate its business and assets and to conduct its business as currently conducted and as described in the SEC Documents, and is duly qualified to transact business in all material respects in each jurisdiction in which the conduct of its business or its ownership, leasing or operation of property requires such qualification.

4.2 Authorization; Enforceability. The Buyer has requisite legal power and authority to execute, deliver and perform its obligations under this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Buyer and, assuming due authorization, execution and delivery by the Selling Shareholder, constitutes a legal, valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies or general principles of equity.

4.3 Due Issuance. The Subscription Shares are duly authorized and, when issued in accordance with this Agreement, will be validly issued, fully paid and non-assessable and free and clear of any Lien, right of first refusal, third-party right or interest, claim or restriction of any kind or nature, except for restrictions arising under the Securities Act or created by virtue of this Agreement. Good and valid title to the Subscription Shares will be passed to the Selling Shareholder upon entry of the Selling Shareholder into the register of members of the Buyer as the respective legal owners of the applicable Subscription Shares.

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Buyer [            ] / Selling Shareholder [            ]



4.4 Non-Contravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby by the Buyer, will (i) violate any provision of the organizational documents of the Buyer or materially violate any Law to which the Buyer is subject, or (ii) conflict with, result in a breach of or constitute a default under any material Contract to which the Buyer is a party or by which the Buyer is bound, except in each case of (i) and (ii) above, would not reasonably be expected to prohibit, materially delay or materially impair the consummation of the transactions contemplated hereby.

4.5 SEC Matters; Financial Statements.

(a) The Buyer has filed or furnished, as applicable, on a timely basis, all registration statements, proxy statements and other statements, reports, schedules, forms and other documents required to be filed or furnished by it with the SEC (all of the foregoing documents filed with or furnished to the SEC and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein, the "SEC Documents"). As of their respective effective dates (in the case of the SEC Documents that are registration statements filed pursuant to the requirements of the Securities Act) and as of their respective SEC filing dates (in the case of all other SEC Documents), or in each case, if amended prior to the date hereof, as of the date of the last such amendment: (A) each of the SEC Documents complied in all material respects with the applicable requirements of the Securities Act and the Exchange Act and any rules and regulations promulgated thereunder applicable to the SEC Documents (as the case may be) and (B) none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the material statements therein, in the light of the circumstances under which they were made, not misleading.

(b) The financial statements (including any related notes) contained in the SEC Documents: (i) complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, (ii) were prepared in accordance with IFRS and (iii) fairly present in all material respects the consolidated financial position of the Buyer Group Companies as of the respective dates thereof and the consolidated results of operations and cash flows of the Buyer Group for the periods covered thereby, except as disclosed therein and as permitted under the Exchange Act.

4.6 No Registration. Assuming the accuracy of the representations and warranties of the Selling Shareholder set forth in Section 5.9, Section 5.10 and Section 5.11, it is not necessary in connection with the issuance and sale of the Subscription Shares to register the Subscription Shares under the Securities Act. No directed selling efforts (as defined in Rule 902 of Regulation S under the Securities Act) have been made by any Buyer Group Company or any person acting on its behalf with respect to any Subscription Shares.

4.7 Brokers. None of the Buyer Group Companies has engaged with or received services from any broker, finder, commission agent, placement agent or arranger in connection with the transactions contemplated by this Agreement.

4.8 No Other Representations and Warranties. The Buyer makes no other representations and warranties, implied or otherwise, other than those expressly set out in this Agreement.

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Buyer [                    ] / Selling Shareholder [                    ]





5. **REPRESENTATIONS AND WARRANTIES OF THE SELLING SHAREHOLDER**

The Selling Shareholder hereby represents and warrants to the Buyer the following.

5.1 Due Formation; Qualification. The Selling Shareholder is duly incorporated, validly existing and in good standing under the laws of its jurisdiction of organization and has all necessary corporate power and authority to enter into this Agreement and the applicable Instrument of Transfer, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. Each Company Entity is duly incorporated, validly existing and in good standing under the laws of its jurisdiction of organization, has the requisite corporate power and authority to own, lease and operate its business and assets and to conduct its business as currently conducted except where the failure to have such power or authority would not reasonably be expected to be materially adverse to the Company Entities, taken as a whole, and is duly qualified to transact business in all material respects in each jurisdiction in which the conduct of its business or its ownership, leasing or operation of property requires such qualification, except where the failure to be so duly qualified would not reasonably be expected to be materially adverse to the Company Entities, taken as a whole.

5.2 Authorization; Enforceability. The Selling Shareholder has requisite legal power and authority to execute, deliver and perform its obligations under this Agreement and the applicable Instrument of Transfer and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by the Selling Shareholder and, assuming due authorization, execution and delivery by the Buyer, constitutes a legal, valid and binding obligation of the Selling Shareholder, enforceable against the Selling Shareholder in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies or general principles of equity.

5.3 Valid Title. The Selling Shareholder is the sole record and beneficial owner of and has good and valid title to the Sale Shares, free and clear of any Lien, right of first refusal, third-party right or interest, claim or restriction of any kind or nature, except for restrictions created by virtue of this Agreement. The Selling Shareholder is not a party nor subject to any Contract that affects or relates to the voting or giving of written consents with respect to the Sale Shares. Good and valid title to the Sale Shares will be passed to the Buyer upon entry of the Buyer into the register of members of the Company as the legal owner of the Sale Shares.

5.4 Non-Contravention. Neither the execution and the delivery of this Agreement or any Instrument of Transfer, nor the consummation of the transactions contemplated hereby and thereby by the Selling Shareholder, will (i) violate any provision of the organizational documents of the Company or materially violate any Law to which the Selling Shareholder is subject, or (ii) conflict with, result in a breach of or constitute a default under any material Contract to which the Selling Shareholder is a party or by which the Selling Shareholder is bound, except in each case of (i) and (ii) above, would not reasonably be expected to prohibit, materially delay or materially impair the consummation of the transactions contemplated hereby.

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Buyer [                    ] / Selling Shareholder [                    ]



5.5 Consents and Approvals. Neither the execution and the delivery of this Agreement or the applicable Instrument of Transfer, nor the consummation of the transactions contemplated hereby and thereby by the Selling Shareholder, requires any consent, approval, order, license or authorization of, registration, certificate, declaration or filing with or notice to any Governmental Authority or other third party (each, an “Authorization”), except for those Authorizations that have already been obtained.

5.6 Compliance with Law. The Selling Shareholder has, in connection with the execution and delivery of this Agreement and the Instrument of Transfer and the consummation of the transactions contemplated hereby and thereby, complied with all applicable Laws.

5.7 Solvency. No bankruptcy, insolvency or judicial composition proceedings concerning the Selling Shareholder have been applied for. No circumstances exist which could require an application for any bankruptcy, insolvency or judicial composition proceedings concerning the Selling Shareholder nor do any circumstances exist according to any applicable bankruptcy or insolvency Laws which could justify the avoidance of this Agreement. No steps have been taken or proposed in relation to the winding-up, bankruptcy, administration, insolvency or dissolution of the Selling Shareholder, nor has any analogous procedure or step been taken or proposed in any jurisdiction in relation to the Selling Shareholder. The Selling Shareholder is not or is not expected to be insolvent under the laws of its jurisdiction of incorporation nor is unable to pay its debts as they fall due and the Selling Shareholder has not stopped paying its debts or indicated an intention to do so.

5.8 Brokers. The Selling Shareholder has not engaged with or received services from any broker, finder, commission agent, placement agent or arranger in connection with the acquisition of the Subscription Shares, the transfer of the Sale Shares or matters in connection therewith.

5.9 Status; Purchase for Own Account. The Selling Shareholder is not a “U.S. person” as defined in Rule 902 of Regulation S under the Securities Act. The Selling Shareholder is acquiring the applicable Subscription Shares outside the United States in reliance upon the exemption from registration provided by Regulation S under the Securities Act, and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. The Selling Shareholder has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the applicable Subscription Shares. The Selling Shareholder is capable of bearing the economic risks of its investment, including a complete loss thereof. The Subscription Shares will be acquired for the Selling Shareholder’s own account, not as a nominee or agent and not with a view to or in connection with the sale or distribution of any part thereof. The Selling Shareholder does not have any direct or indirect arrangement, or understanding with any other Persons regarding the distribution of the Subscription Shares in violation of the Securities Act or any other applicable state securities law.

5.10 Solicitation. The Selling Shareholder was not identified or contacted through the marketing of the transactions contemplated by this Agreement. The Selling Shareholder did not contact the Buyer as a result of any general solicitation or directed selling efforts. The purchase of the Subscription Shares by the Selling Shareholder was not solicited by or through anyone other than the Buyer.

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Buyer [            ] / Selling Shareholder [            ]



5.11 Restricted Securities. The Selling Shareholder acknowledges that the Subscription Shares are “restricted securities” that have not been registered under the Securities Act or any applicable state securities law. The Selling Shareholder further acknowledges that, absent an effective registration under the Securities Act, the Subscription Shares may only be offered, sold or otherwise transferred (i) to the Buyer, (ii) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, or (iii) pursuant to an exemption from registration under the Securities Act.

6. **COVENANTS; ADDITIONAL AGREEMENTS**

6.1 Further Assurances. Each Party shall use reasonable best efforts to make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents and assurances without further consideration, which may reasonably be required or advisable to effect the transactions contemplated by this Agreement and the Instruments of Transfer.

6.2 Taxes. Except as otherwise provided in this Agreement, each Party shall bear its respective Taxes incurred in connection with the consummation of the transactions contemplated by this Agreement and the Instruments of Transfer.

6.3 Release. From and after the Closing, except as arising out of actions or omissions occurring after the Closing Date or arising as a result of this Agreement, the Selling Shareholder hereby waives and releases, on behalf of itself and each of its Affiliates and to the fullest extent permitted by applicable Law, the Buyer, from any and all Liabilities, rights, defenses, claims and causes of action, known or unknown, foreseen or unforeseen which the Selling Shareholder or any of its Affiliates has or may have in the future against the Company Entities with respect to matters arising prior to the Closing Date.

6.4 Confidentiality.

(a) Each Party shall, and shall cause its Affiliates to, keep confidential any non-public material or information with respect to this Agreement and the Instruments of Transfer, any of the terms and conditions of, and the status or other facts with respect to, this Agreement and the Instruments of Transfer and the transactions contemplated hereby and thereby, including the existence of this Agreement and the Instruments of Transfer (including written or non-written information, hereinafter the “Confidential Information”). Confidential Information shall not include any information that is (a) previously known on a non-confidential basis by the receiving Party, (b) in the public domain through no fault of such receiving Party, its Affiliates or its or its Affiliates’ officers, directors or employees, (c) received from a party other than the Parties or their Affiliates, representatives or agents, so long as such party was not, to the knowledge of the receiving Party, subject to a duty of confidentiality to such Party or Affiliates or (d) developed independently by the receiving Party without reference to confidential information of the disclosing Party. No Party shall disclose such Confidential Information to any third party. Each Party may use the Confidential Information only for the purpose of, and to the extent necessary for, performing this Agreement, and shall not use such Confidential Information for any other purposes.

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(b) Notwithstanding any other provisions in this Section 6.4, if any Party believes in good faith that any announcement or notice must be prepared or published pursuant to applicable Laws (including any rules or regulations of any relevant securities exchange or valid legal process) or information is otherwise required to be disclosed to any Governmental Authority, such Party may, in accordance with its understanding of the applicable Laws, make the required disclosure in the manner it deems in compliance with the requirements of applicable Laws, rules or regulations. In addition, each Party may disclose, subject to any practicable arrangements to protect confidentiality, Confidential Information to the extent required under judicial or regulatory process or in connection with any judicial process regarding any legal action, suit or proceeding arising out of or relating to this Agreement or the Instruments of Transfer.

(c) Each Party may disclose the Confidential Information only to its Affiliates and its and its Affiliates' officers, directors, employees, agents and representatives on a need-to-know basis in the performance of this Agreement; provided that such Party shall ensure such Persons strictly abide by the confidentiality obligations hereunder.

(d) The confidentiality obligations of each Party hereunder shall survive the termination of this Agreement for a period of two (2) years. Each Party shall continue to abide by the confidentiality clause hereof and perform the obligation of confidentiality it undertakes until the other Party approves release of that obligation or until a breach of the confidentiality clause hereof will no longer result in any prejudice to the other Party.

**7. TERMINATION**

7.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by any Party through written notice to the other Parties if any Governmental Authority shall have enacted or issued any Law or Order or taken any other action permanently restraining, enjoining, preventing, prohibiting or otherwise making illegal the consummation of the transactions contemplated under this Agreement and such Law, Order or other action has become final and non-appealable; provided that a Party shall have no right to terminate this Agreement pursuant to this Section 7.1(a) if the imposition of such Law, Order or other action was caused by the breach by such Party or its Affiliate of any representation, warranty, covenant or agreement in this Agreement;

(b) by the Buyer if there exists a material breach of any representation, warranty, covenant or agreement of the Selling Shareholder such that the conditions set forth in Section 3.4 would not be satisfied and such breach has not been cured, or is incapable of being cured, by the Selling Shareholder within fifteen (15) days following its receipt of written notice from the Buyer of such breach; or

(c) by the Selling Shareholder, if there exists a material breach of any representation, warranty, covenant or agreement of the Buyer such that the conditions set forth in Section 3.5 would not be satisfied and such breach has not been cured, or is incapable of being cured, by the Buyer within fifteen (15) days following its receipt of written notice from the Selling Shareholder of such breach.

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Buyer [            ] / Selling Shareholder [            ]



(d) by occurrence of listing of the Company’s shares on the New York Stock Exchange (or any other recognized stock exchange elsewhere) prior to the Closing.

7.2 Effects of Termination. Upon the termination of this Agreement pursuant to Section 7.1, this Agreement (other than Article 1 and Article 9) shall become void and have no further force or effect; provided that no such termination shall relieve any Party of liability for any breach of this Agreement prior to such termination.

8. **INDEMNITY**

8.1 Survival. The representations and warranties of the Buyer and the Selling Shareholder and their respective Affiliates contained in this Agreement shall survive the Closing for a period of eighteen (18) months after the Closing Date, save for the Fundamental Representations of the Buyer and the Fundamental Representations of the Selling Shareholder which shall survive until the expiration of the applicable statutory limitation periods. The covenants and agreements of the Buyer and the Selling Shareholder and their respective Affiliates set forth herein shall survive the Closing until fully discharged in accordance with their terms, except for those covenants and agreements which shall be complied with or discharged prior to the Closing in accordance with the terms of this Agreement. Notwithstanding the foregoing, any breach of any representation, warranty, covenant or agreement in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate, if notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time.

8.2 Indemnification.

(a) Indemnification by the Buyer. From and after the Closing, the Buyer shall indemnify and hold harmless the Selling Shareholder and its directors, officers, employees, Affiliates, agents and assigns (each, a “Selling Shareholder Indemnitee”) against any losses, liabilities, damages, penalties, diminution in value, reasonable costs and expenses, including reasonable advisor’s fees and other expenses of investigation and defense of any of the foregoing (collectively, “Losses”), incurred by the Selling Shareholder Indemnitee as a result of, arising out of or in connection with (i) any material breach or violation of, or inaccuracy in, any representation or warranty made by the Buyer in this Agreement; and (ii) any material breach or violation of, or failure to perform, any covenants or agreements made by or on behalf of, or to be performed by, the Buyer in this Agreement.

(b) Indemnification by the Selling Shareholder. From and after the Closing, the Selling Shareholder shall indemnify and hold harmless the Buyer and its directors, officers, employees, Affiliates, agents and assigns (each, a “Buyer Indemnitee”) against any Losses incurred by such Buyer Indemnitee as a result of, arising out of or in connection with (i) any breach or violation of, or inaccuracy in, any representation or warranty made by or on behalf of the Selling Shareholder in this Agreement or any claim by any third party alleging, constituting or involving such a breach violation or inaccuracy; (ii) any breach or violation of, or failure to perform, any covenants or agreements made by or on behalf of, or to be performed by, the Selling Shareholder in this Agreement, or any claim by any third party alleging, constituting or involving any such breach or violation or default or failure to perform; (iii) any violation or non-compliance with applicable Laws by the Selling Shareholder or Company Entity on or prior to the Closing Date, whether in the course of business or in connection with the execution and delivery of this Agreement and the Instrument of Transfer and the consummation of the transactions contemplated hereby and thereby; (iv) any failure to timely file applicable Tax Returns (or any failure for such Tax Returns to be true, correct and complete) by any Company Entity or any failure to timely and fully pay applicable Taxes owed by any Company Entity, for any tax period (or portion thereof) up to the Closing Date; and (v) any litigation or arbitration proceedings involving any Company Entity arising out of or based on an event that occurred or an action that was taken on or prior to the Closing Date.

Initial by:

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Buyer [            ] / Selling Shareholder [            ]



(c) For purposes of this Agreement, (i) “Indemnifying Party” means the Buyer (with respect to Section 8.2(a)) or the Selling Shareholder (with respect to Section 8.2(b)); and (ii) “Indemnified Party” means the Selling Shareholder Indemnitee(s) (with respect to Section 8.2(a)) or the Buyer Indemnitee(s) (with respect to Section 8.2(b)).

8.3 Reliance. Each of the Buyer and the Selling Shareholder acknowledge and agree that (i) the Buyer has entered into this Agreement and agreed to the purchase of the Sale Shares from the Selling Shareholder and the allotment and issuance of the Subscription Shares to the Selling Shareholder hereunder, in reliance on the representations and warranties, and covenants and agreements, made by the Selling Shareholder in this Agreement, and (ii) the Selling Shareholder has entered into this Agreement and agreed to transfer the Sale Shares to the Buyer and to subscribe for the Subscription Shares in reliance on the representations and warranties, and covenants and agreements, made by the Buyer in this Agreement.

9. **MISCELLANEOUS**

9.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Cayman Islands without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than Cayman Islands to the rights and duties of the Parties hereunder.

9.2 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the Parties. This Agreement and the rights and obligations therein may not be assigned by any Party without the written consent of the other Party.

9.3 Entire Agreement. This Agreement, including the schedules and exhibits hereto, constitute the entire understanding and agreement among the Parties with regard to the subjects hereof and thereof.

9.4 Notices. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given to the Party at the address set forth below (a) if in writing and served by personal delivery upon the Party for whom it is intended, on the date of such delivery, (b) if delivered by certified mail, registered mail or courier service, return-receipt received, on the date of such delivery, or (c) if delivered by email, upon confirmation of receipt by a non-automated response:

Initial by:

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Buyer [                    ] / Selling Shareholder [                    ]



If to the Buyer, at:

Address: 23/F, Nexxus Building, 41 Connaught Road Central, Hong Kong

Attention:

Email:

If to the Selling Shareholder, at:

Address: 1<sup>st</sup> floor, Building 3, Zhongguancun Yonghe Hangxing Science Park, No. 11 Hepingli East Street, Dongcheng District, Beijing, PRC

Attention: Board of Directors

Email:

9.5 Amendments. Any term of this Agreement may be amended only by a written instrument executed by both the Buyer and the Selling Shareholder.

9.6 Specific Performance. The Parties agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with the terms hereof or thereof, and that the Parties shall be entitled to seek specific performance of the terms hereof or thereof, in addition to any other remedy at law or equity.

9.7 Fees and Expenses. Except as otherwise provided in this Agreement, each Party shall bear its respective expenses incurred in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated hereby, including fees and expenses of attorneys, accountants, consultants and financial advisors.

9.8 Delays or Omissions; Waivers. No delay or omission to exercise any right, power or remedy accruing to any Party, upon any breach or default of any Party under this Agreement, shall impair any such right, power or remedy of such Party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach of default thereafter occurring. Any waiver by any Party of any condition or breach of default under this Agreement must be in writing signed by such Party and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by Laws or otherwise afforded to any Party shall be cumulative and not alternative.

9.9 Interpretation. This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this Agreement. The headings of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. Unless otherwise expressly provided herein, all references to sections and schedules herein are to sections and schedules of this Agreement. Unless a provision hereof expressly provides otherwise: (i) the term "or" is not exclusive; (ii) the terms "herein," "hereof," and other similar words refer to this Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other subdivision; (iii) the masculine, feminine, and neuter genders will each be deemed to include the others; and (iv) whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

Initial by:

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Buyer [ ] / Selling Shareholder [ ]



9.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

9.11 Severability. If any provision of this Agreement is found to be invalid or unenforceable, then such provision shall be construed, to the extent feasible, so as to render the provision enforceable and to provide for the consummation of the transactions contemplated hereby on substantially the same terms as originally set forth herein, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or benefits intended by the Parties. In such event, the Parties shall use their best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the Parties' intent in entering into this Agreement.

9.12 Dispute Resolution. Any dispute, controversy or claim (each, a "Dispute") arising out of or relating to this Agreement, or the interpretation, breach, termination, validity or invalidity thereof, shall be referred to arbitration upon the demand of either party to the dispute with notice (the "Arbitration Notice") to the other. The Dispute shall be settled by arbitration in Cayman Islands. Each party to the arbitration shall cooperate with each other party to the arbitration in making full disclosure of and providing complete access to all information and documents requested by such other party in connection with such arbitral proceedings, subject only to any confidentiality obligations binding on such party. The award of the arbitral tribunal shall be final and binding upon the parties thereto, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award. Any party to the Dispute shall be entitled to seek preliminary injunctive relief, if possible, from any court of competent jurisdiction pending the constitution of the arbitral tribunal. During the course of the arbitral tribunal's adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

[SIGNATURE PAGES FOLLOW]

Initial by:

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Buyer [            ] / Selling Shareholder [            ]





IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement on the date and year first above written.

**BUYER**

AMTD INTERNATIONAL INC.

By: /s/ William Fung

Name: William Fung

Title: Chief Executive Officer

[Signature Page to Share Purchase Agreement]



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IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement on the date and year first above written.

**SELLING SHAREHOLDER**

MAOYAN ENTERTAINMENT

By: /s/ Authorized Signatory

Name:

Title:

[Signature Page to Share Purchase Agreement]



**Exhibit A**

**Instrument of Transfer**

**AMTD DIGITAL INC.**

an exempted company incorporated in the Cayman Islands  
(the “Company”)

**SHARE TRANSFER FORM**

dated \_\_\_\_\_

Maoyan Entertainment (the “Transferor”), for good and valuable consideration received by it from AMTD International Inc. (the “Transferee”), does hereby transfer to the Transferee the 300,000 fully paid Class A ordinary shares in the Company (of a par value of US\$0.0001 each) standing in the Transferor’s name in the Register of Members of the Company to hold unto the Transferee, its executors, administrators and assigns, subject to the several conditions on which the Transferor held the same at the time of execution of this Share Transfer Form.

Signed by the Transferor on the date first above written:

**MAOYAN ENTERTAINMENT**

By: \_\_\_\_\_  
Name:  
Title:



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**SHARE PURCHASE AGREEMENT**

**Dated January 19, 2022**

**by and between**

**AMTD INTERNATIONAL INC.**

**and**

**CHESTNUT BUSINESS LIMITED**



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**SHARE PURCHASE AGREEMENT**

THIS SHARE PURCHASE AGREEMENT (this "Agreement") is entered into on January 19, 2022 by and between AMTD International Inc., an exempted company incorporated under the laws of the Cayman Islands (the "Buyer") and Chestnut Business Limited, an exempted company incorporated under the laws of the British Virgin Islands (the "Selling Shareholder") and, together with the Buyer, the "Parties").

**RECITALS**

WHEREAS, the Selling Shareholder holds 300,000 Class A ordinary shares of US\$0.0001 par value each (the "Sale Shares") in AMTD Digital Inc., an exempted company incorporated under the laws of the Cayman Islands (the "Company");

WHEREAS, the Selling Shareholder desires to sell and transfer to the Buyer, and the Buyer desires to purchase and accept from the Selling Shareholder, upon the terms and subject to the conditions set forth in this Agreement, the Sale Shares held by the Selling Shareholder;

WHEREAS, as consideration for the Sale Shares, the Buyer desires to issue to the Selling Shareholder, and the Selling Shareholder desires to subscribe for, upon the terms and subject to the conditions set forth in this Agreement, 635,323 Class A ordinary shares of US\$0.0001 par value each in the Buyer (the "Subscription Shares"); and

WHEREAS, the Parties desire to enter into this Agreement and make the respective representations, warranties, covenants and agreements set forth herein on the terms and subject to the conditions set forth herein.

**AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

**1. DEFINITIONS**

In this Agreement, unless the context otherwise requires, the following words and expressions have the meanings as follows:

"Affiliate" means, (i) with respect to a Person that is a natural person, such Person's relatives and any other Person (other than natural persons) directly or indirectly Controlled by such Person, and (ii) with respect to a Person that is not a natural person, a Person that directly, or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, such Person. For the purposes of this definition, a "relative" of a Person means such Person's spouse, parent, grandparent, child, grandchild, sibling, uncle, aunt, nephew, niece or great-grandparent or the spouse of such Person's child, grandchild, sibling, uncle, aunt, nephew or niece.

Initial by:

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Buyer [            ] / Selling Shareholder [            ]



“Agreement” has the meaning set forth in the preamble.

“Arbitration Notice” has the meaning set forth in Section 9.12.

“Authorization” has the meaning set forth in Section 5.5.

“Business Day” means a day (other than a Saturday or a Sunday) that the banks in New York, Hong Kong, the PRC, or the Cayman Islands are generally open for business.

“Buyer” has the meaning set forth in the preamble.

“Buyer Group” or “Buyer Group Companies” means, collectively, the Buyer and its Affiliates, and each an “Buyer Group Company.”

“Buyer Indemnitee” has the meaning set forth in Section 8.2(b).

“Buyer Material Adverse Effect” means any event, fact, circumstance or occurrence that, individually or in the aggregate, results in or would result in a material adverse change in or a material adverse effect on (a) the financial condition, assets, liabilities or results of operations of the Buyer or (b) the ability of any Buyer Group Company to consummate the transactions contemplated by this Agreement; provided that in determining whether a Buyer Material Adverse Effect has occurred, there shall be excluded any effect on any Buyer Group Company to the extent relating to or arising in connection with (i) any action required to be taken pursuant to the terms and conditions of this Agreement, (ii) changes or effects affecting the industry in which the Buyer operates or the economy or financial, credit or securities markets or political conditions generally (to the extent that in each case such changes do not have a unique or disproportionate impact on the Buyer); (iii) the announcement or consummation of the transactions contemplated by this Agreement; (iv) any change in IFRS or in Law or accounting standards or interpretations thereof applicable to the Buyer; (v) any change resulting from any action by the Buyer or any of its Affiliates taken at the written request of the Selling Shareholder; or (vi) acts of God.

“Closing” has the meaning set forth in Section 3.1.

“Closing Date” has the meaning set forth in Section 3.1.

“Company” has the meaning set forth in the recitals.

“Company Contract” means, a contract, agreement, indenture, note, bond, loan, instrument, lease, mortgage, franchise, license, commitment, purchase order, and other legally binding arrangement, whether written or oral, to which any Company Entity is a party.

“Company Entities” means, collectively, the Company and its Affiliates, and each an “Company Entity.”

“Company Financial Statements” means the audited consolidated financial statements (including balance sheet, income statement and statement of cash flows) for the Company Entities, prepared in accordance with IFRS, as of April 30, 2021 and for the three fiscal years ended April 30, 2021, as applicable.

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Buyer [            ] / Selling Shareholder [            ]





“Company Material Adverse Effect” means any event, fact, circumstance or occurrence that, individually or in the aggregate, results in or would result in a material adverse change in or a material adverse effect on (a) the financial condition, assets, liabilities or results of operations of the Company Entities or (b) the ability of any Company Entity to consummate the transactions contemplated by this Agreement; provided that in determining whether a Company Material Adverse Effect has occurred, there shall be excluded any effect on the Company Entities to the extent relating to or arising in connection with (i) any action required to be taken pursuant to the terms and conditions of this Agreement, (ii) changes or effects affecting the industry in which the Company Entities operate or the economy or financial, credit or securities markets or political conditions generally (to the extent that in each case such changes do not have a unique or disproportionate impact on the Company Entities); (iii) the announcement or consummation of the transactions contemplated by this Agreement; (iv) any change in IFRS or in Law or accounting standards or interpretations thereof applicable to the Company Entities; (v) any change resulting from any action by any Selling Shareholder taken at the written request of the Buyer; or (vi) acts of God.

“Confidential Information” has the meaning set forth in Section 6.4(a).

“Contracts” means legally binding contracts, agreements, engagements, purchase orders, commitments, understandings, indentures, notes, bonds, loans, instruments, leases, mortgages, franchises, licenses or any other contractual arrangements or obligations which are currently subsisting and not terminated or completed (with each of such Contracts being referred to as a “Contract”).

“Control” 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.

“Dispute” has the meaning set forth in Section 9.12.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

“Fundamental Representations of the Buyer” shall mean the representations and warranties made by the Buyer to the Selling Shareholder contained in Section 4.1, Section 4.2, Section 4.3 and Section 4.4.

“Fundamental Representations of the Selling Shareholder” shall mean the representations and warranties made by the Selling Shareholder to the Buyer contained in Section 5.1, Section 5.2, Section 5.4 and Section 5.5.

“Governmental Authorities” means any nation, government, province, state, or any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of any government or any political subdivision thereof, court, tribunal, arbitrator, the governing body of any securities exchange, and self-regulatory organization, in each case having competent jurisdiction.

Initial by:

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Buyer [            ] / Selling Shareholder [            ]



“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“IFRS” means the International Financial Reporting Standards and interpretations thereof as established by the International Accounting Standards Board, as in effect at the time any applicable financial statements were prepared.

“Indemnified Party” has the meaning set forth in Section 8.2(c).

“Indemnifying Party” has the meaning set forth in Section 8.2(c).

“Instrument of Transfer” has the meaning set forth in Section 3.3(b).

“Law” means any law, rule, constitution, code, ordinance, statute, treaty, decree, regulation, common law, order, official policy, circular, provision, administrative order, interpretation, injunction, judgment, ruling, assessment, writ or other legislative measure, in each case of any Governmental Authority.

“Liability” means all indebtedness, obligations and other liabilities of a Person, whether direct or indirect, absolute, accrued, contingent or otherwise, known or unknown, fixed or otherwise, due or to become due, whether or not accrued or paid.

“Lien” means (a) any mortgage, charge, lien, pledge or other encumbrance securing any obligation of any Person, (b) any option, right to acquire, right of pre-emption, right of set off or other arrangement under which money or claims to, or for the benefit of, any Person may be applied or set off so as to effect discharge of any sum owed or payable to any Person, or (c) any equity, assignment, hypothecation, title retention, claim, restriction, power of sale or other type of preferential arrangement the effect of which is to give a creditor in respect of indebtedness a preferential position in relation to any asset of a Person on any insolvency proceeding of that Person.

“Losses” has the meaning set forth in Section 8.2(a).

“Order” means any injunction, judgment, order, decree, stipulation or determination by or with any Governmental Authority.

“Parties” has the meaning set forth in the preamble.

“Person” means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise, entity or legal person.

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Buyer [            ] / Selling Shareholder [            ]



“PRC” means the People’s Republic of China and, for purposes of this Agreement, excludes Hong Kong, the Macao Special Administrative Region and Taiwan.

“Sale Shares” has the meaning set forth in the recitals.

“SEC” means the Securities and Exchange Commission of the United States or any other federal agency at the time administering the Securities Act.

“SEC Documents” has the meaning set forth in Section 4.5(a).

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Selling Shareholder” has the meaning set forth in the preamble.

“Selling Shareholder Indemnitee” has the meaning set forth in Section 8.2(a).

“Subscription Shares” has the meaning set forth in the recitals.

“Tax Return” means any return, report or statement showing Taxes, used to pay Taxes, or required to be filed with respect to any Tax (including any elections, declarations, schedules or attachments thereto, and any amendment thereof), including any information return, claim for refund, amended return or declaration of estimated or provisional Tax.

“Taxes” means (i) any net income, alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, value added, goods and services, transfer, franchise, business and occupation, profits, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental or windfall profit tax, custom duty or other tax, governmental fee or other like assessment or charge, together with any interest or any penalty, addition to tax or additional amount imposed by any Governmental Authority responsible for the imposition of any such tax (domestic or foreign), whether disputed or not, (ii) any liability for the payment of any amounts of the type described in clause (i) of this sentence as a result of being a member of an affiliated, consolidated, combined, unitary or aggregate group for any taxable period, and (iii) any liability for the payment of any amounts of the type described in clause (i) or (ii) of this sentence as a result of being a transferee of or successor to any Person or as a result of any express or implied obligation to indemnify any other Person.

“U.S.,” “US” and “United States” means the United States of America.

“US\$” means United States Dollars, the lawful currency of the United States.

**2. THE TRANSACTION**

At the Closing, the Selling Shareholder shall transfer to the Buyer, and the Buyer shall accept from the Selling Shareholder, the Sale Shares, free and clear of any Lien and with all rights attaching on and from the Closing, and the Buyer shall issue to the Selling Shareholder, and the Selling Shareholder shall subscribe for, the Subscription Shares on the terms and subject to the conditions of this Agreement.

Initial by:

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Buyer [            ] / Selling Shareholder [            ]



3. **CLOSING; CLOSING DELIVERIES**

3.1 Closing. The closing of the transactions contemplated under Article 2 (the “Closing”) shall take place remotely within five (5) Business Days following the satisfaction or waiver of the conditions set forth in Section 3.4 and Section 3.5 (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions), or at such other time as the Parties may agree in writing (the date on which the Closing occurs, the “Closing Date”). All transactions occurring at the Closing shall be deemed to occur simultaneously, and shall be effective as of the Closing and upon occurrence of all transactions contemplated by Article 2 and this Article 3. For the avoidance of doubt, the consummation of the transactions described in Article 2 and this Article 3 shall occur together, and the Closing shall be deemed not to have occurred if any party fails to deliver any agreement or other instrument or document required under Article 2 and this Article 3. At the Closing, share certificate issued in the name of the Selling Shareholder in relation to the Sale Shares shall be cancelled, and the Selling Shareholder shall, promptly after Closing, deliver to the Company any such share certificate issued to the Selling Shareholder in relation to the Sale Shares or, where any such share certificate has been issued but has been lost, stolen or destroyed, such indemnity in respect of such lost, stolen or destroyed share certificate as the Buyer may reasonably request.

3.2 Deliveries by the Buyer at the Closing. At the Closing, the Buyer shall deliver to the Selling Shareholder a copy of the share certificate issued in the name of the Selling Shareholder, dated on the Closing Date, evidencing the ownership by the Selling Shareholder of the Subscription Shares (the original copy of which shall be delivered to the Selling Shareholder after the Closing).

3.3 Deliveries by the Selling Shareholder at the Closing. At the Closing, the Selling Shareholder shall deliver to the Buyer:

(a) a copy of the share certificate issued in the name of the Buyer, dated on the Closing Date, evidencing the ownership by the Buyer of the Sale Shares (the original copy of which shall be delivered to the Buyer after the Closing); and

(b) an instrument of transfer duly executed by the Selling Shareholder in the form attached as Exhibit A to this Agreement (an “Instrument of Transfer”).

3.4 Conditions to the Obligation of the Buyer to Effect the Closing. The obligation of the Buyer to consummate the transactions contemplated by Article 2 is subject to the satisfaction, as of the Closing Date, of the following conditions, any of which may be waived in writing by the Buyer in its sole discretion:

(a) The Selling Shareholder shall have performed and complied in all material respects with all, and not be in breach or default in any material respects under any, agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with on or before the Closing Date; and

(b) No court or other Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the transactions contemplated hereby.

Initial by:

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Buyer [            ] / Selling Shareholder [            ]



3.5 Conditions to the Obligation of the Selling Shareholder to Effect the Closing. The obligation of the Selling Shareholder to consummate the transactions contemplated by Article 2 is subject to the satisfaction, as of the Closing Date, of the following conditions, any of which may be waived in writing by the Selling Shareholder in its sole discretion:

(a) The Buyer shall have performed and complied in all material respects with all, and not be in breach or default in any material respects under any, agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with on or before the Closing Date; and

(b) No court or other Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the transactions contemplated hereby.

**4. REPRESENTATIONS AND WARRANTIES OF THE BUYER**

The Buyer hereby represents and warrants to the Selling Shareholder the following.

4.1 Due Formation; Qualification. The Buyer is an exempted company, duly incorporated, validly existing and in good standing under the laws of the Cayman Islands, has the requisite corporate power and authority to own, lease and operate its business and assets and to conduct its business as currently conducted and as described in the SEC Documents, and is duly qualified to transact business in all material respects in each jurisdiction in which the conduct of its business or its ownership, leasing or operation of property requires such qualification.

4.2 Authorization; Enforceability. The Buyer has requisite legal power and authority to execute, deliver and perform its obligations under this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Buyer and, assuming due authorization, execution and delivery by the Selling Shareholder, constitutes a legal, valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies or general principles of equity.

4.3 Due Issuance. The Subscription Shares are duly authorized and, when issued in accordance with this Agreement, will be validly issued, fully paid and non-assessable and free and clear of any Lien, right of first refusal, third-party right or interest, claim or restriction of any kind or nature, except for restrictions arising under the Securities Act or created by virtue of this Agreement. Good and valid title to the Subscription Shares will be passed to the Selling Shareholder upon entry of the Selling Shareholder into the register of members of the Buyer as the respective legal owners of the applicable Subscription Shares.

Initial by:

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Buyer [            ] / Selling Shareholder [            ]



4.4 Non-Contravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby by the Buyer, will (i) violate any provision of the organizational documents of the Buyer or materially violate any Law to which the Buyer is subject, or (ii) conflict with, result in a breach of or constitute a default under any material Contract to which the Buyer is a party or by which the Buyer is bound, except in each case of (i) and (ii) above, would not reasonably be expected to prohibit, materially delay or materially impair the consummation of the transactions contemplated hereby.

4.5 SEC Matters; Financial Statements.

(a) The Buyer has filed or furnished, as applicable, on a timely basis, all registration statements, proxy statements and other statements, reports, schedules, forms and other documents required to be filed or furnished by it with the SEC (all of the foregoing documents filed with or furnished to the SEC and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein, the "SEC Documents"). As of their respective effective dates (in the case of the SEC Documents that are registration statements filed pursuant to the requirements of the Securities Act) and as of their respective SEC filing dates (in the case of all other SEC Documents), or in each case, if amended prior to the date hereof, as of the date of the last such amendment: (A) each of the SEC Documents complied in all material respects with the applicable requirements of the Securities Act and the Exchange Act and any rules and regulations promulgated thereunder applicable to the SEC Documents (as the case may be) and (B) none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the material statements therein, in the light of the circumstances under which they were made, not misleading.

(b) The financial statements (including any related notes) contained in the SEC Documents: (i) complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, (ii) were prepared in accordance with IFRS and (iii) fairly present in all material respects the consolidated financial position of the Buyer Group Companies as of the respective dates thereof and the consolidated results of operations and cash flows of the Buyer Group for the periods covered thereby, except as disclosed therein and as permitted under the Exchange Act.

4.6 No Registration. Assuming the accuracy of the representations and warranties of the Selling Shareholder set forth in Section 5.9, Section 5.10 and Section 5.11, it is not necessary in connection with the issuance and sale of the Subscription Shares to register the Subscription Shares under the Securities Act. No directed selling efforts (as defined in Rule 902 of Regulation S under the Securities Act) have been made by any Buyer Group Company or any person acting on its behalf with respect to any Subscription Shares.

4.7 Brokers. None of the Buyer Group Companies has engaged with or received services from any broker, finder, commission agent, placement agent or arranger in connection with the transactions contemplated by this Agreement.

Initial by:

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Buyer [            ] / Selling Shareholder [            ]



4.8 No Other Representations and Warranties. The Buyer makes no other representations and warranties, implied or otherwise, other than those expressly set out in this Agreement.

5. **REPRESENTATIONS AND WARRANTIES OF THE SELLING SHAREHOLDER**

The Selling Shareholder hereby represents and warrants to the Buyer the following.

5.1 Due Formation; Qualification. The Selling Shareholder is duly incorporated, validly existing and in good standing under the laws of its jurisdiction of organization and has all necessary corporate power and authority to enter into this Agreement and the applicable Instrument of Transfer, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby.

5.2 Authorization; Enforceability. The Selling Shareholder has requisite legal power and authority to execute, deliver and perform its obligations under this Agreement and the applicable Instrument of Transfer and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by the Selling Shareholder and, assuming due authorization, execution and delivery by the Buyer, constitutes a legal, valid and binding obligation of the Selling Shareholder, enforceable against the Selling Shareholder in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies or general principles of equity.

5.3 Valid Title. The Selling Shareholder is the sole record and beneficial owner of and has good and valid title to the Sale Shares, free and clear of any Lien, right of first refusal, third-party right or interest, claim or restriction of any kind or nature, except for restrictions created by virtue of this Agreement. The Selling Shareholder is not a party nor subject to any Contract that affects or relates to the voting or giving of written consents with respect to the Sale Shares. Good and valid title to the Sale Shares will be passed to the Buyer upon entry of the Buyer into the register of members of the Company as the legal owner of the Sale Shares.

5.4 Non-Contravention. Neither the execution and the delivery of this Agreement or any Instrument of Transfer, nor the consummation of the transactions contemplated hereby and thereby by the Selling Shareholder, will (i) violate any provision of the organizational documents of the Company or materially violate any Law to which the Selling Shareholder is subject, or (ii) conflict with, result in a breach of or constitute a default under any material Contract to which the Selling Shareholder is a party or by which the Selling Shareholder is bound, except in each case of (i) and (ii) above, would not reasonably be expected to prohibit, materially delay or materially impair the consummation of the transactions contemplated hereby.

5.5 Consents and Approvals. Neither the execution and the delivery of this Agreement or the applicable Instrument of Transfer, nor the consummation of the transactions contemplated hereby and thereby by the Selling Shareholder, requires any consent, approval, order, license or authorization of, registration, certificate, declaration or filing with or notice to any Governmental Authority or other third party (each, an "Authorization"), except for those Authorizations that have already been obtained.

Initial by:

9 Buyer [ ] / Selling Shareholder [ ]



5.6 Compliance with Law. The Selling Shareholder has, in connection with the execution and delivery of this Agreement and the Instrument of Transfer and the consummation of the transactions contemplated hereby and thereby, complied with all applicable Laws.

5.7 Solvency. No bankruptcy, insolvency or judicial composition proceedings concerning the Selling Shareholder have been applied for. No circumstances exist which could require an application for any bankruptcy, insolvency or judicial composition proceedings concerning the Selling Shareholder nor do any circumstances exist according to any applicable bankruptcy or insolvency Laws which could justify the avoidance of this Agreement. No steps have been taken or proposed in relation to the winding-up, bankruptcy, administration, insolvency or dissolution of the Selling Shareholder, nor has any analogous procedure or step been taken or proposed in any jurisdiction in relation to the Selling Shareholder. The Selling Shareholder is not or is not expected to be insolvent under the laws of its jurisdiction of incorporation nor is unable to pay its debts as they fall due and the Selling Shareholder has not stopped paying its debts or indicated an intention to do so.

5.8 Brokers. The Selling Shareholder has not engaged with or received services from any broker, finder, commission agent, placement agent or arranger in connection with the acquisition of the Subscription Shares, the transfer of the Sale Shares or matters in connection therewith.

5.9 Status; Purchase for Own Account. The Selling Shareholder is not a "U.S. person" as defined in Rule 902 of Regulation S under the Securities Act. The Selling Shareholder is acquiring the applicable Subscription Shares outside the United States in reliance upon the exemption from registration provided by Regulation S under the Securities Act, and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. The Selling Shareholder has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the applicable Subscription Shares. The Selling Shareholder is capable of bearing the economic risks of its investment, including a complete loss thereof. The Subscription Shares will be acquired for the Selling Shareholder's own account, not as a nominee or agent and not with a view to or in connection with the sale or distribution of any part thereof. The Selling Shareholder does not have any direct or indirect arrangement, or understanding with any other Persons regarding the distribution of the Subscription Shares in violation of the Securities Act or any other applicable state securities law.

5.10 Solicitation. The Selling Shareholder was not identified or contacted through the marketing of the transactions contemplated by this Agreement. The Selling Shareholder did not contact the Buyer as a result of any general solicitation or directed selling efforts. The purchase of the Subscription Shares by the Selling Shareholder was not solicited by or through anyone other than the Buyer.

5.11 Restricted Securities. The Selling Shareholder acknowledges that the Subscription Shares are "restricted securities" that have not been registered under the Securities Act or any applicable state securities law. The Selling Shareholder further acknowledges that, absent an effective registration under the Securities Act, the Subscription Shares may only be offered, sold or otherwise transferred (i) to the Buyer, (ii) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, or (iii) pursuant to an exemption from registration under the Securities Act.

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Buyer [            ] / Selling Shareholder [            ]





6. **COVENANTS; ADDITIONAL AGREEMENTS**

6.1 Further Assurances. Each Party shall use reasonable best efforts to make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents and assurances without further consideration, which may reasonably be required or advisable to effect the transactions contemplated by this Agreement and the Instruments of Transfer.

6.2 Taxes. Except as otherwise provided in this Agreement, each Party shall bear its respective Taxes incurred in connection with the consummation of the transactions contemplated by this Agreement and the Instruments of Transfer.

6.3 Release. From and after the Closing, except as arising out of actions or omissions occurring after the Closing Date or arising as a result of this Agreement, the Selling Shareholder hereby waives and releases, on behalf of itself and each of its Affiliates and to the fullest extent permitted by applicable Law, the Buyer, from any and all Liabilities, rights, defenses, claims and causes of action, known or unknown, foreseen or unforeseen which the Selling Shareholder or any of its Affiliates has or may have in the future against the Company Entities with respect to matters arising prior to the Closing Date.

6.4 Confidentiality.

(a) Each Party shall, and shall cause its Affiliates to, keep confidential any non-public material or information with respect to this Agreement and the Instruments of Transfer, any of the terms and conditions of, and the status or other facts with respect to, this Agreement and the Instruments of Transfer and the transactions contemplated hereby and thereby, including the existence of this Agreement and the Instruments of Transfer (including written or non-written information, hereinafter the "Confidential Information"). Confidential Information shall not include any information that is (a) previously known on a non-confidential basis by the receiving Party, (b) in the public domain through no fault of such receiving Party, its Affiliates or its or its Affiliates' officers, directors or employees, (c) received from a party other than the Parties or their Affiliates, representatives or agents, so long as such party was not, to the knowledge of the receiving Party, subject to a duty of confidentiality to such Party or Affiliates or (d) developed independently by the receiving Party without reference to confidential information of the disclosing Party. No Party shall disclose such Confidential Information to any third party. Each Party may use the Confidential Information only for the purpose of, and to the extent necessary for, performing this Agreement, and shall not use such Confidential Information for any other purposes.

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Buyer [            ] / Selling Shareholder [            ]



(b) Notwithstanding any other provisions in this Section 6.4, if any Party believes in good faith that any announcement or notice must be prepared or published pursuant to applicable Laws (including any rules or regulations of any relevant securities exchange or valid legal process) or information is otherwise required to be disclosed to any Governmental Authority, such Party may, in accordance with its understanding of the applicable Laws, make the required disclosure in the manner it deems in compliance with the requirements of applicable Laws, rules or regulations. In addition, each Party may disclose, subject to any practicable arrangements to protect confidentiality, Confidential Information to the extent required under judicial or regulatory process or in connection with any judicial process regarding any legal action, suit or proceeding arising out of or relating to this Agreement or the Instruments of Transfer.

(c) Each Party may disclose the Confidential Information only to its Affiliates and its and its Affiliates' officers, directors, employees, agents and representatives on a need-to-know basis in the performance of this Agreement; provided that such Party shall ensure such Persons strictly abide by the confidentiality obligations hereunder.

(d) The confidentiality obligations of each Party hereunder shall survive the termination of this Agreement for a period of two (2) years. Each Party shall continue to abide by the confidentiality clause hereof and perform the obligation of confidentiality it undertakes until the other Party approves release of that obligation or until a breach of the confidentiality clause hereof will no longer result in any prejudice to the other Party.

**7. TERMINATION**

7.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by any Party through written notice to the other Parties if any Governmental Authority shall have enacted or issued any Law or Order or taken any other action permanently restraining, enjoining, preventing, prohibiting or otherwise making illegal the consummation of the transactions contemplated under this Agreement and such Law, Order or other action has become final and non-appealable; provided that a Party shall have no right to terminate this Agreement pursuant to this Section 7.1(a) if the imposition of such Law, Order or other action was caused by the breach by such Party or its Affiliate of any representation, warranty, covenant or agreement in this Agreement;

(b) by the Buyer if there exists a material breach of any representation, warranty, covenant or agreement of the Selling Shareholder such that the conditions set forth in Section 3.4 would not be satisfied and such breach has not been cured, or is incapable of being cured, by the Selling Shareholder within fifteen (15) days following its receipt of written notice from the Buyer of such breach; or

(c) by the Selling Shareholder, if there exists a material breach of any representation, warranty, covenant or agreement of the Buyer such that the conditions set forth in Section 3.5 would not be satisfied and such breach has not been cured, or is incapable of being cured, by the Buyer within fifteen (15) days following its receipt of written notice from the Selling Shareholder of such breach.

(d) by occurrence of listing of the Company's shares on the New York Stock Exchange (or any other recognized stock exchange elsewhere) prior to the Closing.

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Buyer [            ] / Selling Shareholder [            ]



7.2 Effects of Termination. Upon the termination of this Agreement pursuant to Section 7.1, this Agreement (other than Article 1 and Article 9) shall become void and have no further force or effect; provided that no such termination shall relieve any Party of liability for any breach of this Agreement prior to such termination.

8. INDEMNITY

8.1 Survival. The representations and warranties of the Buyer and the Selling Shareholder and their respective Affiliates contained in this Agreement shall survive the Closing for a period of eighteen (18) months after the Closing Date, save for the Fundamental Representations of the Buyer and the Fundamental Representations of the Selling Shareholder which shall survive until the expiration of the applicable statutory limitation periods. The covenants and agreements of the Buyer and the Selling Shareholder and their respective Affiliates set forth herein shall survive the Closing until fully discharged in accordance with their terms, except for those covenants and agreements which shall be complied with or discharged prior to the Closing in accordance with the terms of this Agreement. Notwithstanding the foregoing, any breach of any representation, warranty, covenant or agreement in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate, if notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time.

8.2 Indemnification.

(a) Indemnification by the Buyer. From and after the Closing, the Buyer shall indemnify and hold harmless the Selling Shareholder and its directors, officers, employees, Affiliates, agents and assigns (each, a "Selling Shareholder Indemnitee") against any losses, liabilities, damages, penalties, diminution in value, reasonable costs and expenses, including reasonable advisor's fees and other expenses of investigation and defense of any of the foregoing (collectively, "Losses"), incurred by the Selling Shareholder Indemnitee as a result of, arising out of or in connection with (i) any material breach or violation of, or inaccuracy in, any representation or warranty made by the Buyer in this Agreement; and (ii) any material breach or violation of, or failure to perform, any covenants or agreements made by or on behalf of, or to be performed by, the Buyer in this Agreement.

(b) Indemnification by the Selling Shareholder. From and after the Closing, the Selling Shareholder shall indemnify and hold harmless the Buyer and its directors, officers, employees, Affiliates, agents and assigns (each, a "Buyer Indemnitee") against any Losses incurred by such Buyer Indemnitee as a result of, arising out of or in connection with (i) any breach or violation of, or inaccuracy in, any representation or warranty made by or on behalf of the Selling Shareholder in this Agreement or any claim by any third party alleging, constituting or involving such a breach violation or inaccuracy; (ii) any breach or violation of, or failure to perform, any covenants or agreements made by or on behalf of, or to be performed by, the Selling Shareholder in this Agreement, or any claim by any third party alleging, constituting or involving any such breach or violation or default or failure to perform; (iii) any violation or non-compliance with applicable Laws by the Selling Shareholder or Company Entity on or prior to the Closing Date, whether in the course of business or in connection with the execution and delivery of this Agreement and the Instrument of Transfer and the consummation of the transactions contemplated hereby and thereby; (iv) any failure to timely file applicable Tax Returns (or any failure for such Tax Returns to be true, correct and complete) by any Company Entity or any failure to timely and fully pay applicable Taxes owed by any Company Entity, for any tax period (or portion thereof) up to the Closing Date; and (v) any litigation or arbitration proceedings involving any Company Entity arising out of or based on an event that occurred or an action that was taken on or prior to the Closing Date.

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Buyer [                    ] / Selling Shareholder [                    ]



(c) For purposes of this Agreement, (i) “Indemnifying Party” means the Buyer (with respect to Section 8.2(a)) or the Selling Shareholder (with respect to Section 8.2(b)); and (ii) “Indemnified Party” means the Selling Shareholder Indemnitee(s) (with respect to Section 8.2(a)) or the Buyer Indemnitee(s) (with respect to Section 8.2(b)).

8.3 Reliance. Each of the Buyer and the Selling Shareholder acknowledge and agree that (i) the Buyer has entered into this Agreement and agreed to the purchase of the Sale Shares from the Selling Shareholder and the allotment and issuance of the Subscription Shares to the Selling Shareholder hereunder, in reliance on the representations and warranties, and covenants and agreements, made by the Selling Shareholder in this Agreement, and (ii) the Selling Shareholder has entered into this Agreement and agreed to transfer the Sale Shares to the Buyer and to subscribe for the Subscription Shares in reliance on the representations and warranties, and covenants and agreements, made by the Buyer in this Agreement.

9. **MISCELLANEOUS**

9.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Cayman Islands without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than Cayman Islands to the rights and duties of the Parties hereunder.

9.2 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the Parties. This Agreement and the rights and obligations therein may not be assigned by any Party without the written consent of the other Party.

9.3 Entire Agreement. This Agreement, including the schedules and exhibits hereto, constitute the entire understanding and agreement among the Parties with regard to the subjects hereof and thereof.

9.4 Notices. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given to the Party at the address set forth below (a) if in writing and served by personal delivery upon the Party for whom it is intended, on the date of such delivery, (b) if delivered by certified mail, registered mail or courier service, return-receipt received, on the date of such delivery, or (c) if delivered by email, upon confirmation of receipt by a non-automated response:

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Buyer [                    ] / Selling Shareholder [                    ]



If to the Buyer, at:

Address: 23/F, Nexxus Building, 41 Connaught Road Central, Hong Kong

Attention:

Email:

If to the Selling Shareholder, at:

Address: 33/F, Vision Knight Capital, Kerry Parkside, No. 1155, Fangdian Rd, Pudong, Shanghai, PRC, 201204

Attention:

Email:

9.5 Amendments. Any term of this Agreement may be amended only by a written instrument executed by both the Buyer and the Selling Shareholder.

9.6 Specific Performance. The Parties agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with the terms hereof or thereof, and that the Parties shall be entitled to seek specific performance of the terms hereof or thereof, in addition to any other remedy at law or equity.

9.7 Fees and Expenses. Except as otherwise provided in this Agreement, each Party shall bear its respective expenses incurred in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated hereby, including fees and expenses of attorneys, accountants, consultants and financial advisors.

9.8 Delays or Omissions; Waivers. No delay or omission to exercise any right, power or remedy accruing to any Party, upon any breach or default of any Party under this Agreement, shall impair any such right, power or remedy of such Party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach of default thereafter occurring. Any waiver by any Party of any condition or breach of default under this Agreement must be in writing signed by such Party and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by Laws or otherwise afforded to any Party shall be cumulative and not alternative.

9.9 Interpretation. This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this Agreement. The headings of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. Unless otherwise expressly provided herein, all references to sections and schedules herein are to sections and schedules of this Agreement. Unless a provision hereof expressly provides otherwise: (i) the term "or" is not exclusive; (ii) the terms "herein," "hereof," and other similar words refer to this Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other subdivision; (iii) the masculine, feminine, and neuter genders will each be deemed to include the others; and (iv) whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

Initial by:

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Buyer [ ] / Selling Shareholder [ ]



9.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

9.11 Severability. If any provision of this Agreement is found to be invalid or unenforceable, then such provision shall be construed, to the extent feasible, so as to render the provision enforceable and to provide for the consummation of the transactions contemplated hereby on substantially the same terms as originally set forth herein, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or benefits intended by the Parties. In such event, the Parties shall use their best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the Parties' intent in entering into this Agreement.

9.12 Dispute Resolution. Any dispute, controversy or claim (each, a "Dispute") arising out of or relating to this Agreement, or the interpretation, breach, termination, validity or invalidity thereof, shall be referred to arbitration upon the demand of either party to the dispute with notice (the "Arbitration Notice") to the other. The Dispute shall be settled by arbitration in Cayman Islands. Each party to the arbitration shall cooperate with each other party to the arbitration in making full disclosure of and providing complete access to all information and documents requested by such other party in connection with such arbitral proceedings, subject only to any confidentiality obligations binding on such party. The award of the arbitral tribunal shall be final and binding upon the parties thereto, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award. Any party to the Dispute shall be entitled to seek preliminary injunctive relief, if possible, from any court of competent jurisdiction pending the constitution of the arbitral tribunal. During the course of the arbitral tribunal's adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

[SIGNATURE PAGES FOLLOW]

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Buyer [            ] / Selling Shareholder [            ]



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IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement on the date and year first above written.

**BUYER**

AMTD INTERNATIONAL INC.

By: /s/ William Fung

Name: William Fung

Title: Chief Executive Officer

[Signature Page to Share Purchase Agreement]



IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement on the date and year first above written.

**SELLING SHAREHOLDER**

CHESTNUT BUSINESS LIMITED

By: /s/ Authorized Signatory \_\_\_\_\_

Name:

Title:

[Signature Page to Share Purchase Agreement]





**Exhibit A**

**Instrument of Transfer**

**AMTD DIGITAL INC.**

an exempted company incorporated in the Cayman Islands  
(the “Company”)

**SHARE TRANSFER FORM**

dated \_\_\_\_\_

CHESTNUT BUSINESS LIMITED (the “Transferor”), for good and valuable consideration received by it from AMTD International Inc. (the “Transferee”), does hereby transfer to the Transferee the 300,000 fully paid Class A ordinary shares in the Company (of a par value of US\$0.0001 each) standing in the Transferor’s name in the Register of Members of the Company to hold unto the Transferee, its executors, administrators and assigns, subject to the several conditions on which the Transferor held the same at the time of execution of this Share Transfer Form.

Signed by the Transferor on the date first above written:

**CHESTNUT BUSINESS LIMITED**

By: \_\_\_\_\_

Name:

Title:



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**SHARE PURCHASE AGREEMENT**

**Dated January 19, 2022**

**by and between**

**AMTD INTERNATIONAL INC.**

**and**

**EVERGLORY STRATEGIC INVESTMENT LIMITED**



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**SHARE PURCHASE AGREEMENT**

THIS SHARE PURCHASE AGREEMENT (this “Agreement”) is entered into on January 19, 2022 by and between AMTD International Inc., an exempted company incorporated under the laws of the Cayman Islands (the “Buyer”) and EverGlory Strategic Investment Limited, an exempted company incorporated under the laws of the British Virgin Islands (the “Selling Shareholder” and, together with the Buyer, the “Parties”).

**RECITALS**

WHEREAS, the Selling Shareholder holds 2,200,000 Class A ordinary shares of US\$0.0001 par value each (the “Sale Shares”) in AMTD Digital Inc., an exempted company incorporated under the laws of the Cayman Islands (the “Company”);

WHEREAS, the Selling Shareholder desires to sell and transfer to the Buyer, and the Buyer desires to purchase and accept from the Selling Shareholder, upon the terms and subject to the conditions set forth in this Agreement, the Sale Shares held by the Selling Shareholder;

WHEREAS, as consideration for the Sale Shares, the Buyer desires to issue to the Selling Shareholder, and the Selling Shareholder desires to subscribe for, upon the terms and subject to the conditions set forth in this Agreement, 4,659,042 Class A ordinary shares of US\$0.0001 par value each in the Buyer (the “Subscription Shares”); and

WHEREAS, the Parties desire to enter into this Agreement and make the respective representations, warranties, covenants and agreements set forth herein on the terms and subject to the conditions set forth herein.

**AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

**1. DEFINITIONS**

In this Agreement, unless the context otherwise requires, the following words and expressions have the meanings as follows:

“Affiliate” means, (i) with respect to a Person that is a natural person, such Person’s relatives and any other Person (other than natural persons) directly or indirectly Controlled by such Person, and (ii) with respect to a Person that is not a natural person, a Person that directly, or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, such Person. For the purposes of this definition, a “relative” of a Person means such Person’s spouse, parent, grandparent, child, grandchild, sibling, uncle, aunt, nephew, niece or great-grandparent or the spouse of such Person’s child, grandchild, sibling, uncle, aunt, nephew or niece.

Initial by:

1 Buyer [ ] / Selling Shareholder [ ]



“Agreement” has the meaning set forth in the preamble.

“Arbitration Notice” has the meaning set forth in Section 9.12.

“Authorization” has the meaning set forth in Section 5.5.

“Business Day” means a day (other than a Saturday or a Sunday) that the banks in New York, Hong Kong, the PRC, or the Cayman Islands are generally open for business.

“Buyer” has the meaning set forth in the preamble.

“Buyer Group” or “Buyer Group Companies” means, collectively, the Buyer and its Affiliates, and each an “Buyer Group Company.”

“Buyer Indemnitee” has the meaning set forth in Section 8.2(b).

“Buyer Material Adverse Effect” means any event, fact, circumstance or occurrence that, individually or in the aggregate, results in or would result in a material adverse change in or a material adverse effect on (a) the financial condition, assets, liabilities or results of operations of the Buyer or (b) the ability of any Buyer Group Company to consummate the transactions contemplated by this Agreement; provided that in determining whether a Buyer Material Adverse Effect has occurred, there shall be excluded any effect on any Buyer Group Company to the extent relating to or arising in connection with (i) any action required to be taken pursuant to the terms and conditions of this Agreement, (ii) changes or effects affecting the industry in which the Buyer operates or the economy or financial, credit or securities markets or political conditions generally (to the extent that in each case such changes do not have a unique or disproportionate impact on the Buyer); (iii) the announcement or consummation of the transactions contemplated by this Agreement; (iv) any change in IFRS or in Law or accounting standards or interpretations thereof applicable to the Buyer; (v) any change resulting from any action by the Buyer or any of its Affiliates taken at the written request of the Selling Shareholder; or (vi) acts of God.

“Closing” has the meaning set forth in Section 3.1.

“Closing Date” has the meaning set forth in Section 3.1.

“Company” has the meaning set forth in the recitals.

“Company Contract” means, a contract, agreement, indenture, note, bond, loan, instrument, lease, mortgage, franchise, license, commitment, purchase order, and other legally binding arrangement, whether written or oral, to which any Company Entity is a party.

“Company Entities” means, collectively, the Company and its Affiliates, and each an “Company Entity.”

“Company Financial Statements” means the audited consolidated financial statements (including balance sheet, income statement and statement of cash flows) for the Company Entities, prepared in accordance with IFRS, as of April 30, 2021 and for the three fiscal years ended April 30, 2021, as applicable.

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Buyer [            ] / Selling Shareholder [            ]



“Company Material Adverse Effect” means any event, fact, circumstance or occurrence that, individually or in the aggregate, results in or would result in a material adverse change in or a material adverse effect on (a) the financial condition, assets, liabilities or results of operations of the Company Entities or (b) the ability of any Company Entity to consummate the transactions contemplated by this Agreement; provided that in determining whether a Company Material Adverse Effect has occurred, there shall be excluded any effect on the Company Entities to the extent relating to or arising in connection with (i) any action required to be taken pursuant to the terms and conditions of this Agreement, (ii) changes or effects affecting the industry in which the Company Entities operate or the economy or financial, credit or securities markets or political conditions generally (to the extent that in each case such changes do not have a unique or disproportionate impact on the Company Entities); (iii) the announcement or consummation of the transactions contemplated by this Agreement; (iv) any change in IFRS or in Law or accounting standards or interpretations thereof applicable to the Company Entities; (v) any change resulting from any action by any Selling Shareholder taken at the written request of the Buyer; or (vi) acts of God.

“Confidential Information” has the meaning set forth in Section 6.4(a).

“Contracts” means legally binding contracts, agreements, engagements, purchase orders, commitments, understandings, indentures, notes, bonds, loans, instruments, leases, mortgages, franchises, licenses or any other contractual arrangements or obligations which are currently subsisting and not terminated or completed (with each of such Contracts being referred to as a “Contract”).

“Control” 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.

“Dispute” has the meaning set forth in Section 9.12.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

“Fundamental Representations of the Buyer” shall mean the representations and warranties made by the Buyer to the Selling Shareholder contained in Section 4.1, Section 4.2, Section 4.3 and Section 4.4.

“Fundamental Representations of the Selling Shareholder” shall mean the representations and warranties made by the Selling Shareholder to the Buyer contained in Section 5.1, Section 5.2, Section 5.4 and Section 5.5.

“Governmental Authorities” means any nation, government, province, state, or any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of any government or any political subdivision thereof, court, tribunal, arbitrator, the governing body of any securities exchange, and self-regulatory organization, in each case having competent jurisdiction.

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Buyer [            ] / Selling Shareholder [            ]



“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“IFRS” means the International Financial Reporting Standards and interpretations thereof as established by the International Accounting Standards Board, as in effect at the time any applicable financial statements were prepared.

“Indemnified Party” has the meaning set forth in Section 8.2(c).

“Indemnifying Party” has the meaning set forth in Section 8.2(c).

“Instrument of Transfer” has the meaning set forth in Section 3.3(b).

“Law” means any law, rule, constitution, code, ordinance, statute, treaty, decree, regulation, common law, order, official policy, circular, provision, administrative order, interpretation, injunction, judgment, ruling, assessment, writ or other legislative measure, in each case of any Governmental Authority.

“Liability” means all indebtedness, obligations and other liabilities of a Person, whether direct or indirect, absolute, accrued, contingent or otherwise, known or unknown, fixed or otherwise, due or to become due, whether or not accrued or paid.

“Lien” means (a) any mortgage, charge, lien, pledge or other encumbrance securing any obligation of any Person, (b) any option, right to acquire, right of pre-emption, right of set off or other arrangement under which money or claims to, or for the benefit of, any Person may be applied or set off so as to effect discharge of any sum owed or payable to any Person, or (c) any equity, assignment, hypothecation, title retention, claim, restriction, power of sale or other type of preferential arrangement the effect of which is to give a creditor in respect of indebtedness a preferential position in relation to any asset of a Person on any insolvency proceeding of that Person.

“Losses” has the meaning set forth in Section 8.2(a).

“Order” means any injunction, judgment, order, decree, stipulation or determination by or with any Governmental Authority.

“Parties” has the meaning set forth in the preamble.

“Person” means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise, entity or legal person.

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Buyer [            ] / Selling Shareholder [            ]





“PRC” means the People’s Republic of China and, for purposes of this Agreement, excludes Hong Kong, the Macao Special Administrative Region and Taiwan.

“Sale Shares” has the meaning set forth in the recitals.

“SEC” means the Securities and Exchange Commission of the United States or any other federal agency at the time administering the Securities Act.

“SEC Documents” has the meaning set forth in Section 4.5(a).

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Selling Shareholder” has the meaning set forth in the preamble.

“Selling Shareholder Indemnitee” has the meaning set forth in Section 8.2(a).

“Subscription Shares” has the meaning set forth in the recitals.

“Tax Return” means any return, report or statement showing Taxes, used to pay Taxes, or required to be filed with respect to any Tax (including any elections, declarations, schedules or attachments thereto, and any amendment thereof), including any information return, claim for refund, amended return or declaration of estimated or provisional Tax.

“Taxes” means (i) any net income, alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, value added, goods and services, transfer, franchise, business and occupation, profits, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental or windfall profit tax, custom duty or other tax, governmental fee or other like assessment or charge, together with any interest or any penalty, addition to tax or additional amount imposed by any Governmental Authority responsible for the imposition of any such tax (domestic or foreign), whether disputed or not, (ii) any liability for the payment of any amounts of the type described in clause (i) of this sentence as a result of being a member of an affiliated, consolidated, combined, unitary or aggregate group for any taxable period, and (iii) any liability for the payment of any amounts of the type described in clause (i) or (ii) of this sentence as a result of being a transferee of or successor to any Person or as a result of any express or implied obligation to indemnify any other Person.

“U.S.,” “US” and “United States” means the United States of America.

“US\$” means United States Dollars, the lawful currency of the United States.

**2. THE TRANSACTION**

At the Closing, the Selling Shareholder shall transfer to the Buyer, and the Buyer shall accept from the Selling Shareholder, the Sale Shares, free and clear of any Lien and with all rights attaching on and from the Closing, and the Buyer shall issue to the Selling Shareholder, and the Selling Shareholder shall subscribe for, the Subscription Shares on the terms and subject to the conditions of this Agreement.

Initial by:

5 Buyer [ ] / Selling Shareholder [ ]



3. **CLOSING; CLOSING DELIVERIES**

3.1 Closing. The closing of the transactions contemplated under Article 2 (the “Closing”) shall take place remotely within five (5) Business Days following the satisfaction or waiver of the conditions set forth in Section 3.4 and Section 3.5 (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions), or at such other time as the Parties may agree in writing (the date on which the Closing occurs, the “Closing Date”). All transactions occurring at the Closing shall be deemed to occur simultaneously, and shall be effective as of the Closing and upon occurrence of all transactions contemplated by Article 2 and this Article 3. For the avoidance of doubt, the consummation of the transactions described in Article 2 and this Article 3 shall occur together, and the Closing shall be deemed not to have occurred if any party fails to deliver any agreement or other instrument or document required under Article 2 and this Article 3. At the Closing, share certificate issued in the name of the Selling Shareholder in relation to the Sale Shares shall be cancelled, and the Selling Shareholder shall, promptly after Closing, deliver to the Company any such share certificate issued to the Selling Shareholder in relation to the Sale Shares or, where any such share certificate has been issued but has been lost, stolen or destroyed, such indemnity in respect of such lost, stolen or destroyed share certificate as the Buyer may reasonably request.

3.2 Deliveries by the Buyer at the Closing. At the Closing, the Buyer shall deliver to the Selling Shareholder a copy of the share certificate issued in the name of the Selling Shareholder, dated on the Closing Date, evidencing the ownership by the Selling Shareholder of the Subscription Shares (the original copy of which shall be delivered to the Selling Shareholder after the Closing).

3.3 Deliveries by the Selling Shareholder at the Closing. At the Closing, the Selling Shareholder shall deliver to the Buyer:

(a) a copy of the share certificate issued in the name of the Buyer, dated on the Closing Date, evidencing the ownership by the Buyer of the Sale Shares (the original copy of which shall be delivered to the Buyer after the Closing); and

(b) an instrument of transfer duly executed by the Selling Shareholder in the form attached as Exhibit A to this Agreement (an “Instrument of Transfer”).

3.4 Conditions to the Obligation of the Buyer to Effect the Closing. The obligation of the Buyer to consummate the transactions contemplated by Article 2 is subject to the satisfaction, as of the Closing Date, of the following conditions, any of which may be waived in writing by the Buyer in its sole discretion:

(a) The Selling Shareholder shall have performed and complied in all material respects with all, and not be in breach or default in any material respects under any, agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with on or before the Closing Date; and

(b) No court or other Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the transactions contemplated hereby.

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Buyer [            ] / Selling Shareholder [            ]



3.5 Conditions to the Obligation of the Selling Shareholder to Effect the Closing. The obligation of the Selling Shareholder to consummate the transactions contemplated by Article 2 is subject to the satisfaction, as of the Closing Date, of the following conditions, any of which may be waived in writing by the Selling Shareholder in its sole discretion:

(a) The Buyer shall have performed and complied in all material respects with all, and not be in breach or default in any material respects under any, agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with on or before the Closing Date; and

(b) No court or other Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the transactions contemplated hereby.

**4. REPRESENTATIONS AND WARRANTIES OF THE BUYER**

The Buyer hereby represents and warrants to the Selling Shareholder the following.

4.1 Due Formation; Qualification. The Buyer is an exempted company, duly incorporated, validly existing and in good standing under the laws of the Cayman Islands, has the requisite corporate power and authority to own, lease and operate its business and assets and to conduct its business as currently conducted and as described in the SEC Documents, and is duly qualified to transact business in all material respects in each jurisdiction in which the conduct of its business or its ownership, leasing or operation of property requires such qualification.

4.2 Authorization; Enforceability. The Buyer has requisite legal power and authority to execute, deliver and perform its obligations under this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Buyer and, assuming due authorization, execution and delivery by the Selling Shareholder, constitutes a legal, valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies or general principles of equity.

4.3 Due Issuance. The Subscription Shares are duly authorized and, when issued in accordance with this Agreement, will be validly issued, fully paid and non-assessable and free and clear of any Lien, right of first refusal, third-party right or interest, claim or restriction of any kind or nature, except for restrictions arising under the Securities Act or created by virtue of this Agreement. Good and valid title to the Subscription Shares will be passed to the Selling Shareholder upon entry of the Selling Shareholder into the register of members of the Buyer as the respective legal owners of the applicable Subscription Shares.

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Buyer [            ] / Selling Shareholder [            ]



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4.4 Non-Contravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby by the Buyer, will (i) violate any provision of the organizational documents of the Buyer or materially violate any Law to which the Buyer is subject, or (ii) conflict with, result in a breach of or constitute a default under any material Contract to which the Buyer is a party or by which the Buyer is bound, except in each case of (i) and (ii) above, would not reasonably be expected to prohibit, materially delay or materially impair the consummation of the transactions contemplated hereby.

4.5 SEC Matters; Financial Statements.

(a) The Buyer has filed or furnished, as applicable, on a timely basis, all registration statements, proxy statements and other statements, reports, schedules, forms and other documents required to be filed or furnished by it with the SEC (all of the foregoing documents filed with or furnished to the SEC and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein, the "SEC Documents"). As of their respective effective dates (in the case of the SEC Documents that are registration statements filed pursuant to the requirements of the Securities Act) and as of their respective SEC filing dates (in the case of all other SEC Documents), or in each case, if amended prior to the date hereof, as of the date of the last such amendment: (A) each of the SEC Documents complied in all material respects with the applicable requirements of the Securities Act and the Exchange Act and any rules and regulations promulgated thereunder applicable to the SEC Documents (as the case may be) and (B) none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the material statements therein, in the light of the circumstances under which they were made, not misleading.

(b) The financial statements (including any related notes) contained in the SEC Documents: (i) complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, (ii) were prepared in accordance with IFRS and (iii) fairly present in all material respects the consolidated financial position of the Buyer Group Companies as of the respective dates thereof and the consolidated results of operations and cash flows of the Buyer Group for the periods covered thereby, except as disclosed therein and as permitted under the Exchange Act.

4.6 No Registration. Assuming the accuracy of the representations and warranties of the Selling Shareholder set forth in Section 5.9, Section 5.10 and Section 5.11, it is not necessary in connection with the issuance and sale of the Subscription Shares to register the Subscription Shares under the Securities Act. No directed selling efforts (as defined in Rule 902 of Regulation S under the Securities Act) have been made by any Buyer Group Company or any person acting on its behalf with respect to any Subscription Shares.

4.7 Brokers. None of the Buyer Group Companies has engaged with or received services from any broker, finder, commission agent, placement agent or arranger in connection with the transactions contemplated by this Agreement.

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Buyer [            ] / Selling Shareholder [            ]



4.8 No Other Representations and Warranties. The Buyer makes no other representations and warranties, implied or otherwise, other than those expressly set out in this Agreement.

5. **REPRESENTATIONS AND WARRANTIES OF THE SELLING SHAREHOLDER**

The Selling Shareholder hereby represents and warrants to the Buyer the following.

5.1 Due Formation; Qualification. The Selling Shareholder is duly incorporated, validly existing and in good standing under the laws of its jurisdiction of organization and has all necessary corporate power and authority to enter into this Agreement and the applicable Instrument of Transfer, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby.

5.2 Authorization; Enforceability. The Selling Shareholder has requisite legal power and authority to execute, deliver and perform its obligations under this Agreement and the applicable Instrument of Transfer and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by the Selling Shareholder and, assuming due authorization, execution and delivery by the Buyer, constitutes a legal, valid and binding obligation of the Selling Shareholder, enforceable against the Selling Shareholder in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies or general principles of equity.

5.3 Valid Title. The Selling Shareholder is the sole record and beneficial owner of and has good and valid title to the Sale Shares, free and clear of any Lien, right of first refusal, third-party right or interest, claim or restriction of any kind or nature, except for restrictions created by virtue of this Agreement. The Selling Shareholder is not a party nor subject to any Contract that affects or relates to the voting or giving of written consents with respect to the Sale Shares. Good and valid title to the Sale Shares will be passed to the Buyer upon entry of the Buyer into the register of members of the Company as the legal owner of the Sale Shares.

5.4 Non-Contravention. Neither the execution and the delivery of this Agreement or any Instrument of Transfer, nor the consummation of the transactions contemplated hereby and thereby by the Selling Shareholder, will (i) violate any provision of the organizational documents of the Company or materially violate any Law to which the Selling Shareholder is subject, or (ii) conflict with, result in a breach of or constitute a default under any material Contract to which the Selling Shareholder is a party or by which the Selling Shareholder is bound, except in each case of (i) and (ii) above, would not reasonably be expected to prohibit, materially delay or materially impair the consummation of the transactions contemplated hereby.

5.5 Consents and Approvals. Neither the execution and the delivery of this Agreement or the applicable Instrument of Transfer, nor the consummation of the transactions contemplated hereby and thereby by the Selling Shareholder, requires any consent, approval, order, license or authorization of, registration, certificate, declaration or filing with or notice to any Governmental Authority or other third party (each, an "Authorization"), except for those Authorizations that have already been obtained.

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Buyer [            ] / Selling Shareholder [            ]



5.6 Compliance with Law. The Selling Shareholder has, in connection with the execution and delivery of this Agreement and the Instrument of Transfer and the consummation of the transactions contemplated hereby and thereby, complied with all applicable Laws.

5.7 Solvency. No bankruptcy, insolvency or judicial composition proceedings concerning the Selling Shareholder have been applied for. No circumstances exist which could require an application for any bankruptcy, insolvency or judicial composition proceedings concerning the Selling Shareholder nor do any circumstances exist according to any applicable bankruptcy or insolvency Laws which could justify the avoidance of this Agreement. No steps have been taken or proposed in relation to the winding-up, bankruptcy, administration, insolvency or dissolution of the Selling Shareholder, nor has any analogous procedure or step been taken or proposed in any jurisdiction in relation to the Selling Shareholder. The Selling Shareholder is not or is not expected to be insolvent under the laws of its jurisdiction of incorporation nor is unable to pay its debts as they fall due and the Selling Shareholder has not stopped paying its debts or indicated an intention to do so.

5.8 Brokers. The Selling Shareholder has not engaged with or received services from any broker, finder, commission agent, placement agent or arranger in connection with the acquisition of the Subscription Shares, the transfer of the Sale Shares or matters in connection therewith.

5.9 Status; Purchase for Own Account. The Selling Shareholder is not a "U.S. person" as defined in Rule 902 of Regulation S under the Securities Act. The Selling Shareholder is acquiring the applicable Subscription Shares outside the United States in reliance upon the exemption from registration provided by Regulation S under the Securities Act, and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. The Selling Shareholder has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the applicable Subscription Shares. The Selling Shareholder is capable of bearing the economic risks of its investment, including a complete loss thereof. The Subscription Shares will be acquired for the Selling Shareholder's own account, not as a nominee or agent and not with a view to or in connection with the sale or distribution of any part thereof. The Selling Shareholder does not have any direct or indirect arrangement, or understanding with any other Persons regarding the distribution of the Subscription Shares in violation of the Securities Act or any other applicable state securities law.

5.10 Solicitation. The Selling Shareholder was not identified or contacted through the marketing of the transactions contemplated by this Agreement. The Selling Shareholder did not contact the Buyer as a result of any general solicitation or directed selling efforts. The purchase of the Subscription Shares by the Selling Shareholder was not solicited by or through anyone other than the Buyer.

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Buyer [            ] / Selling Shareholder [            ]



5.11 Restricted Securities. The Selling Shareholder acknowledges that the Subscription Shares are “restricted securities” that have not been registered under the Securities Act or any applicable state securities law. The Selling Shareholder further acknowledges that, absent an effective registration under the Securities Act, the Subscription Shares may only be offered, sold or otherwise transferred (i) to the Buyer, (ii) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, or (iii) pursuant to an exemption from registration under the Securities Act.

6. COVENANTS; ADDITIONAL AGREEMENTS

6.1 Further Assurances. Each Party shall use reasonable best efforts to make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents and assurances without further consideration, which may reasonably be required or advisable to effect the transactions contemplated by this Agreement and the Instruments of Transfer.

6.2 Taxes. Except as otherwise provided in this Agreement, each Party shall bear its respective Taxes incurred in connection with the consummation of the transactions contemplated by this Agreement and the Instruments of Transfer.

6.3 Release. From and after the Closing, except as arising out of actions or omissions occurring after the Closing Date or arising as a result of this Agreement, the Selling Shareholder hereby waives and releases, on behalf of itself and each of its Affiliates and to the fullest extent permitted by applicable Law, the Buyer, from any and all Liabilities, rights, defenses, claims and causes of action, known or unknown, foreseen or unforeseen which the Selling Shareholder or any of its Affiliates has or may have in the future against the Company Entities with respect to matters arising prior to the Closing Date.

6.4 Confidentiality.

(a) Each Party shall, and shall cause its Affiliates to, keep confidential any non-public material or information with respect to this Agreement and the Instruments of Transfer, any of the terms and conditions of, and the status or other facts with respect to, this Agreement and the Instruments of Transfer and the transactions contemplated hereby and thereby, including the existence of this Agreement and the Instruments of Transfer (including written or non-written information, hereinafter the “Confidential Information”). Confidential Information shall not include any information that is (a) previously known on a non-confidential basis by the receiving Party, (b) in the public domain through no fault of such receiving Party, its Affiliates or its or its Affiliates’ officers, directors or employees, (c) received from a party other than the Parties or their Affiliates, representatives or agents, so long as such party was not, to the knowledge of the receiving Party, subject to a duty of confidentiality to such Party or Affiliates or (d) developed independently by the receiving Party without reference to confidential information of the disclosing Party. No Party shall disclose such Confidential Information to any third party. Each Party may use the Confidential Information only for the purpose of, and to the extent necessary for, performing this Agreement, and shall not use such Confidential Information for any other purposes.

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(b) Notwithstanding any other provisions in this Section 6.4, if any Party believes in good faith that any announcement or notice must be prepared or published pursuant to applicable Laws (including any rules or regulations of any relevant securities exchange or valid legal process) or information is otherwise required to be disclosed to any Governmental Authority, such Party may, in accordance with its understanding of the applicable Laws, make the required disclosure in the manner it deems in compliance with the requirements of applicable Laws, rules or regulations. In addition, each Party may disclose, subject to any practicable arrangements to protect confidentiality, Confidential Information to the extent required under judicial or regulatory process or in connection with any judicial process regarding any legal action, suit or proceeding arising out of or relating to this Agreement or the Instruments of Transfer.

(c) Each Party may disclose the Confidential Information only to its Affiliates and its and its Affiliates' officers, directors, employees, agents and representatives on a need-to-know basis in the performance of this Agreement; provided that such Party shall ensure such Persons strictly abide by the confidentiality obligations hereunder.

(d) The confidentiality obligations of each Party hereunder shall survive the termination of this Agreement for a period of two (2) years. Each Party shall continue to abide by the confidentiality clause hereof and perform the obligation of confidentiality it undertakes until the other Party approves release of that obligation or until a breach of the confidentiality clause hereof will no longer result in any prejudice to the other Party.

**7. TERMINATION**

7.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by any Party through written notice to the other Parties if any Governmental Authority shall have enacted or issued any Law or Order or taken any other action permanently restraining, enjoining, preventing, prohibiting or otherwise making illegal the consummation of the transactions contemplated under this Agreement and such Law, Order or other action has become final and non-appealable; provided that a Party shall have no right to terminate this Agreement pursuant to this Section 7.1(a) if the imposition of such Law, Order or other action was caused by the breach by such Party or its Affiliate of any representation, warranty, covenant or agreement in this Agreement;

(b) by the Buyer if there exists a material breach of any representation, warranty, covenant or agreement of the Selling Shareholder such that the conditions set forth in Section 3.4 would not be satisfied and such breach has not been cured, or is incapable of being cured, by the Selling Shareholder within fifteen (15) days following its receipt of written notice from the Buyer of such breach; or

(c) by the Selling Shareholder, if there exists a material breach of any representation, warranty, covenant or agreement of the Buyer such that the conditions set forth in Section 3.5 would not be satisfied and such breach has not been cured, or is incapable of being cured, by the Buyer within fifteen (15) days following its receipt of written notice from the Selling Shareholder of such breach.

(d) by occurrence of listing of the Company's shares on the New York Stock Exchange (or any other recognized stock exchange elsewhere) prior to the Closing.

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Buyer [            ] / Selling Shareholder [            ]





7.2 Effects of Termination. Upon the termination of this Agreement pursuant to Section 7.1, this Agreement (other than Article 1 and Article 9) shall become void and have no further force or effect; provided that no such termination shall relieve any Party of liability for any breach of this Agreement prior to such termination.

8. INDEMNITY

8.1 Survival. The representations and warranties of the Buyer and the Selling Shareholder and their respective Affiliates contained in this Agreement shall survive the Closing for a period of eighteen (18) months after the Closing Date, save for the Fundamental Representations of the Buyer and the Fundamental Representations of the Selling Shareholder which shall survive until the expiration of the applicable statutory limitation periods. The covenants and agreements of the Buyer and the Selling Shareholder and their respective Affiliates set forth herein shall survive the Closing until fully discharged in accordance with their terms, except for those covenants and agreements which shall be complied with or discharged prior to the Closing in accordance with the terms of this Agreement. Notwithstanding the foregoing, any breach of any representation, warranty, covenant or agreement in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate, if notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time.

8.2 Indemnification.

(a) Indemnification by the Buyer. From and after the Closing, the Buyer shall indemnify and hold harmless the Selling Shareholder and its directors, officers, employees, Affiliates, agents and assigns (each, a "Selling Shareholder Indemnitee") against any losses, liabilities, damages, penalties, diminution in value, reasonable costs and expenses, including reasonable advisor's fees and other expenses of investigation and defense of any of the foregoing (collectively, "Losses"), incurred by the Selling Shareholder Indemnitee as a result of, arising out of or in connection with (i) any material breach or violation of, or inaccuracy in, any representation or warranty made by the Buyer in this Agreement; and (ii) any material breach or violation of, or failure to perform, any covenants or agreements made by or on behalf of, or to be performed by, the Buyer in this Agreement.

(b) Indemnification by the Selling Shareholder. From and after the Closing, the Selling Shareholder shall indemnify and hold harmless the Buyer and its directors, officers, employees, Affiliates, agents and assigns (each, a "Buyer Indemnitee") against any Losses incurred by such Buyer Indemnitee as a result of, arising out of or in connection with (i) any breach or violation of, or inaccuracy in, any representation or warranty made by or on behalf of the Selling Shareholder in this Agreement or any claim by any third party alleging, constituting or involving such a breach violation or inaccuracy; (ii) any breach or violation of, or failure to perform, any covenants or agreements made by or on behalf of, or to be performed by, the Selling Shareholder in this Agreement, or any claim by any third party alleging, constituting or involving any such breach or violation or default or failure to perform; (iii) any violation or non-compliance with applicable Laws by the Selling Shareholder or Company Entity on or prior to the Closing Date, whether in the course of business or in connection with the execution and delivery of this Agreement and the Instrument of Transfer and the consummation of the transactions contemplated hereby and thereby; (iv) any failure to timely file applicable Tax Returns (or any failure for such Tax Returns to be true, correct and complete) by any Company Entity or any failure to timely and fully pay applicable Taxes owed by any Company Entity, for any tax period (or portion thereof) up to the Closing Date; and (v) any litigation or arbitration proceedings involving any Company Entity arising out of or based on an event that occurred or an action that was taken on or prior to the Closing Date.

Initial by:

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Buyer [            ] / Selling Shareholder [            ]



(c) For purposes of this Agreement, (i) “Indemnifying Party” means the Buyer (with respect to Section 8.2(a)) or the Selling Shareholder (with respect to Section 8.2(b)); and (ii) “Indemnified Party” means the Selling Shareholder Indemnitee(s) (with respect to Section 8.2(a)) or the Buyer Indemnitee(s) (with respect to Section 8.2(b)).

8.3 Reliance. Each of the Buyer and the Selling Shareholder acknowledge and agree that (i) the Buyer has entered into this Agreement and agreed to the purchase of the Sale Shares from the Selling Shareholder and the allotment and issuance of the Subscription Shares to the Selling Shareholder hereunder, in reliance on the representations and warranties, and covenants and agreements, made by the Selling Shareholder in this Agreement, and (ii) the Selling Shareholder has entered into this Agreement and agreed to transfer the Sale Shares to the Buyer and to subscribe for the Subscription Shares in reliance on the representations and warranties, and covenants and agreements, made by the Buyer in this Agreement.

9. **MISCELLANEOUS**

9.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Cayman Islands without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than Cayman Islands to the rights and duties of the Parties hereunder.

9.2 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the Parties. This Agreement and the rights and obligations therein may not be assigned by any Party without the written consent of the other Party.

9.3 Entire Agreement. This Agreement, including the schedules and exhibits hereto, constitute the entire understanding and agreement among the Parties with regard to the subjects hereof and thereof.

9.4 Notices. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given to the Party at the address set forth below (a) if in writing and served by personal delivery upon the Party for whom it is intended, on the date of such delivery, (b) if delivered by certified mail, registered mail or courier service, return-receipt received, on the date of such delivery, or (c) if delivered by email, upon confirmation of receipt by a non-automated response:

Initial by:

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Buyer [                    ] / Selling Shareholder [                    ]



If to the Buyer, at:

Address: 23/F, Nexxus Building, 41 Connaught Road Central, Hong Kong

Attention:

Email:

If to the Selling Shareholder, at:

Address: P.O. Box 472, Harbour Place, 2nd Floor, Grand Cayman, Cayman Islands, KY1-1106

Attention:

9.5 Amendments. Any term of this Agreement may be amended only by a written instrument executed by both the Buyer and the Selling Shareholder.

9.6 Specific Performance. The Parties agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with the terms hereof or thereof, and that the Parties shall be entitled to seek specific performance of the terms hereof or thereof, in addition to any other remedy at law or equity.

9.7 Fees and Expenses. Except as otherwise provided in this Agreement, each Party shall bear its respective expenses incurred in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated hereby, including fees and expenses of attorneys, accountants, consultants and financial advisors.

9.8 Delays or Omissions; Waivers. No delay or omission to exercise any right, power or remedy accruing to any Party, upon any breach or default of any Party under this Agreement, shall impair any such right, power or remedy of such Party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach of default thereafter occurring. Any waiver by any Party of any condition or breach of default under this Agreement must be in writing signed by such Party and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by Laws or otherwise afforded to any Party shall be cumulative and not alternative.

9.9 Interpretation. This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this Agreement. The headings of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. Unless otherwise expressly provided herein, all references to sections and schedules herein are to sections and schedules of this Agreement. Unless a provision hereof expressly provides otherwise: (i) the term "or" is not exclusive; (ii) the terms "herein," "hereof," and other similar words refer to this Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other subdivision; (iii) the masculine, feminine, and neuter genders will each be deemed to include the others; and (iv) whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

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Buyer [            ] / Selling Shareholder [            ]



9.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

9.11 Severability. If any provision of this Agreement is found to be invalid or unenforceable, then such provision shall be construed, to the extent feasible, so as to render the provision enforceable and to provide for the consummation of the transactions contemplated hereby on substantially the same terms as originally set forth herein, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or benefits intended by the Parties. In such event, the Parties shall use their best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the Parties' intent in entering into this Agreement.

9.12 Dispute Resolution. Any dispute, controversy or claim (each, a "Dispute") arising out of or relating to this Agreement, or the interpretation, breach, termination, validity or invalidity thereof, shall be referred to arbitration upon the demand of either party to the dispute with notice (the "Arbitration Notice") to the other. The Dispute shall be settled by arbitration in Cayman Islands. Each party to the arbitration shall cooperate with each other party to the arbitration in making full disclosure of and providing complete access to all information and documents requested by such other party in connection with such arbitral proceedings, subject only to any confidentiality obligations binding on such party. The award of the arbitral tribunal shall be final and binding upon the parties thereto, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award. Any party to the Dispute shall be entitled to seek preliminary injunctive relief, if possible, from any court of competent jurisdiction pending the constitution of the arbitral tribunal. During the course of the arbitral tribunal's adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

[SIGNATURE PAGES FOLLOW]

Initial by:

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Buyer [            ] / Selling Shareholder [            ]



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IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement on the date and year first above written.

**BUYER**

AMTD INTERNATIONAL INC.

By: /s/ William Fung

Name: William Fung

Title: Chief Executive Officer

[Signature Page to Share Purchase Agreement]



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IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement on the date and year first above written.

**SELLING SHAREHOLDER**

EVERGLORY STRATEGIC INVESTMENT LIMITED

By: /s/ Stella Sun

\_\_\_\_\_  
Name: Stella Sun

Title: Director

[Signature Page to Share Purchase Agreement]



**Exhibit A**

**Instrument of Transfer**

**AMTD DIGITAL INC.**

an exempted company incorporated in the Cayman Islands  
(the “Company”)

**SHARE TRANSFER FORM**

dated January 20, 2022

EVERGLORY STRATEGIC INVESTMENT LIMITED (the “**Transferor**”), for good and valuable consideration received by it from AMTD International Inc. (the “**Transferee**”), does hereby transfer to the Transferee the 2,200,000 fully paid Class A ordinary shares in the Company (of a par value of US\$0.0001 each) standing in the Transferor’s name in the Register of Members of the Company to hold unto the Transferee, its executors, administrators and assigns, subject to the several conditions on which the Transferor held the same at the time of execution of this Share Transfer Form.

Signed by the Transferor on the date first above written:

**EVERGLORY STRATEGIC  
INVESTMENT LIMITED**

By: \_\_\_\_\_  
Name: Stella Sun  
Title: Director



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**SHARE PURCHASE AGREEMENT**

**Dated January 19, 2022**

**by and between**

**AMTD INTERNATIONAL INC.**

**and**

**AMTD EDUCATION GROUP**





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**SHARE PURCHASE AGREEMENT**

THIS SHARE PURCHASE AGREEMENT (this “Agreement”) is entered into on January 19, 2022 by and between AMTD International Inc., an exempted company incorporated under the laws of the Cayman Islands (the “Buyer”) and AMTD Education Group, an exempted company incorporated under the laws of the Cayman Islands (the “Selling Shareholder” and, together with the Buyer, the “Parties”).

**RECITALS**

WHEREAS, the Selling Shareholder holds 10,941,000 Class A ordinary shares of US\$0.0001 par value each (the “Sale Shares”) in AMTD Digital Inc., an exempted company incorporated under the laws of the Cayman Islands (the “Company”);

WHEREAS, the Selling Shareholder desires to sell and transfer to the Buyer, and the Buyer desires to purchase and accept from the Selling Shareholder, upon the terms and subject to the conditions set forth in this Agreement, the Sale Shares held by the Selling Shareholder;

WHEREAS, as consideration for the Sale Shares, the Buyer desires to issue to the Selling Shareholder, and the Selling Shareholder desires to subscribe for, upon the terms and subject to the conditions set forth in this Agreement, 23,170,265 Class A ordinary shares of US\$0.0001 par value each in the Buyer (the “Subscription Shares”); and

WHEREAS, the Parties desire to enter into this Agreement and make the respective representations, warranties, covenants and agreements set forth herein on the terms and subject to the conditions set forth herein.

**AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

**1. DEFINITIONS**

In this Agreement, unless the context otherwise requires, the following words and expressions have the meanings as follows:

“Affiliate” means, (i) with respect to a Person that is a natural person, such Person’s relatives and any other Person (other than natural persons) directly or indirectly Controlled by such Person, and (ii) with respect to a Person that is not a natural person, a Person that directly, or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, such Person. For the purposes of this definition, a “relative” of a Person means such Person’s spouse, parent, grandparent, child, grandchild, sibling, uncle, aunt, nephew, niece or great-grandparent or the spouse of such Person’s child, grandchild, sibling, uncle, aunt, nephew or niece.

Initial by:

1 Buyer [ ] / Selling Shareholder [ ]



“Agreement” has the meaning set forth in the preamble.

“Arbitration Notice” has the meaning set forth in Section 9.12.

“Authorization” has the meaning set forth in Section 5.5.

“Business Day” means a day (other than a Saturday or a Sunday) that the banks in New York, Hong Kong, the PRC, or the Cayman Islands are generally open for business.

“Buyer” has the meaning set forth in the preamble.

“Buyer Group” or “Buyer Group Companies” means, collectively, the Buyer and its Affiliates, and each an “Buyer Group Company.”

“Buyer Indemnitee” has the meaning set forth in Section 8.2(b).

“Buyer Material Adverse Effect” means any event, fact, circumstance or occurrence that, individually or in the aggregate, results in or would result in a material adverse change in or a material adverse effect on (a) the financial condition, assets, liabilities or results of operations of the Buyer or (b) the ability of any Buyer Group Company to consummate the transactions contemplated by this Agreement; provided that in determining whether a Buyer Material Adverse Effect has occurred, there shall be excluded any effect on any Buyer Group Company to the extent relating to or arising in connection with (i) any action required to be taken pursuant to the terms and conditions of this Agreement, (ii) changes or effects affecting the industry in which the Buyer operates or the economy or financial, credit or securities markets or political conditions generally (to the extent that in each case such changes do not have a unique or disproportionate impact on the Buyer); (iii) the announcement or consummation of the transactions contemplated by this Agreement; (iv) any change in IFRS or in Law or accounting standards or interpretations thereof applicable to the Buyer; (v) any change resulting from any action by the Buyer or any of its Affiliates taken at the written request of the Selling Shareholder; or (vi) acts of God.

“Closing” has the meaning set forth in Section 3.1.

“Closing Date” has the meaning set forth in Section 3.1.

“Company” has the meaning set forth in the recitals.

“Company Contract” means, a contract, agreement, indenture, note, bond, loan, instrument, lease, mortgage, franchise, license, commitment, purchase order, and other legally binding arrangement, whether written or oral, to which any Company Entity is a party.

“Company Entities” means, collectively, the Company and its Affiliates, and each an “Company Entity.”

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Buyer [                    ] / Selling Shareholder [                    ]



“Company Financial Statements” means the audited consolidated financial statements (including balance sheet, income statement and statement of cash flows) for the Company Entities, prepared in accordance with IFRS, as of April 30, 2021 and for the three fiscal years ended April 30, 2021, as applicable.

“Company Material Adverse Effect” means any event, fact, circumstance or occurrence that, individually or in the aggregate, results in or would result in a material adverse change in or a material adverse effect on (a) the financial condition, assets, liabilities or results of operations of the Company Entities or (b) the ability of any Company Entity to consummate the transactions contemplated by this Agreement; provided that in determining whether a Company Material Adverse Effect has occurred, there shall be excluded any effect on the Company Entities to the extent relating to or arising in connection with (i) any action required to be taken pursuant to the terms and conditions of this Agreement, (ii) changes or effects affecting the industry in which the Company Entities operate or the economy or financial, credit or securities markets or political conditions generally (to the extent that in each case such changes do not have a unique or disproportionate impact on the Company Entities); (iii) the announcement or consummation of the transactions contemplated by this Agreement; (iv) any change in IFRS or in Law or accounting standards or interpretations thereof applicable to the Company Entities; (v) any change resulting from any action by any Selling Shareholder taken at the written request of the Buyer; or (vi) acts of God.

“Confidential Information” has the meaning set forth in Section 6.4(a).

“Contracts” means legally binding contracts, agreements, engagements, purchase orders, commitments, understandings, indentures, notes, bonds, loans, instruments, leases, mortgages, franchises, licenses or any other contractual arrangements or obligations which are currently subsisting and not terminated or completed (with each of such Contracts being referred to as a “Contract”).

“Control” 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.

“Dispute” has the meaning set forth in Section 9.12.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

“Fundamental Representations of the Buyer” shall mean the representations and warranties made by the Buyer to the Selling Shareholder contained in Section 4.1, Section 4.2, Section 4.3 and Section 4.4.

“Fundamental Representations of the Selling Shareholder” shall mean the representations and warranties made by the Selling Shareholder to the Buyer contained in Section 5.1, Section 5.2, Section 5.4 and Section 5.5.

“Governmental Authorities” means any nation, government, province, state, or any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of any government or any political subdivision thereof, court, tribunal, arbitrator, the governing body of any securities exchange, and self-regulatory organization, in each case having competent jurisdiction.

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Buyer [            ] / Selling Shareholder [            ]



“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“IFRS” means the International Financial Reporting Standards and interpretations thereof as established by the International Accounting Standards Board, as in effect at the time any applicable financial statements were prepared.

“Indemnified Party” has the meaning set forth in Section 8.2(c).

“Indemnifying Party” has the meaning set forth in Section 8.2(c).

“Instrument of Transfer” has the meaning set forth in Section 3.3(b).

“Law” means any law, rule, constitution, code, ordinance, statute, treaty, decree, regulation, common law, order, official policy, circular, provision, administrative order, interpretation, injunction, judgment, ruling, assessment, writ or other legislative measure, in each case of any Governmental Authority.

“Liability” means all indebtedness, obligations and other liabilities of a Person, whether direct or indirect, absolute, accrued, contingent or otherwise, known or unknown, fixed or otherwise, due or to become due, whether or not accrued or paid.

“Lien” means (a) any mortgage, charge, lien, pledge or other encumbrance securing any obligation of any Person, (b) any option, right to acquire, right of pre-emption, right of set off or other arrangement under which money or claims to, or for the benefit of, any Person may be applied or set off so as to effect discharge of any sum owed or payable to any Person, or (c) any equity, assignment, hypothecation, title retention, claim, restriction, power of sale or other type of preferential arrangement the effect of which is to give a creditor in respect of indebtedness a preferential position in relation to any asset of a Person on any insolvency proceeding of that Person.

“Losses” has the meaning set forth in Section 8.2(a).

“Order” means any injunction, judgment, order, decree, stipulation or determination by or with any Governmental Authority.

“Parties” has the meaning set forth in the preamble.

“Person” means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise, entity or legal person.

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Buyer [            ] / Selling Shareholder [            ]



“PRC” means the People’s Republic of China and, for purposes of this Agreement, excludes Hong Kong, the Macao Special Administrative Region and Taiwan.

“Sale Shares” has the meaning set forth in the recitals.

“SEC” means the Securities and Exchange Commission of the United States or any other federal agency at the time administering the Securities Act.

“SEC Documents” has the meaning set forth in Section 4.5(a).

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Selling Shareholder” has the meaning set forth in the preamble.

“Selling Shareholder Indemnitee” has the meaning set forth in Section 8.2(a).

“Subscription Shares” has the meaning set forth in the recitals.

“Tax Return” means any return, report or statement showing Taxes, used to pay Taxes, or required to be filed with respect to any Tax (including any elections, declarations, schedules or attachments thereto, and any amendment thereof), including any information return, claim for refund, amended return or declaration of estimated or provisional Tax.

“Taxes” means (i) any net income, alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, value added, goods and services, transfer, franchise, business and occupation, profits, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental or windfall profit tax, custom duty or other tax, governmental fee or other like assessment or charge, together with any interest or any penalty, addition to tax or additional amount imposed by any Governmental Authority responsible for the imposition of any such tax (domestic or foreign), whether disputed or not, (ii) any liability for the payment of any amounts of the type described in clause (i) of this sentence as a result of being a member of an affiliated, consolidated, combined, unitary or aggregate group for any taxable period, and (iii) any liability for the payment of any amounts of the type described in clause (i) or (ii) of this sentence as a result of being a transferee of or successor to any Person or as a result of any express or implied obligation to indemnify any other Person.

“U.S.,” “US” and “United States” means the United States of America.

“US\$” means United States Dollars, the lawful currency of the United States.

**2. THE TRANSACTION**

At the Closing, the Selling Shareholder shall transfer to the Buyer, and the Buyer shall accept from the Selling Shareholder, the Sale Shares, free and clear of any Lien and with all rights attaching on and from the Closing, and the Buyer shall issue to the Selling Shareholder, and the Selling Shareholder shall subscribe for, the Subscription Shares on the terms and subject to the conditions of this Agreement.

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Buyer [            ] / Selling Shareholder [            ]



3. CLOSING; CLOSING DELIVERIES

3.1 Closing. The closing of the transactions contemplated under Article 2 (the “Closing”) shall take place remotely within five (5) Business Days following the satisfaction or waiver of the conditions set forth in Section 3.4 and Section 3.5 (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions), or at such other time as the Parties may agree in writing (the date on which the Closing occurs, the “Closing Date”). All transactions occurring at the Closing shall be deemed to occur simultaneously, and shall be effective as of the Closing and upon occurrence of all transactions contemplated by Article 2 and this Article 3. For the avoidance of doubt, the consummation of the transactions described in Article 2 and this Article 3 shall occur together, and the Closing shall be deemed not to have occurred if any party fails to deliver any agreement or other instrument or document required under Article 2 and this Article 3. At the Closing, share certificate issued in the name of the Selling Shareholder in relation to the Sale Shares shall be cancelled, and the Selling Shareholder shall, promptly after Closing, deliver to the Company any such share certificate issued to the Selling Shareholder in relation to the Sale Shares or, where any such share certificate has been issued but has been lost, stolen or destroyed, such indemnity in respect of such lost, stolen or destroyed share certificate as the Buyer may reasonably request.

3.2 Deliveries by the Buyer at the Closing. At the Closing, the Buyer shall deliver to the Selling Shareholder a copy of the share certificate issued in the name of the Selling Shareholder, dated on the Closing Date, evidencing the ownership by the Selling Shareholder of the Subscription Shares (the original copy of which shall be delivered to the Selling Shareholder after the Closing).

3.3 Deliveries by the Selling Shareholder at the Closing. At the Closing, the Selling Shareholder shall deliver to the Buyer:

(a) a copy of the share certificate issued in the name of the Buyer, dated on the Closing Date, evidencing the ownership by the Buyer of the Sale Shares (the original copy of which shall be delivered to the Buyer after the Closing); and

(b) an instrument of transfer duly executed by the Selling Shareholder in the form attached as Exhibit A to this Agreement (an “Instrument of Transfer”).

3.4 Conditions to the Obligation of the Buyer to Effect the Closing. The obligation of the Buyer to consummate the transactions contemplated by Article 2 is subject to the satisfaction, as of the Closing Date, of the following conditions, any of which may be waived in writing by the Buyer in its sole discretion:

(a) The Selling Shareholder shall have performed and complied in all material respects with all, and not be in breach or default in any material respects under any, agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with on or before the Closing Date; and

(b) No court or other Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the transactions contemplated hereby.

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Buyer [            ] / Selling Shareholder [            ]





3.5 Conditions to the Obligation of the Selling Shareholder to Effect the Closing. The obligation of the Selling Shareholder to consummate the transactions contemplated by Article 2 is subject to the satisfaction, as of the Closing Date, of the following conditions, any of which may be waived in writing by the Selling Shareholder in its sole discretion:

(a) The Buyer shall have performed and complied in all material respects with all, and not be in breach or default in any material respects under any, agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with on or before the Closing Date; and

(b) No court or other Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the transactions contemplated hereby.

**4. REPRESENTATIONS AND WARRANTIES OF THE BUYER**

The Buyer hereby represents and warrants to the Selling Shareholder the following.

4.1 Due Formation; Qualification. The Buyer is an exempted company, duly incorporated, validly existing and in good standing under the laws of the Cayman Islands, has the requisite corporate power and authority to own, lease and operate its business and assets and to conduct its business as currently conducted and as described in the SEC Documents, and is duly qualified to transact business in all material respects in each jurisdiction in which the conduct of its business or its ownership, leasing or operation of property requires such qualification.

4.2 Authorization; Enforceability. The Buyer has requisite legal power and authority to execute, deliver and perform its obligations under this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Buyer and, assuming due authorization, execution and delivery by the Selling Shareholder, constitutes a legal, valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies or general principles of equity.

4.3 Due Issuance. The Subscription Shares are duly authorized and, when issued in accordance with this Agreement, will be validly issued, fully paid and non-assessable and free and clear of any Lien, right of first refusal, third-party right or interest, claim or restriction of any kind or nature, except for restrictions arising under the Securities Act or created by virtue of this Agreement. Good and valid title to the Subscription Shares will be passed to the Selling Shareholder upon entry of the Selling Shareholder into the register of members of the Buyer as the respective legal owners of the applicable Subscription Shares.

Initial by:

7

Buyer [ ] / Selling Shareholder [ ]



4.4 Non-Contravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby by the Buyer, will (i) violate any provision of the organizational documents of the Buyer or materially violate any Law to which the Buyer is subject, or (ii) conflict with, result in a breach of or constitute a default under any material Contract to which the Buyer is a party or by which the Buyer is bound, except in each case of (i) and (ii) above, would not reasonably be expected to prohibit, materially delay or materially impair the consummation of the transactions contemplated hereby.

4.5 SEC Matters; Financial Statements.

(a) The Buyer has filed or furnished, as applicable, on a timely basis, all registration statements, proxy statements and other statements, reports, schedules, forms and other documents required to be filed or furnished by it with the SEC (all of the foregoing documents filed with or furnished to the SEC and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein, the "SEC Documents"). As of their respective effective dates (in the case of the SEC Documents that are registration statements filed pursuant to the requirements of the Securities Act) and as of their respective SEC filing dates (in the case of all other SEC Documents), or in each case, if amended prior to the date hereof, as of the date of the last such amendment: (A) each of the SEC Documents complied in all material respects with the applicable requirements of the Securities Act and the Exchange Act and any rules and regulations promulgated thereunder applicable to the SEC Documents (as the case may be) and (B) none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the material statements therein, in the light of the circumstances under which they were made, not misleading.

(b) The financial statements (including any related notes) contained in the SEC Documents: (i) complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, (ii) were prepared in accordance with IFRS and (iii) fairly present in all material respects the consolidated financial position of the Buyer Group Companies as of the respective dates thereof and the consolidated results of operations and cash flows of the Buyer Group for the periods covered thereby, except as disclosed therein and as permitted under the Exchange Act.

4.6 No Registration. Assuming the accuracy of the representations and warranties of the Selling Shareholder set forth in Section 5.9, Section 5.10 and Section 5.11, it is not necessary in connection with the issuance and sale of the Subscription Shares to register the Subscription Shares under the Securities Act. No directed selling efforts (as defined in Rule 902 of Regulation S under the Securities Act) have been made by any Buyer Group Company or any person acting on its behalf with respect to any Subscription Shares.

4.7 Brokers. None of the Buyer Group Companies has engaged with or received services from any broker, finder, commission agent, placement agent or arranger in connection with the transactions contemplated by this Agreement.

Initial by:

8 Buyer [ ] / Selling Shareholder [ ]



4.8 No Other Representations and Warranties. The Buyer makes no other representations and warranties, implied or otherwise, other than those expressly set out in this Agreement.

5. **REPRESENTATIONS AND WARRANTIES OF THE SELLING SHAREHOLDER**

The Selling Shareholder hereby represents and warrants to the Buyer the following.

5.1 Due Formation; Qualification. The Selling Shareholder is duly incorporated, validly existing and in good standing under the laws of its jurisdiction of organization and has all necessary corporate power and authority to enter into this Agreement and the applicable Instrument of Transfer, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby.

5.2 Authorization; Enforceability. The Selling Shareholder has requisite legal power and authority to execute, deliver and perform its obligations under this Agreement and the applicable Instrument of Transfer and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by the Selling Shareholder and, assuming due authorization, execution and delivery by the Buyer, constitutes a legal, valid and binding obligation of the Selling Shareholder, enforceable against the Selling Shareholder in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies or general principles of equity.

5.3 Valid Title. The Selling Shareholder is the sole record and beneficial owner of and has good and valid title to the Sale Shares, free and clear of any Lien, right of first refusal, third-party right or interest, claim or restriction of any kind or nature, except for restrictions created by virtue of this Agreement. The Selling Shareholder is not a party nor subject to any Contract that affects or relates to the voting or giving of written consents with respect to the Sale Shares. Good and valid title to the Sale Shares will be passed to the Buyer upon entry of the Buyer into the register of members of the Company as the legal owner of the Sale Shares.

5.4 Non-Contravention. Neither the execution and the delivery of this Agreement or any Instrument of Transfer, nor the consummation of the transactions contemplated hereby and thereby by the Selling Shareholder, will (i) violate any provision of the organizational documents of the Company or materially violate any Law to which the Selling Shareholder is subject, or (ii) conflict with, result in a breach of or constitute a default under any material Contract to which the Selling Shareholder is a party or by which the Selling Shareholder is bound, except in each case of (i) and (ii) above, would not reasonably be expected to prohibit, materially delay or materially impair the consummation of the transactions contemplated hereby.

5.5 Consents and Approvals. Neither the execution and the delivery of this Agreement or the applicable Instrument of Transfer, nor the consummation of the transactions contemplated hereby and thereby by the Selling Shareholder, requires any consent, approval, order, license or authorization of, registration, certificate, declaration or filing with or notice to any Governmental Authority or other third party (each, an "Authorization"), except for those Authorizations that have already been obtained.

Initial by:

9 Buyer [ ] / Selling Shareholder [ ]



5.6 Compliance with Law. The Selling Shareholder has, in connection with the execution and delivery of this Agreement and the Instrument of Transfer and the consummation of the transactions contemplated hereby and thereby, complied with all applicable Laws.

5.7 Solvency. No bankruptcy, insolvency or judicial composition proceedings concerning the Selling Shareholder have been applied for. No circumstances exist which could require an application for any bankruptcy, insolvency or judicial composition proceedings concerning the Selling Shareholder nor do any circumstances exist according to any applicable bankruptcy or insolvency Laws which could justify the avoidance of this Agreement. No steps have been taken or proposed in relation to the winding-up, bankruptcy, administration, insolvency or dissolution of the Selling Shareholder, nor has any analogous procedure or step been taken or proposed in any jurisdiction in relation to the Selling Shareholder. The Selling Shareholder is not or is not expected to be insolvent under the laws of its jurisdiction of incorporation nor is unable to pay its debts as they fall due and the Selling Shareholder has not stopped paying its debts or indicated an intention to do so.

5.8 Brokers. The Selling Shareholder has not engaged with or received services from any broker, finder, commission agent, placement agent or arranger in connection with the acquisition of the Subscription Shares, the transfer of the Sale Shares or matters in connection therewith.

5.9 Status; Purchase for Own Account. The Selling Shareholder is not a "U.S. person" as defined in Rule 902 of Regulation S under the Securities Act. The Selling Shareholder is acquiring the applicable Subscription Shares outside the United States in reliance upon the exemption from registration provided by Regulation S under the Securities Act, and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. The Selling Shareholder has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the applicable Subscription Shares. The Selling Shareholder is capable of bearing the economic risks of its investment, including a complete loss thereof. The Subscription Shares will be acquired for the Selling Shareholder's own account, not as a nominee or agent and not with a view to or in connection with the sale or distribution of any part thereof. The Selling Shareholder does not have any direct or indirect arrangement, or understanding with any other Persons regarding the distribution of the Subscription Shares in violation of the Securities Act or any other applicable state securities law.

5.10 Solicitation. The Selling Shareholder was not identified or contacted through the marketing of the transactions contemplated by this Agreement. The Selling Shareholder did not contact the Buyer as a result of any general solicitation or directed selling efforts. The purchase of the Subscription Shares by the Selling Shareholder was not solicited by or through anyone other than the Buyer.

Initial by:

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Buyer [            ] / Selling Shareholder [            ]



5.11 Restricted Securities. The Selling Shareholder acknowledges that the Subscription Shares are “restricted securities” that have not been registered under the Securities Act or any applicable state securities law. The Selling Shareholder further acknowledges that, absent an effective registration under the Securities Act, the Subscription Shares may only be offered, sold or otherwise transferred (i) to the Buyer, (ii) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, or (iii) pursuant to an exemption from registration under the Securities Act.

6. **COVENANTS; ADDITIONAL AGREEMENTS**

6.1 Further Assurances. Each Party shall use reasonable best efforts to make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents and assurances without further consideration, which may reasonably be required or advisable to effect the transactions contemplated by this Agreement and the Instruments of Transfer.

6.2 Taxes. Except as otherwise provided in this Agreement, each Party shall bear its respective Taxes incurred in connection with the consummation of the transactions contemplated by this Agreement and the Instruments of Transfer.

6.3 Release. From and after the Closing, except as arising out of actions or omissions occurring after the Closing Date or arising as a result of this Agreement, the Selling Shareholder hereby waives and releases, on behalf of itself and each of its Affiliates and to the fullest extent permitted by applicable Law, the Buyer, from any and all Liabilities, rights, defenses, claims and causes of action, known or unknown, foreseen or unforeseen which the Selling Shareholder or any of its Affiliates has or may have in the future against the Company Entities with respect to matters arising prior to the Closing Date.

6.4 Confidentiality.

(a) Each Party shall, and shall cause its Affiliates to, keep confidential any non-public material or information with respect to this Agreement and the Instruments of Transfer, any of the terms and conditions of, and the status or other facts with respect to, this Agreement and the Instruments of Transfer and the transactions contemplated hereby and thereby, including the existence of this Agreement and the Instruments of Transfer (including written or non-written information, hereinafter the “Confidential Information”). Confidential Information shall not include any information that is (a) previously known on a non-confidential basis by the receiving Party, (b) in the public domain through no fault of such receiving Party, its Affiliates or its or its Affiliates’ officers, directors or employees, (c) received from a party other than the Parties or their Affiliates, representatives or agents, so long as such party was not, to the knowledge of the receiving Party, subject to a duty of confidentiality to such Party or Affiliates or (d) developed independently by the receiving Party without reference to confidential information of the disclosing Party. No Party shall disclose such Confidential Information to any third party. Each Party may use the Confidential Information only for the purpose of, and to the extent necessary for, performing this Agreement, and shall not use such Confidential Information for any other purposes.

Initial by:

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Buyer [            ] / Selling Shareholder [            ]



(b) Notwithstanding any other provisions in this Section 6.4, if any Party believes in good faith that any announcement or notice must be prepared or published pursuant to applicable Laws (including any rules or regulations of any relevant securities exchange or valid legal process) or information is otherwise required to be disclosed to any Governmental Authority, such Party may, in accordance with its understanding of the applicable Laws, make the required disclosure in the manner it deems in compliance with the requirements of applicable Laws, rules or regulations. In addition, each Party may disclose, subject to any practicable arrangements to protect confidentiality, Confidential Information to the extent required under judicial or regulatory process or in connection with any judicial process regarding any legal action, suit or proceeding arising out of or relating to this Agreement or the Instruments of Transfer.

(c) Each Party may disclose the Confidential Information only to its Affiliates and its and its Affiliates' officers, directors, employees, agents and representatives on a need-to-know basis in the performance of this Agreement; provided that such Party shall ensure such Persons strictly abide by the confidentiality obligations hereunder.

(d) The confidentiality obligations of each Party hereunder shall survive the termination of this Agreement for a period of two (2) years. Each Party shall continue to abide by the confidentiality clause hereof and perform the obligation of confidentiality it undertakes until the other Party approves release of that obligation or until a breach of the confidentiality clause hereof will no longer result in any prejudice to the other Party.

7. **TERMINATION**

7.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by any Party through written notice to the other Parties if any Governmental Authority shall have enacted or issued any Law or Order or taken any other action permanently restraining, enjoining, preventing, prohibiting or otherwise making illegal the consummation of the transactions contemplated under this Agreement and such Law, Order or other action has become final and non-appealable; provided that a Party shall have no right to terminate this Agreement pursuant to this Section 7.1(a) if the imposition of such Law, Order or other action was caused by the breach by such Party or its Affiliate of any representation, warranty, covenant or agreement in this Agreement;

(b) by the Buyer if there exists a material breach of any representation, warranty, covenant or agreement of the Selling Shareholder such that the conditions set forth in Section 3.4 would not be satisfied and such breach has not been cured, or is incapable of being cured, by the Selling Shareholder within fifteen (15) days following its receipt of written notice from the Buyer of such breach; or

(c) by the Selling Shareholder, if there exists a material breach of any representation, warranty, covenant or agreement of the Buyer such that the conditions set forth in Section 3.5 would not be satisfied and such breach has not been cured, or is incapable of being cured, by the Buyer within fifteen (15) days following its receipt of written notice from the Selling Shareholder of such breach.

(d) by occurrence of listing of the Company's shares on the New York Stock Exchange (or any other recognized stock exchange elsewhere) prior to the Closing.

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Buyer [            ] / Selling Shareholder [            ]



7.2 Effects of Termination. Upon the termination of this Agreement pursuant to Section 7.1, this Agreement (other than Article 1 and Article 9) shall become void and have no further force or effect; provided that no such termination shall relieve any Party of liability for any breach of this Agreement prior to such termination.

8. **INDEMNITY**

8.1 Survival. The representations and warranties of the Buyer and the Selling Shareholder and their respective Affiliates contained in this Agreement shall survive the Closing for a period of eighteen (18) months after the Closing Date, save for the Fundamental Representations of the Buyer and the Fundamental Representations of the Selling Shareholder which shall survive until the expiration of the applicable statutory limitation periods. The covenants and agreements of the Buyer and the Selling Shareholder and their respective Affiliates set forth herein shall survive the Closing until fully discharged in accordance with their terms, except for those covenants and agreements which shall be complied with or discharged prior to the Closing in accordance with the terms of this Agreement. Notwithstanding the foregoing, any breach of any representation, warranty, covenant or agreement in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate, if notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time.

8.2 Indemnification.

(a) Indemnification by the Buyer. From and after the Closing, the Buyer shall indemnify and hold harmless the Selling Shareholder and its directors, officers, employees, Affiliates, agents and assigns (each, a "Selling Shareholder Indemnitee") against any losses, liabilities, damages, penalties, diminution in value, reasonable costs and expenses, including reasonable advisor's fees and other expenses of investigation and defense of any of the foregoing (collectively, "Losses"), incurred by the Selling Shareholder Indemnitee as a result of, arising out of or in connection with (i) any material breach or violation of, or inaccuracy in, any representation or warranty made by the Buyer in this Agreement; and (ii) any material breach or violation of, or failure to perform, any covenants or agreements made by or on behalf of, or to be performed by, the Buyer in this Agreement.

(b) Indemnification by the Selling Shareholder. From and after the Closing, the Selling Shareholder shall indemnify and hold harmless the Buyer and its directors, officers, employees, Affiliates, agents and assigns (each, a "Buyer Indemnitee") against any Losses incurred by such Buyer Indemnitee as a result of, arising out of or in connection with (i) any breach or violation of, or inaccuracy in, any representation or warranty made by or on behalf of the Selling Shareholder in this Agreement or any claim by any third party alleging, constituting or involving such a breach violation or inaccuracy; (ii) any breach or violation of, or failure to perform, any covenants or agreements made by or on behalf of, or to be performed by, the Selling Shareholder in this Agreement, or any claim by any third party alleging, constituting or involving any such breach or violation or default or failure to perform; (iii) any violation or non-compliance with applicable Laws by the Selling Shareholder or Company Entity on or prior to the Closing Date, whether in the course of business or in connection with the execution and delivery of this Agreement and the Instrument of Transfer and the consummation of the transactions contemplated hereby and thereby; (iv) any failure to timely file applicable Tax Returns (or any failure for such Tax Returns to be true, correct and complete) by any Company Entity or any failure to timely and fully pay applicable Taxes owed by any Company Entity, for any tax period (or portion thereof) up to the Closing Date; and (v) any litigation or arbitration proceedings involving any Company Entity arising out of or based on an event that occurred or an action that was taken on or prior to the Closing Date.

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Buyer [                    ] / Selling Shareholder [                    ]



(c) For purposes of this Agreement, (i) “Indemnifying Party” means the Buyer (with respect to Section 8.2(a)) or the Selling Shareholder (with respect to Section 8.2(b)); and (ii) “Indemnified Party” means the Selling Shareholder Indemnitee(s) (with respect to Section 8.2(a)) or the Buyer Indemnitee(s) (with respect to Section 8.2(b)).

8.3 Reliance. Each of the Buyer and the Selling Shareholder acknowledge and agree that (i) the Buyer has entered into this Agreement and agreed to the purchase of the Sale Shares from the Selling Shareholder and the allotment and issuance of the Subscription Shares to the Selling Shareholder hereunder, in reliance on the representations and warranties, and covenants and agreements, made by the Selling Shareholder in this Agreement, and (ii) the Selling Shareholder has entered into this Agreement and agreed to transfer the Sale Shares to the Buyer and to subscribe for the Subscription Shares in reliance on the representations and warranties, and covenants and agreements, made by the Buyer in this Agreement.

9. **MISCELLANEOUS**

9.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Cayman Islands without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than Cayman Islands to the rights and duties of the Parties hereunder.

9.2 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the Parties. This Agreement and the rights and obligations therein may not be assigned by any Party without the written consent of the other Party.

9.3 Entire Agreement. This Agreement, including the schedules and exhibits hereto, constitute the entire understanding and agreement among the Parties with regard to the subjects hereof and thereof.

9.4 Notices. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given to the Party at the address set forth below (a) if in writing and served by personal delivery upon the Party for whom it is intended, on the date of such delivery, (b) if delivered by certified mail, registered mail or courier service, return-receipt received, on the date of such delivery, or (c) if delivered by email, upon confirmation of receipt by a non-automated response:

Initial by:

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Buyer [                    ] / Selling Shareholder [                    ]





If to the Buyer, at:

Address: 23/F, Nexxus Building, 41 Connaught Road Central, Hong Kong

Attention:

Email:

If to the Selling Shareholder, at:

Address: 23/F, Nexxus Building, 41 Connaught Road Central, Hong Kong

Attention:

Email:

9.5 Amendments. Any term of this Agreement may be amended only by a written instrument executed by both the Buyer and the Selling Shareholder.

9.6 Specific Performance. The Parties agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with the terms hereof or thereof, and that the Parties shall be entitled to seek specific performance of the terms hereof or thereof, in addition to any other remedy at law or equity.

9.7 Fees and Expenses. Except as otherwise provided in this Agreement, each Party shall bear its respective expenses incurred in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated hereby, including fees and expenses of attorneys, accountants, consultants and financial advisors.

9.8 Delays or Omissions; Waivers. No delay or omission to exercise any right, power or remedy accruing to any Party, upon any breach or default of any Party under this Agreement, shall impair any such right, power or remedy of such Party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach of default thereafter occurring. Any waiver by any Party of any condition or breach of default under this Agreement must be in writing signed by such Party and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by Laws or otherwise afforded to any Party shall be cumulative and not alternative.

9.9 Interpretation. This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this Agreement. The headings of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. Unless otherwise expressly provided herein, all references to sections and schedules herein are to sections and schedules of this Agreement. Unless a provision hereof expressly provides otherwise: (i) the term "or" is not exclusive; (ii) the terms "herein," "hereof," and other similar words refer to this Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other subdivision; (iii) the masculine, feminine, and neuter genders will each be deemed to include the others; and (iv) whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

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Buyer [            ] / Selling Shareholder [            ]



9.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

9.11 Severability. If any provision of this Agreement is found to be invalid or unenforceable, then such provision shall be construed, to the extent feasible, so as to render the provision enforceable and to provide for the consummation of the transactions contemplated hereby on substantially the same terms as originally set forth herein, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or benefits intended by the Parties. In such event, the Parties shall use their best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the Parties' intent in entering into this Agreement.

9.12 Dispute Resolution. Any dispute, controversy or claim (each, a "Dispute") arising out of or relating to this Agreement, or the interpretation, breach, termination, validity or invalidity thereof, shall be referred to arbitration upon the demand of either party to the dispute with notice (the "Arbitration Notice") to the other. The Dispute shall be settled by arbitration in Cayman Islands. Each party to the arbitration shall cooperate with each other party to the arbitration in making full disclosure of and providing complete access to all information and documents requested by such other party in connection with such arbitral proceedings, subject only to any confidentiality obligations binding on such party. The award of the arbitral tribunal shall be final and binding upon the parties thereto, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award. Any party to the Dispute shall be entitled to seek preliminary injunctive relief, if possible, from any court of competent jurisdiction pending the constitution of the arbitral tribunal. During the course of the arbitral tribunal's adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

[SIGNATURE PAGES FOLLOW]

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Buyer [                    ] / Selling Shareholder [                    ]



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IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement on the date and year first above written.

**BUYER**

AMTD INTERNATIONAL INC.

By: /s/ William Fung  
 Name: William Fung  
 Title: Chief Executive Officer

[Signature Page to Share Purchase Agreement]



20017Rj=hM8%yNyg6

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement on the date and year first above written.

**SELLING SHAREHOLDER**

AMTD EDUCATION GROUP

By: /s/ Marcellus Wong

\_\_\_\_\_  
Name: Marcellus Wong

Title: Director

[Signature Page to Share Purchase Agreement]



**Exhibit A**

**Instrument of Transfer**

**AMTD DIGITAL INC.**

an exempted company incorporated in the Cayman Islands  
(the “**Company**”)

**SHARE TRANSFER FORM**

dated January 20, 2022

AMTD EDUCATION GROUP (the “**Transferor**”), for good and valuable consideration received by it from AMTD International Inc. (the “**Transferee**”), does hereby transfer to the Transferee the 10,941,000 fully paid Class A ordinary shares in the Company (of a par value of US\$0.0001 each) standing in the Transferor’s name in the Register of Members of the Company to hold unto the Transferee, its executors, administrators and assigns, subject to the several conditions on which the Transferor held the same at the time of execution of this Share Transfer Form.

Signed by the Transferor on the date first above written:

**AMTD EDUCATION GROUP**

By: \_\_\_\_\_

Name: Marcellus Wong

Title: Director



**SHARE PURCHASE AGREEMENT**

**Dated January 19, 2022**

**by and between**

**AMTD INTERNATIONAL INC.**

**and**

**AMTD ASSETS ALPHA GROUP**



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**SHARE PURCHASE AGREEMENT**

THIS SHARE PURCHASE AGREEMENT (this “Agreement”) is entered into on January 19, 2022 by and between AMTD International Inc., an exempted company incorporated under the laws of the Cayman Islands (the “Buyer”) and AMTD Assets Alpha Group, an exempted company incorporated under the laws of the Cayman Islands (the “Selling Shareholder” and, together with the Buyer, the “Parties”).

**RECITALS**

WHEREAS, the Selling Shareholder holds 10,941,000 Class A ordinary shares of US\$0.0001 par value each (the “Sale Shares”) in AMTD Digital Inc., an exempted company incorporated under the laws of the Cayman Islands (the “Company”);

WHEREAS, the Selling Shareholder desires to sell and transfer to the Buyer, and the Buyer desires to purchase and accept from the Selling Shareholder, upon the terms and subject to the conditions set forth in this Agreement, the Sale Shares held by the Selling Shareholder;

WHEREAS, as consideration for the Sale Shares, the Buyer desires to issue to the Selling Shareholder, and the Selling Shareholder desires to subscribe for, upon the terms and subject to the conditions set forth in this Agreement, 23,170,265 Class A ordinary shares of US\$0.0001 par value each in the Buyer (the “Subscription Shares”); and

WHEREAS, the Parties desire to enter into this Agreement and make the respective representations, warranties, covenants and agreements set forth herein on the terms and subject to the conditions set forth herein.

**AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

**1. DEFINITIONS**

In this Agreement, unless the context otherwise requires, the following words and expressions have the meanings as follows:

“Affiliate” means, (i) with respect to a Person that is a natural person, such Person’s relatives and any other Person (other than natural persons) directly or indirectly Controlled by such Person, and (ii) with respect to a Person that is not a natural person, a Person that directly, or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, such Person. For the purposes of this definition, a “relative” of a Person means such Person’s spouse, parent, grandparent, child, grandchild, sibling, uncle, aunt, nephew, niece or great-grandparent or the spouse of such Person’s child, grandchild, sibling, uncle, aunt, nephew or niece.

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Buyer [                    ] / Selling Shareholder [                    ]



“Agreement” has the meaning set forth in the preamble.

“Arbitration Notice” has the meaning set forth in Section 9.12.

“Authorization” has the meaning set forth in Section 5.5.

“Business Day” means a day (other than a Saturday or a Sunday) that the banks in New York, Hong Kong, the PRC, or the Cayman Islands are generally open for business.

“Buyer” has the meaning set forth in the preamble.

“Buyer Group” or “Buyer Group Companies” means, collectively, the Buyer and its Affiliates, and each an “Buyer Group Company.”

“Buyer Indemnitee” has the meaning set forth in Section 8.2(b).

“Buyer Material Adverse Effect” means any event, fact, circumstance or occurrence that, individually or in the aggregate, results in or would result in a material adverse change in or a material adverse effect on (a) the financial condition, assets, liabilities or results of operations of the Buyer or (b) the ability of any Buyer Group Company to consummate the transactions contemplated by this Agreement; provided that in determining whether a Buyer Material Adverse Effect has occurred, there shall be excluded any effect on any Buyer Group Company to the extent relating to or arising in connection with (i) any action required to be taken pursuant to the terms and conditions of this Agreement, (ii) changes or effects affecting the industry in which the Buyer operates or the economy or financial, credit or securities markets or political conditions generally (to the extent that in each case such changes do not have a unique or disproportionate impact on the Buyer); (iii) the announcement or consummation of the transactions contemplated by this Agreement; (iv) any change in IFRS or in Law or accounting standards or interpretations thereof applicable to the Buyer; (v) any change resulting from any action by the Buyer or any of its Affiliates taken at the written request of the Selling Shareholder; or (vi) acts of God.

“Closing” has the meaning set forth in Section 3.1.

“Closing Date” has the meaning set forth in Section 3.1.

“Company” has the meaning set forth in the recitals.

“Company Contract” means, a contract, agreement, indenture, note, bond, loan, instrument, lease, mortgage, franchise, license, commitment, purchase order, and other legally binding arrangement, whether written or oral, to which any Company Entity is a party.

“Company Entities” means, collectively, the Company and its Affiliates, and each an “Company Entity.”

“Company Financial Statements” means the audited consolidated financial statements (including balance sheet, income statement and statement of cash flows) for the Company Entities, prepared in accordance with IFRS, as of April 30, 2021 and for the three fiscal years ended April 30, 2021, as applicable.

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“Company Material Adverse Effect” means any event, fact, circumstance or occurrence that, individually or in the aggregate, results in or would result in a material adverse change in or a material adverse effect on (a) the financial condition, assets, liabilities or results of operations of the Company Entities or (b) the ability of any Company Entity to consummate the transactions contemplated by this Agreement; provided that in determining whether a Company Material Adverse Effect has occurred, there shall be excluded any effect on the Company Entities to the extent relating to or arising in connection with (i) any action required to be taken pursuant to the terms and conditions of this Agreement, (ii) changes or effects affecting the industry in which the Company Entities operate or the economy or financial, credit or securities markets or political conditions generally (to the extent that in each case such changes do not have a unique or disproportionate impact on the Company Entities); (iii) the announcement or consummation of the transactions contemplated by this Agreement; (iv) any change in IFRS or in Law or accounting standards or interpretations thereof applicable to the Company Entities; (v) any change resulting from any action by any Selling Shareholder taken at the written request of the Buyer; or (vi) acts of God.

“Confidential Information” has the meaning set forth in Section 6.4(a).

“Contracts” means legally binding contracts, agreements, engagements, purchase orders, commitments, understandings, indentures, notes, bonds, loans, instruments, leases, mortgages, franchises, licenses or any other contractual arrangements or obligations which are currently subsisting and not terminated or completed (with each of such Contracts being referred to as a “Contract”).

“Control” 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.

“Dispute” has the meaning set forth in Section 9.12.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

“Fundamental Representations of the Buyer” shall mean the representations and warranties made by the Buyer to the Selling Shareholder contained in Section 4.1, Section 4.2, Section 4.3 and Section 4.4.

“Fundamental Representations of the Selling Shareholder” shall mean the representations and warranties made by the Selling Shareholder to the Buyer contained in Section 5.1, Section 5.2, Section 5.4 and Section 5.5.

“Governmental Authorities” means any nation, government, province, state, or any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of any government or any political subdivision thereof, court, tribunal, arbitrator, the governing body of any securities exchange, and self-regulatory organization, in each case having competent jurisdiction.

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Buyer [            ] / Selling Shareholder [            ]



“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“IFRS” means the International Financial Reporting Standards and interpretations thereof as established by the International Accounting Standards Board, as in effect at the time any applicable financial statements were prepared.

“Indemnified Party” has the meaning set forth in Section 8.2(c).

“Indemnifying Party” has the meaning set forth in Section 8.2(c).

“Instrument of Transfer” has the meaning set forth in Section 3.3(b).

“Law” means any law, rule, constitution, code, ordinance, statute, treaty, decree, regulation, common law, order, official policy, circular, provision, administrative order, interpretation, injunction, judgment, ruling, assessment, writ or other legislative measure, in each case of any Governmental Authority.

“Liability” means all indebtedness, obligations and other liabilities of a Person, whether direct or indirect, absolute, accrued, contingent or otherwise, known or unknown, fixed or otherwise, due or to become due, whether or not accrued or paid.

“Lien” means (a) any mortgage, charge, lien, pledge or other encumbrance securing any obligation of any Person, (b) any option, right to acquire, right of pre-emption, right of set off or other arrangement under which money or claims to, or for the benefit of, any Person may be applied or set off so as to effect discharge of any sum owed or payable to any Person, or (c) any equity, assignment, hypothecation, title retention, claim, restriction, power of sale or other type of preferential arrangement the effect of which is to give a creditor in respect of indebtedness a preferential position in relation to any asset of a Person on any insolvency proceeding of that Person.

“Losses” has the meaning set forth in Section 8.2(a).

“Order” means any injunction, judgment, order, decree, stipulation or determination by or with any Governmental Authority.

“Parties” has the meaning set forth in the preamble.

“Person” means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise, entity or legal person.

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“PRC” means the People’s Republic of China and, for purposes of this Agreement, excludes Hong Kong, the Macao Special Administrative Region and Taiwan.

“Sale Shares” has the meaning set forth in the recitals.

“SEC” means the Securities and Exchange Commission of the United States or any other federal agency at the time administering the Securities Act.

“SEC Documents” has the meaning set forth in Section 4.5(a).

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Selling Shareholder” has the meaning set forth in the preamble.

“Selling Shareholder Indemnitee” has the meaning set forth in Section 8.2(a).

“Subscription Shares” has the meaning set forth in the recitals.

“Tax Return” means any return, report or statement showing Taxes, used to pay Taxes, or required to be filed with respect to any Tax (including any elections, declarations, schedules or attachments thereto, and any amendment thereof), including any information return, claim for refund, amended return or declaration of estimated or provisional Tax.

“Taxes” means (i) any net income, alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, value added, goods and services, transfer, franchise, business and occupation, profits, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental or windfall profit tax, custom duty or other tax, governmental fee or other like assessment or charge, together with any interest or any penalty, addition to tax or additional amount imposed by any Governmental Authority responsible for the imposition of any such tax (domestic or foreign), whether disputed or not, (ii) any liability for the payment of any amounts of the type described in clause (i) of this sentence as a result of being a member of an affiliated, consolidated, combined, unitary or aggregate group for any taxable period, and (iii) any liability for the payment of any amounts of the type described in clause (i) or (ii) of this sentence as a result of being a transferee of or successor to any Person or as a result of any express or implied obligation to indemnify any other Person.

“U.S.,” “US” and “United States” means the United States of America.

“US\$” means United States Dollars, the lawful currency of the United States.

2. **THE TRANSACTION**

At the Closing, the Selling Shareholder shall transfer to the Buyer, and the Buyer shall accept from the Selling Shareholder, the Sale Shares, free and clear of any Lien and with all rights attaching on and from the Closing, and the Buyer shall issue to the Selling Shareholder, and the Selling Shareholder shall subscribe for, the Subscription Shares on the terms and subject to the conditions of this Agreement.

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Buyer [            ] / Selling Shareholder [            ]



3. **CLOSING; CLOSING DELIVERIES**

3.1 Closing. The closing of the transactions contemplated under Article 2 (the “Closing”) shall take place remotely within five (5) Business Days following the satisfaction or waiver of the conditions set forth in Section 3.4 and Section 3.5 (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions), or at such other time as the Parties may agree in writing (the date on which the Closing occurs, the “Closing Date”). All transactions occurring at the Closing shall be deemed to occur simultaneously, and shall be effective as of the Closing and upon occurrence of all transactions contemplated by Article 2 and this Article 3. For the avoidance of doubt, the consummation of the transactions described in Article 2 and this Article 3 shall occur together, and the Closing shall be deemed not to have occurred if any party fails to deliver any agreement or other instrument or document required under Article 2 and this Article 3. At the Closing, share certificate issued in the name of the Selling Shareholder in relation to the Sale Shares shall be cancelled, and the Selling Shareholder shall, promptly after Closing, deliver to the Company any such share certificate issued to the Selling Shareholder in relation to the Sale Shares or, where any such share certificate has been issued but has been lost, stolen or destroyed, such indemnity in respect of such lost, stolen or destroyed share certificate as the Buyer may reasonably request.

3.2 Deliveries by the Buyer at the Closing. At the Closing, the Buyer shall deliver to the Selling Shareholder a copy of the share certificate issued in the name of the Selling Shareholder, dated on the Closing Date, evidencing the ownership by the Selling Shareholder of the Subscription Shares (the original copy of which shall be delivered to the Selling Shareholder after the Closing).

3.3 Deliveries by the Selling Shareholder at the Closing. At the Closing, the Selling Shareholder shall deliver to the Buyer:

(a) a copy of the share certificate issued in the name of the Buyer, dated on the Closing Date, evidencing the ownership by the Buyer of the Sale Shares (the original copy of which shall be delivered to the Buyer after the Closing); and

(b) an instrument of transfer duly executed by the Selling Shareholder in the form attached as Exhibit A to this Agreement (an “Instrument of Transfer”).

3.4 Conditions to the Obligation of the Buyer to Effect the Closing. The obligation of the Buyer to consummate the transactions contemplated by Article 2 is subject to the satisfaction, as of the Closing Date, of the following conditions, any of which may be waived in writing by the Buyer in its sole discretion:

(a) The Selling Shareholder shall have performed and complied in all material respects with all, and not be in breach or default in any material respects under any, agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with on or before the Closing Date; and

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(b) No court or other Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the transactions contemplated hereby.

3.5 Conditions to the Obligation of the Selling Shareholder to Effect the Closing. The obligation of the Selling Shareholder to consummate the transactions contemplated by Article 2 is subject to the satisfaction, as of the Closing Date, of the following conditions, any of which may be waived in writing by the Selling Shareholder in its sole discretion:

(a) The Buyer shall have performed and complied in all material respects with all, and not be in breach or default in any material respects under any, agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with on or before the Closing Date; and

(b) No court or other Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the transactions contemplated hereby.

4. **REPRESENTATIONS AND WARRANTIES OF THE BUYER**

The Buyer hereby represents and warrants to the Selling Shareholder the following.

4.1 Due Formation; Qualification. The Buyer is an exempted company, duly incorporated, validly existing and in good standing under the laws of the Cayman Islands, has the requisite corporate power and authority to own, lease and operate its business and assets and to conduct its business as currently conducted and as described in the SEC Documents, and is duly qualified to transact business in all material respects in each jurisdiction in which the conduct of its business or its ownership, leasing or operation of property requires such qualification.

4.2 Authorization; Enforceability. The Buyer has requisite legal power and authority to execute, deliver and perform its obligations under this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Buyer and, assuming due authorization, execution and delivery by the Selling Shareholder, constitutes a legal, valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies or general principles of equity.

4.3 Due Issuance. The Subscription Shares are duly authorized and, when issued in accordance with this Agreement, will be validly issued, fully paid and non-assessable and free and clear of any Lien, right of first refusal, third-party right or interest, claim or restriction of any kind or nature, except for restrictions arising under the Securities Act or created by virtue of this Agreement. Good and valid title to the Subscription Shares will be passed to the Selling Shareholder upon entry of the Selling Shareholder into the register of members of the Buyer as the respective legal owners of the applicable Subscription Shares.

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Buyer [            ] / Selling Shareholder [            ]



4.4 Non-Contravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby by the Buyer, will (i) violate any provision of the organizational documents of the Buyer or materially violate any Law to which the Buyer is subject, or (ii) conflict with, result in a breach of or constitute a default under any material Contract to which the Buyer is a party or by which the Buyer is bound, except in each case of (i) and (ii) above, would not reasonably be expected to prohibit, materially delay or materially impair the consummation of the transactions contemplated hereby.

4.5 SEC Matters; Financial Statements.

(a) The Buyer has filed or furnished, as applicable, on a timely basis, all registration statements, proxy statements and other statements, reports, schedules, forms and other documents required to be filed or furnished by it with the SEC (all of the foregoing documents filed with or furnished to the SEC and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein, the "SEC Documents"). As of their respective effective dates (in the case of the SEC Documents that are registration statements filed pursuant to the requirements of the Securities Act) and as of their respective SEC filing dates (in the case of all other SEC Documents), or in each case, if amended prior to the date hereof, as of the date of the last such amendment: (A) each of the SEC Documents complied in all material respects with the applicable requirements of the Securities Act and the Exchange Act and any rules and regulations promulgated thereunder applicable to the SEC Documents (as the case may be) and (B) none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the material statements therein, in the light of the circumstances under which they were made, not misleading.

(b) The financial statements (including any related notes) contained in the SEC Documents: (i) complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, (ii) were prepared in accordance with IFRS and (iii) fairly present in all material respects the consolidated financial position of the Buyer Group Companies as of the respective dates thereof and the consolidated results of operations and cash flows of the Buyer Group for the periods covered thereby, except as disclosed therein and as permitted under the Exchange Act.

4.6 No Registration. Assuming the accuracy of the representations and warranties of the Selling Shareholder set forth in Section 5.9, Section 5.10 and Section 5.11, it is not necessary in connection with the issuance and sale of the Subscription Shares to register the Subscription Shares under the Securities Act. No directed selling efforts (as defined in Rule 902 of Regulation S under the Securities Act) have been made by any Buyer Group Company or any person acting on its behalf with respect to any Subscription Shares.

4.7 Brokers. None of the Buyer Group Companies has engaged with or received services from any broker, finder, commission agent, placement agent or arranger in connection with the transactions contemplated by this Agreement.

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Buyer [            ] / Selling Shareholder [            ]





4.8 No Other Representations and Warranties. The Buyer makes no other representations and warranties, implied or otherwise, other than those expressly set out in this Agreement.

5. **REPRESENTATIONS AND WARRANTIES OF THE SELLING SHAREHOLDER**

The Selling Shareholder hereby represents and warrants to the Buyer the following.

5.1 Due Formation; Qualification. The Selling Shareholder is duly incorporated, validly existing and in good standing under the laws of its jurisdiction of organization and has all necessary corporate power and authority to enter into this Agreement and the applicable Instrument of Transfer, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby.

5.2 Authorization; Enforceability. The Selling Shareholder has requisite legal power and authority to execute, deliver and perform its obligations under this Agreement and the applicable Instrument of Transfer and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by the Selling Shareholder and, assuming due authorization, execution and delivery by the Buyer, constitutes a legal, valid and binding obligation of the Selling Shareholder, enforceable against the Selling Shareholder in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies or general principles of equity.

5.3 Valid Title. The Selling Shareholder is the sole record and beneficial owner of and has good and valid title to the Sale Shares, free and clear of any Lien, right of first refusal, third-party right or interest, claim or restriction of any kind or nature, except for restrictions created by virtue of this Agreement. The Selling Shareholder is not a party nor subject to any Contract that affects or relates to the voting or giving of written consents with respect to the Sale Shares. Good and valid title to the Sale Shares will be passed to the Buyer upon entry of the Buyer into the register of members of the Company as the legal owner of the Sale Shares.

5.4 Non-Contravention. Neither the execution and the delivery of this Agreement or any Instrument of Transfer, nor the consummation of the transactions contemplated hereby and thereby by the Selling Shareholder, will (i) violate any provision of the organizational documents of the Company or materially violate any Law to which the Selling Shareholder is subject, or (ii) conflict with, result in a breach of or constitute a default under any material Contract to which the Selling Shareholder is a party or by which the Selling Shareholder is bound, except in each case of (i) and (ii) above, would not reasonably be expected to prohibit, materially delay or materially impair the consummation of the transactions contemplated hereby.

5.5 Consents and Approvals. Neither the execution and the delivery of this Agreement or the applicable Instrument of Transfer, nor the consummation of the transactions contemplated hereby and thereby by the Selling Shareholder, requires any consent, approval, order, license or authorization of, registration, certificate, declaration or filing with or notice to any Governmental Authority or other third party (each, an "Authorization"), except for those Authorizations that have already been obtained.

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5.6 Compliance with Law. The Selling Shareholder has, in connection with the execution and delivery of this Agreement and the Instrument of Transfer and the consummation of the transactions contemplated hereby and thereby, complied with all applicable Laws.

5.7 Solvency. No bankruptcy, insolvency or judicial composition proceedings concerning the Selling Shareholder have been applied for. No circumstances exist which could require an application for any bankruptcy, insolvency or judicial composition proceedings concerning the Selling Shareholder nor do any circumstances exist according to any applicable bankruptcy or insolvency Laws which could justify the avoidance of this Agreement. No steps have been taken or proposed in relation to the winding-up, bankruptcy, administration, insolvency or dissolution of the Selling Shareholder, nor has any analogous procedure or step been taken or proposed in any jurisdiction in relation to the Selling Shareholder. The Selling Shareholder is not or is not expected to be insolvent under the laws of its jurisdiction of incorporation nor is unable to pay its debts as they fall due and the Selling Shareholder has not stopped paying its debts or indicated an intention to do so.

5.8 Brokers. The Selling Shareholder has not engaged with or received services from any broker, finder, commission agent, placement agent or arranger in connection with the acquisition of the Subscription Shares, the transfer of the Sale Shares or matters in connection therewith.

5.9 Status; Purchase for Own Account. The Selling Shareholder is not a "U.S. person" as defined in Rule 902 of Regulation S under the Securities Act. The Selling Shareholder is acquiring the applicable Subscription Shares outside the United States in reliance upon the exemption from registration provided by Regulation S under the Securities Act, and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. The Selling Shareholder has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the applicable Subscription Shares. The Selling Shareholder is capable of bearing the economic risks of its investment, including a complete loss thereof. The Subscription Shares will be acquired for the Selling Shareholder's own account, not as a nominee or agent and not with a view to or in connection with the sale or distribution of any part thereof. The Selling Shareholder does not have any direct or indirect arrangement, or understanding with any other Persons regarding the distribution of the Subscription Shares in violation of the Securities Act or any other applicable state securities law.

5.10 Solicitation. The Selling Shareholder was not identified or contacted through the marketing of the transactions contemplated by this Agreement. The Selling Shareholder did not contact the Buyer as a result of any general solicitation or directed selling efforts. The purchase of the Subscription Shares by the Selling Shareholder was not solicited by or through anyone other than the Buyer.

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5.11 Restricted Securities. The Selling Shareholder acknowledges that the Subscription Shares are “restricted securities” that have not been registered under the Securities Act or any applicable state securities law. The Selling Shareholder further acknowledges that, absent an effective registration under the Securities Act, the Subscription Shares may only be offered, sold or otherwise transferred (i) to the Buyer, (ii) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, or (iii) pursuant to an exemption from registration under the Securities Act.

6. COVENANTS; ADDITIONAL AGREEMENTS

6.1 Further Assurances. Each Party shall use reasonable best efforts to make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents and assurances without further consideration, which may reasonably be required or advisable to effect the transactions contemplated by this Agreement and the Instruments of Transfer.

6.2 Taxes. Except as otherwise provided in this Agreement, each Party shall bear its respective Taxes incurred in connection with the consummation of the transactions contemplated by this Agreement and the Instruments of Transfer.

6.3 Release. From and after the Closing, except as arising out of actions or omissions occurring after the Closing Date or arising as a result of this Agreement, the Selling Shareholder hereby waives and releases, on behalf of itself and each of its Affiliates and to the fullest extent permitted by applicable Law, the Buyer, from any and all Liabilities, rights, defenses, claims and causes of action, known or unknown, foreseen or unforeseen which the Selling Shareholder or any of its Affiliates has or may have in the future against the Company Entities with respect to matters arising prior to the Closing Date.

6.4 Confidentiality.

(a) Each Party shall, and shall cause its Affiliates to, keep confidential any non-public material or information with respect to this Agreement and the Instruments of Transfer, any of the terms and conditions of, and the status or other facts with respect to, this Agreement and the Instruments of Transfer and the transactions contemplated hereby and thereby, including the existence of this Agreement and the Instruments of Transfer (including written or non-written information, hereinafter the “Confidential Information”). Confidential Information shall not include any information that is (a) previously known on a non-confidential basis by the receiving Party, (b) in the public domain through no fault of such receiving Party, its Affiliates or its or its Affiliates’ officers, directors or employees, (c) received from a party other than the Parties or their Affiliates, representatives or agents, so long as such party was not, to the knowledge of the receiving Party, subject to a duty of confidentiality to such Party or Affiliates or (d) developed independently by the receiving Party without reference to confidential information of the disclosing Party. No Party shall disclose such Confidential Information to any third party. Each Party may use the Confidential Information only for the purpose of, and to the extent necessary for, performing this Agreement, and shall not use such Confidential Information for any other purposes.

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(b) Notwithstanding any other provisions in this Section 6.4, if any Party believes in good faith that any announcement or notice must be prepared or published pursuant to applicable Laws (including any rules or regulations of any relevant securities exchange or valid legal process) or information is otherwise required to be disclosed to any Governmental Authority, such Party may, in accordance with its understanding of the applicable Laws, make the required disclosure in the manner it deems in compliance with the requirements of applicable Laws, rules or regulations. In addition, each Party may disclose, subject to any practicable arrangements to protect confidentiality, Confidential Information to the extent required under judicial or regulatory process or in connection with any judicial process regarding any legal action, suit or proceeding arising out of or relating to this Agreement or the Instruments of Transfer.

(c) Each Party may disclose the Confidential Information only to its Affiliates and its and its Affiliates' officers, directors, employees, agents and representatives on a need-to-know basis in the performance of this Agreement; provided that such Party shall ensure such Persons strictly abide by the confidentiality obligations hereunder.

(d) The confidentiality obligations of each Party hereunder shall survive the termination of this Agreement for a period of two (2) years. Each Party shall continue to abide by the confidentiality clause hereof and perform the obligation of confidentiality it undertakes until the other Party approves release of that obligation or until a breach of the confidentiality clause hereof will no longer result in any prejudice to the other Party.

**7. TERMINATION**

7.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by any Party through written notice to the other Parties if any Governmental Authority shall have enacted or issued any Law or Order or taken any other action permanently restraining, enjoining, preventing, prohibiting or otherwise making illegal the consummation of the transactions contemplated under this Agreement and such Law, Order or other action has become final and non-appealable; provided that a Party shall have no right to terminate this Agreement pursuant to this Section 7.1(a) if the imposition of such Law, Order or other action was caused by the breach by such Party or its Affiliate of any representation, warranty, covenant or agreement in this Agreement;

(b) by the Buyer if there exists a material breach of any representation, warranty, covenant or agreement of the Selling Shareholder such that the conditions set forth in Section 3.4 would not be satisfied and such breach has not been cured, or is incapable of being cured, by the Selling Shareholder within fifteen (15) days following its receipt of written notice from the Buyer of such breach; or

(c) by the Selling Shareholder, if there exists a material breach of any representation, warranty, covenant or agreement of the Buyer such that the conditions set forth in Section 3.5 would not be satisfied and such breach has not been cured, or is incapable of being cured, by the Buyer within fifteen (15) days following its receipt of written notice from the Selling Shareholder of such breach.

(d) by occurrence of listing of the Company's shares on the New York Stock Exchange (or any other recognized stock exchange elsewhere) prior to the Closing.

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7.2 Effects of Termination. Upon the termination of this Agreement pursuant to Section 7.1, this Agreement (other than Article 1 and Article 9) shall become void and have no further force or effect; provided that no such termination shall relieve any Party of liability for any breach of this Agreement prior to such termination.

8. **INDEMNITY**

8.1 Survival. The representations and warranties of the Buyer and the Selling Shareholder and their respective Affiliates contained in this Agreement shall survive the Closing for a period of eighteen (18) months after the Closing Date, save for the Fundamental Representations of the Buyer and the Fundamental Representations of the Selling Shareholder which shall survive until the expiration of the applicable statutory limitation periods. The covenants and agreements of the Buyer and the Selling Shareholder and their respective Affiliates set forth herein shall survive the Closing until fully discharged in accordance with their terms, except for those covenants and agreements which shall be complied with or discharged prior to the Closing in accordance with the terms of this Agreement. Notwithstanding the foregoing, any breach of any representation, warranty, covenant or agreement in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate, if notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time.

8.2 Indemnification.

(a) Indemnification by the Buyer. From and after the Closing, the Buyer shall indemnify and hold harmless the Selling Shareholder and its directors, officers, employees, Affiliates, agents and assigns (each, a "Selling Shareholder Indemnitee") against any losses, liabilities, damages, penalties, diminution in value, reasonable costs and expenses, including reasonable advisor's fees and other expenses of investigation and defense of any of the foregoing (collectively, "Losses"), incurred by the Selling Shareholder Indemnitee as a result of, arising out of or in connection with (i) any material breach or violation of, or inaccuracy in, any representation or warranty made by the Buyer in this Agreement; and (ii) any material breach or violation of, or failure to perform, any covenants or agreements made by or on behalf of, or to be performed by, the Buyer in this Agreement.

(b) Indemnification by the Selling Shareholder. From and after the Closing, the Selling Shareholder shall indemnify and hold harmless the Buyer and its directors, officers, employees, Affiliates, agents and assigns (each, a "Buyer Indemnitee") against any Losses incurred by such Buyer Indemnitee as a result of, arising out of or in connection with (i) any breach or violation of, or inaccuracy in, any representation or warranty made by or on behalf of the Selling Shareholder in this Agreement or any claim by any third party alleging, constituting or involving such a breach violation or inaccuracy; (ii) any breach or violation of, or failure to perform, any covenants or agreements made by or on behalf of, or to be performed by, the Selling Shareholder in this Agreement, or any claim by any third party alleging, constituting or involving any such breach or violation or default or failure to perform; (iii) any violation or non-compliance with applicable Laws by the Selling Shareholder or Company Entity on or prior to the Closing Date, whether in the course of business or in connection with the execution and delivery of this Agreement and the Instrument of Transfer and the consummation of the transactions contemplated hereby and thereby; (iv) any failure to timely file applicable Tax Returns (or any failure for such Tax Returns to be true, correct and complete) by any Company Entity or any failure to timely and fully pay applicable Taxes owed by any Company Entity, for any tax period (or portion thereof) up to the Closing Date; and (v) any litigation or arbitration proceedings involving any Company Entity arising out of or based on an event that occurred or an action that was taken on or prior to the Closing Date.

Initial by:

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Buyer [                    ] / Selling Shareholder [                    ]



(c) For purposes of this Agreement, (i) “Indemnifying Party” means the Buyer (with respect to Section 8.2(a)) or the Selling Shareholder (with respect to Section 8.2(b)); and (ii) “Indemnified Party” means the Selling Shareholder Indemnitee(s) (with respect to Section 8.2(a)) or the Buyer Indemnitee(s) (with respect to Section 8.2(b)).

8.3 Reliance. Each of the Buyer and the Selling Shareholder acknowledge and agree that (i) the Buyer has entered into this Agreement and agreed to the purchase of the Sale Shares from the Selling Shareholder and the allotment and issuance of the Subscription Shares to the Selling Shareholder hereunder, in reliance on the representations and warranties, and covenants and agreements, made by the Selling Shareholder in this Agreement, and (ii) the Selling Shareholder has entered into this Agreement and agreed to transfer the Sale Shares to the Buyer and to subscribe for the Subscription Shares in reliance on the representations and warranties, and covenants and agreements, made by the Buyer in this Agreement.

9. MISCELLANEOUS

9.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Cayman Islands without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than Cayman Islands to the rights and duties of the Parties hereunder.

9.2 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the Parties. This Agreement and the rights and obligations therein may not be assigned by any Party without the written consent of the other Party.

9.3 Entire Agreement. This Agreement, including the schedules and exhibits hereto, constitute the entire understanding and agreement among the Parties with regard to the subjects hereof and thereof.

9.4 Notices. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given to the Party at the address set forth below (a) if in writing and served by personal delivery upon the Party for whom it is intended, on the date of such delivery, (b) if delivered by certified mail, registered mail or courier service, return-receipt received, on the date of such delivery, or (c) if delivered by email, upon confirmation of receipt by a non-automated response:

Initial by:

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Buyer [            ] / Selling Shareholder [            ]



If to the Buyer, at:

Address: 23/F, Nexxus Building, 41 Connaught Road Central, Hong Kong

Attention:

Email:

If to the Selling Shareholder, at:

Address: 23/F, Nexxus Building, 41 Connaught Road Central, Hong Kong

Attention:

Email:

9.5 Amendments. Any term of this Agreement may be amended only by a written instrument executed by both the Buyer and the Selling Shareholder.

9.6 Specific Performance. The Parties agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with the terms hereof or thereof, and that the Parties shall be entitled to seek specific performance of the terms hereof or thereof, in addition to any other remedy at law or equity.

9.7 Fees and Expenses. Except as otherwise provided in this Agreement, each Party shall bear its respective expenses incurred in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated hereby, including fees and expenses of attorneys, accountants, consultants and financial advisors.

9.8 Delays or Omissions; Waivers. No delay or omission to exercise any right, power or remedy accruing to any Party, upon any breach or default of any Party under this Agreement, shall impair any such right, power or remedy of such Party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach of default thereafter occurring. Any waiver by any Party of any condition or breach of default under this Agreement must be in writing signed by such Party and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by Laws or otherwise afforded to any Party shall be cumulative and not alternative.

9.9 Interpretation. This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this Agreement. The headings of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. Unless otherwise expressly provided herein, all references to sections and schedules herein are to sections and schedules of this Agreement. Unless a provision hereof expressly provides otherwise: (i) the term "or" is not exclusive; (ii) the terms "herein," "hereof," and other similar words refer to this Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other subdivision; (iii) the masculine, feminine, and neuter genders will each be deemed to include the others; and (iv) whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

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Buyer [            ] / Selling Shareholder [            ]



9.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

9.11 Severability. If any provision of this Agreement is found to be invalid or unenforceable, then such provision shall be construed, to the extent feasible, so as to render the provision enforceable and to provide for the consummation of the transactions contemplated hereby on substantially the same terms as originally set forth herein, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or benefits intended by the Parties. In such event, the Parties shall use their best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the Parties' intent in entering into this Agreement.

9.12 Dispute Resolution. Any dispute, controversy or claim (each, a "Dispute") arising out of or relating to this Agreement, or the interpretation, breach, termination, validity or invalidity thereof, shall be referred to arbitration upon the demand of either party to the dispute with notice (the "Arbitration Notice") to the other. The Dispute shall be settled by arbitration in Cayman Islands. Each party to the arbitration shall cooperate with each other party to the arbitration in making full disclosure of and providing complete access to all information and documents requested by such other party in connection with such arbitral proceedings, subject only to any confidentiality obligations binding on such party. The award of the arbitral tribunal shall be final and binding upon the parties thereto, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award. Any party to the Dispute shall be entitled to seek preliminary injunctive relief, if possible, from any court of competent jurisdiction pending the constitution of the arbitral tribunal. During the course of the arbitral tribunal's adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

[SIGNATURE PAGES FOLLOW]

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Buyer [            ] / Selling Shareholder [            ]





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IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement on the date and year first above written.

**BUYER**

AMTD INTERNATIONAL INC.

By: /s/ William Fung

Name: William Fung

Title: Chief Executive Officer

[Signature Page to Share Purchase Agreement]



IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement on the date and year first above written.

**SELLING SHAREHOLDER**

AMTD ASSETS ALPHA GROUP

By: /s/ Mark Lo

\_\_\_\_\_  
Name: Mark Lo

Title: Director

[Signature Page to Share Purchase Agreement]



**Exhibit A**

**Instrument of Transfer**

**AMTD DIGITAL INC.**

an exempted company incorporated in the Cayman Islands  
(the “**Company**”)

**SHARE TRANSFER FORM**

dated January 20, 2022

AMTD ASSETS ALPHA GROUP (the “**Transferor**”), for good and valuable consideration received by it from AMTD International Inc. (the “**Transferee**”), does hereby transfer to the Transferee the 10,941,000 fully paid Class A ordinary shares in the Company (of a par value of US\$0.0001 each) standing in the Transferor’s name in the Register of Members of the Company to hold unto the Transferee, its executors, administrators and assigns, subject to the several conditions on which the Transferor held the same at the time of execution of this Share Transfer Form.

Signed by the Transferor on the date first above written:

**AMTD ASSETS ALPHA GROUP**

By: \_\_\_\_\_  
Name: Mark Lo  
Title: Director



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**SHARE PURCHASE AGREEMENT**

**Dated January 19, 2022**

**by and between**

**AMTD INTERNATIONAL INC.**

**and**

**AMTD GROUP COMPANY LIMITED**



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**SHARE PURCHASE AGREEMENT**

THIS SHARE PURCHASE AGREEMENT (this “Agreement”) is entered into on January 19, 2022 by and between AMTD International Inc., an exempted company incorporated under the laws of the Cayman Islands (the “Buyer”) and AMTD Group Company Limited, an exempted company incorporated under the laws of the British Virgin Islands (the “Selling Shareholder” and, together with the Buyer, the “Parties”).

**RECITALS**

WHEREAS, the Selling Shareholder holds 19,892,000 Class B ordinary shares of US\$0.0001 par value each (the “Sale Shares”) in AMTD Digital Inc., an exempted company incorporated under the laws of the Cayman Islands (the “Company”);

WHEREAS, the Selling Shareholder desires to sell and transfer to the Buyer, and the Buyer desires to purchase and accept from the Selling Shareholder, upon the terms and subject to the conditions set forth in this Agreement, the Sale Shares held by the Selling Shareholder;

WHEREAS, as consideration for the Sale Shares, the Buyer desires to issue to the Selling Shareholder, and the Selling Shareholder desires to subscribe for, upon the terms and subject to the conditions set forth in this Agreement, 42,126,215 Class B ordinary shares of US\$0.0001 par value each in the Buyer (the “Subscription Shares”); and

WHEREAS, the Parties desire to enter into this Agreement and make the respective representations, warranties, covenants and agreements set forth herein on the terms and subject to the conditions set forth herein.

**AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

**1. DEFINITIONS**

In this Agreement, unless the context otherwise requires, the following words and expressions have the meanings as follows:

“Affiliate” means, (i) with respect to a Person that is a natural person, such Person’s relatives and any other Person (other than natural persons) directly or indirectly Controlled by such Person, and (ii) with respect to a Person that is not a natural person, a Person that directly, or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, such Person. For the purposes of this definition, a “relative” of a Person means such Person’s spouse, parent, grandparent, child, grandchild, sibling, uncle, aunt, nephew, niece or great-grandparent or the spouse of such Person’s child, grandchild, sibling, uncle, aunt, nephew or niece.

Initial by:

1 Buyer [ ] / Selling Shareholder [ ]



“Agreement” has the meaning set forth in the preamble.

“Arbitration Notice” has the meaning set forth in Section 9.12.

“Authorization” has the meaning set forth in Section 5.6.

“Business Day” means a day (other than a Saturday or a Sunday) that the banks in New York, Hong Kong, the PRC, or the Cayman Islands are generally open for business.

“Buyer” has the meaning set forth in the preamble.

“Buyer Group” or “Buyer Group Companies” means, collectively, the Buyer and its Affiliates, and each an “Buyer Group Company.”

“Buyer Indemnitee” has the meaning set forth in Section 8.2(b).

“Buyer Material Adverse Effect” means any event, fact, circumstance or occurrence that, individually or in the aggregate, results in or would result in a material adverse change in or a material adverse effect on (a) the financial condition, assets, liabilities or results of operations of the Buyer or (b) the ability of any Buyer Group Company to consummate the transactions contemplated by this Agreement; provided that in determining whether a Buyer Material Adverse Effect has occurred, there shall be excluded any effect on any Buyer Group Company to the extent relating to or arising in connection with (i) any action required to be taken pursuant to the terms and conditions of this Agreement, (ii) changes or effects affecting the industry in which the Buyer operates or the economy or financial, credit or securities markets or political conditions generally (to the extent that in each case such changes do not have a unique or disproportionate impact on the Buyer); (iii) the announcement or consummation of the transactions contemplated by this Agreement; (iv) any change in IFRS or in Law or accounting standards or interpretations thereof applicable to the Buyer; (v) any change resulting from any action by the Buyer or any of its Affiliates taken at the written request of the Selling Shareholder; or (vi) acts of God.

“Closing” has the meaning set forth in Section 3.1.

“Closing Date” has the meaning set forth in Section 3.1.

“Company” has the meaning set forth in the recitals.

“Company Contract” means, a contract, agreement, indenture, note, bond, loan, instrument, lease, mortgage, franchise, license, commitment, purchase order, and other legally binding arrangement, whether written or oral, to which any Company Entity is a party.

“Company Entities” means, collectively, the Company and its Affiliates, and each an “Company Entity.”

“Company Financial Statements” means the audited consolidated financial statements (including balance sheet, income statement and statement of cash flows) for the Company Entities, prepared in accordance with IFRS, as of April 30, 2021 and for the three fiscal years ended April 30, 2021, as applicable.

Initial by:

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Buyer [            ] / Selling Shareholder [            ]





“Company Material Adverse Effect” means any event, fact, circumstance or occurrence that, individually or in the aggregate, results in or would result in a material adverse change in or a material adverse effect on (a) the financial condition, assets, liabilities or results of operations of the Company Entities or (b) the ability of any Company Entity to consummate the transactions contemplated by this Agreement; provided that in determining whether a Company Material Adverse Effect has occurred, there shall be excluded any effect on the Company Entities to the extent relating to or arising in connection with (i) any action required to be taken pursuant to the terms and conditions of this Agreement, (ii) changes or effects affecting the industry in which the Company Entities operate or the economy or financial, credit or securities markets or political conditions generally (to the extent that in each case such changes do not have a unique or disproportionate impact on the Company Entities); (iii) the announcement or consummation of the transactions contemplated by this Agreement; (iv) any change in IFRS or in Law or accounting standards or interpretations thereof applicable to the Company Entities; (v) any change resulting from any action by any Selling Shareholder taken at the written request of the Buyer; or (vi) acts of God.

“Confidential Information” has the meaning set forth in Section 6.5(a).

“Contracts” means legally binding contracts, agreements, engagements, purchase orders, commitments, understandings, indentures, notes, bonds, loans, instruments, leases, mortgages, franchises, licenses or any other contractual arrangements or obligations which are currently subsisting and not terminated or completed (with each of such Contracts being referred to as a “Contract”).

“Control” 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.

“Dispute” has the meaning set forth in Section 9.12.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

“Fundamental Representations of the Buyer” shall mean the representations and warranties made by the Buyer to the Selling Shareholder contained in Section 4.1, Section 4.2, Section 4.3 and Section 4.4.

“Fundamental Representations of the Selling Shareholder” shall mean the representations and warranties made by the Selling Shareholder to the Buyer contained in Section 5.1, Section 5.2, Section 5.5, Section 5.6 and Section 5.13.

“Governmental Authorities” means any nation, government, province, state, or any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of any government or any political subdivision thereof, court, tribunal, arbitrator, the governing body of any securities exchange, and self-regulatory organization, in each case having competent jurisdiction.

Initial by:

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Buyer [            ] / Selling Shareholder [            ]



“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“IFRS” means the International Financial Reporting Standards and interpretations thereof as established by the International Accounting Standards Board, as in effect at the time any applicable financial statements were prepared.

“Indemnified Party” has the meaning set forth in Section 8.2(c).

“Indemnifying Party” has the meaning set forth in Section 8.2(c).

“Instrument of Transfer” has the meaning set forth in Section 3.3(b).

“Law” means any law, rule, constitution, code, ordinance, statute, treaty, decree, regulation, common law, order, official policy, circular, provision, administrative order, interpretation, injunction, judgment, ruling, assessment, writ or other legislative measure, in each case of any Governmental Authority.

“Liability” means all indebtedness, obligations and other liabilities of a Person, whether direct or indirect, absolute, accrued, contingent or otherwise, known or unknown, fixed or otherwise, due or to become due, whether or not accrued or paid.

“Lien” means (a) any mortgage, charge, lien, pledge or other encumbrance securing any obligation of any Person, (b) any option, right to acquire, right of pre-emption, right of set off or other arrangement under which money or claims to, or for the benefit of, any Person may be applied or set off so as to effect discharge of any sum owed or payable to any Person, or (c) any equity, assignment, hypothecation, title retention, claim, restriction, power of sale or other type of preferential arrangement the effect of which is to give a creditor in respect of indebtedness a preferential position in relation to any asset of a Person on any insolvency proceeding of that Person.

“Losses” has the meaning set forth in Section 8.2(a).

“Order” means any injunction, judgment, order, decree, stipulation or determination by or with any Governmental Authority.

“Parties” has the meaning set forth in the preamble.

“Person” means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise, entity or legal person.

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Buyer [            ] / Selling Shareholder [            ]



“PRC” means the People’s Republic of China and, for purposes of this Agreement, excludes Hong Kong, the Macao Special Administrative Region and Taiwan.

“Sale Shares” has the meaning set forth in the recitals.

“SEC” means the Securities and Exchange Commission of the United States or any other federal agency at the time administering the Securities Act.

“SEC Documents” has the meaning set forth in Section 4.5(a).

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Selling Shareholder” has the meaning set forth in the preamble.

“Selling Shareholder Indemnitee” has the meaning set forth in Section 8.2(a).

“Subscription Shares” has the meaning set forth in the recitals.

“Tax Return” means any return, report or statement showing Taxes, used to pay Taxes, or required to be filed with respect to any Tax (including any elections, declarations, schedules or attachments thereto, and any amendment thereof), including any information return, claim for refund, amended return or declaration of estimated or provisional Tax.

“Taxes” means (i) any net income, alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, value added, goods and services, transfer, franchise, business and occupation, profits, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental or windfall profit tax, custom duty or other tax, governmental fee or other like assessment or charge, together with any interest or any penalty, addition to tax or additional amount imposed by any Governmental Authority responsible for the imposition of any such tax (domestic or foreign), whether disputed or not, (ii) any liability for the payment of any amounts of the type described in clause (i) of this sentence as a result of being a member of an affiliated, consolidated, combined, unitary or aggregate group for any taxable period, and (iii) any liability for the payment of any amounts of the type described in clause (i) or (ii) of this sentence as a result of being a transferee of or successor to any Person or as a result of any express or implied obligation to indemnify any other Person.

“U.S.,” “US” and “United States” means the United States of America.

“US\$” means United States Dollars, the lawful currency of the United States.

**2. THE TRANSACTION**

At the Closing, the Selling Shareholder shall transfer to the Buyer, and the Buyer shall accept from the Selling Shareholder, the Sale Shares free and clear of any Lien and with all rights attaching on and from the Closing, and the Buyer shall issue to the Selling Shareholder, and the Selling Shareholder shall subscribe for, the Subscription Shares, on the terms and subject to the conditions of this Agreement.

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Buyer [            ] / Selling Shareholder [            ]



3. **CLOSING; CLOSING DELIVERIES**

3.1 Closing. The closing of the transactions contemplated under Article 2 (the “Closing”) shall take place remotely within five (5) Business Days following the satisfaction or waiver of the conditions set forth in Section 3.4 and Section 3.5 (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions), or at such other time as the Parties may agree in writing (the date on which the Closing occurs, the “Closing Date”). All transactions occurring at the Closing shall be deemed to occur simultaneously, and shall be effective as of the Closing and upon occurrence of all transactions contemplated by Article 2 and this Article 3. For the avoidance of doubt, the consummation of the transactions described in Article 2 and this Article 3 shall occur together, and the Closing shall be deemed not to have occurred if any party fails to deliver any agreement or other instrument or document required under Article 2 and this Article 3. At the Closing, share certificate issued in the name of the Selling Shareholder in relation to the Sale Shares shall be cancelled, and the Selling Shareholder shall, promptly after Closing, deliver to the Company any such share certificate issued to the Selling Shareholder in relation to the Sale Shares or, where any such share certificate has been issued but has been lost, stolen or destroyed, such indemnity in respect of such lost, stolen or destroyed share certificate as the Buyer may reasonably request.

3.2 Deliveries by the Buyer at the Closing. At the Closing, the Buyer shall deliver to the Selling Shareholder a copy of the share certificate issued in the name of the Selling Shareholder, dated on the Closing Date, evidencing the ownership by the Selling Shareholder of the applicable Subscription Shares (the original copy of which shall be delivered to the Selling Shareholder after the Closing).

3.3 Deliveries by the Selling Shareholder at the Closing. At the Closing, the Selling Shareholder shall deliver to the Buyer:

(a) a copy of the share certificate issued in the name of the Buyer, dated on the Closing Date, evidencing the ownership by the Buyer of the Sale Shares (the original copy of which shall be delivered to the Buyer after the Closing); and

(b) an instrument of transfer duly executed by the Selling Shareholder in the form attached as Exhibit A to this Agreement (each, an “Instrument of Transfer”).

3.4 Conditions to the Obligation of the Buyer to Effect the Closing. The obligation of the Buyer to consummate the transactions contemplated by Article 2 is subject to the satisfaction, as of the Closing Date, of the following conditions, any of which may be waived in writing by the Buyer in its sole discretion:

(a) The Selling Shareholder shall have performed and complied in all material respects with all, and not be in breach or default in any material respects under any, agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with on or before the Closing Date; and

(b) No court or other Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the transactions contemplated hereby.

Initial by:

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Buyer [            ] / Selling Shareholder [            ]



3.5 Conditions to the Obligation of the Selling Shareholder to Effect the Closing. The obligation of the Selling Shareholder to consummate the transactions contemplated by Article 2 is subject to the satisfaction, as of the Closing Date, of the following conditions, any of which may be waived in writing by the Selling Shareholder in their sole discretion as a group:

(a) The Buyer shall have performed and complied in all material respects with all, and not be in breach or default in any material respects under any, agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with on or before the Closing Date; and

(b) No court or other Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the transactions contemplated hereby.

**4. REPRESENTATIONS AND WARRANTIES OF THE BUYER**

The Buyer hereby represents and warrants to the Selling Shareholder the following.

4.1 Due Formation; Qualification. The Buyer is an exempted company, duly incorporated, validly existing and in good standing under the laws of the Cayman Islands, has the requisite corporate power and authority to own, lease and operate its business and assets and to conduct its business as currently conducted and as described in the SEC Documents, and is duly qualified to transact business in all material respects in each jurisdiction in which the conduct of its business or its ownership, leasing or operation of property requires such qualification.

4.2 Authorization; Enforceability. The Buyer has requisite legal power and authority to execute, deliver and perform its obligations under this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Buyer and, assuming due authorization, execution and delivery by the Selling Shareholder, constitutes a legal, valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies or general principles of equity.

4.3 Due Issuance. The Subscription Shares are duly authorized and, when issued in accordance with this Agreement, will be validly issued, fully paid and non-assessable and free and clear of any Lien, right of first refusal, third-party right or interest, claim or restriction of any kind or nature, except for restrictions arising under the Securities Act or created by virtue of this Agreement. Good and valid title to the Subscription Shares will be passed to the Selling Shareholder upon entry of the Selling Shareholder into the register of members of the Buyer as the respective legal owners of the applicable Subscription Shares.

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Buyer [            ] / Selling Shareholder [            ]



4.4 Non-Contravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby by the Buyer, will (i) violate any provision of the organizational documents of the Buyer or materially violate any Law to which the Buyer is subject, or (ii) conflict with, result in a breach of or constitute a default under any material Contract to which the Buyer is a party or by which the Buyer is bound, except in each case of (i) and (ii) above, would not reasonably be expected to prohibit, materially delay or materially impair the consummation of the transactions contemplated hereby.

4.5 SEC Matters; Financial Statements.

(a) The Buyer has filed or furnished, as applicable, on a timely basis, all registration statements, proxy statements and other statements, reports, schedules, forms and other documents required to be filed or furnished by it with the SEC (all of the foregoing documents filed with or furnished to the SEC and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein, the "SEC Documents"). As of their respective effective dates (in the case of the SEC Documents that are registration statements filed pursuant to the requirements of the Securities Act) and as of their respective SEC filing dates (in the case of all other SEC Documents), or in each case, if amended prior to the date hereof, as of the date of the last such amendment: (A) each of the SEC Documents complied in all material respects with the applicable requirements of the Securities Act and the Exchange Act and any rules and regulations promulgated thereunder applicable to the SEC Documents (as the case may be) and (B) none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the material statements therein, in the light of the circumstances under which they were made, not misleading.

(b) The financial statements (including any related notes) contained in the SEC Documents: (i) complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, (ii) were prepared in accordance with IFRS and (iii) fairly present in all material respects the consolidated financial position of the Buyer Group Companies as of the respective dates thereof and the consolidated results of operations and cash flows of the Buyer Group for the periods covered thereby, except as disclosed therein and as permitted under the Exchange Act.

4.6 No Registration. Assuming the accuracy of the representations and warranties of the Selling Shareholder set forth in Section 5.17, Section 5.18 and Section 5.19, it is not necessary in connection with the issuance and sale of the Subscription Shares to register the Subscription Shares under the Securities Act. No directed selling efforts (as defined in Rule 902 of Regulation S under the Securities Act) have been made by any Buyer Group Company or any person acting on its behalf with respect to any Subscription Shares.

4.7 Brokers. None of the Buyer Group Companies has engaged with or received services from any broker, finder, commission agent, placement agent or arranger in connection with the transactions contemplated by this Agreement.

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Buyer [            ] / Selling Shareholder [            ]



4.8 No Other Representations and Warranties. The Buyer makes no other representations and warranties, implied or otherwise, other than those expressly set out in this Agreement.

5. **REPRESENTATIONS AND WARRANTIES OF THE SELLING SHAREHOLDER**

The Selling Shareholder hereby represents and warrants to the Buyer the following.

5.1 Due Formation; Qualification. The Selling Shareholder is duly incorporated, validly existing and in good standing under the laws of its jurisdiction of organization and has all necessary corporate power and authority to enter into this Agreement and the applicable Instrument of Transfer, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby.

5.2 Authorization; Enforceability. The Selling Shareholder has requisite legal power and authority to execute, deliver and perform its obligations under this Agreement and the applicable Instrument of Transfer and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by the Selling Shareholder and, assuming due authorization, execution and delivery by the Buyer, constitutes a legal, valid and binding obligation of the Selling Shareholder, enforceable against the Selling Shareholder in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies or general principles of equity.

5.3 Valid Title. The Selling Shareholder is the sole record and beneficial owner of and has good and valid title to the Sale Shares, free and clear of any Lien, right of first refusal, third-party right or interest, claim or restriction of any kind or nature, except for restrictions created by virtue of this Agreement. Neither the Selling Shareholder nor the Company is a party or subject to any Contract that affects or relates to the voting or giving of written consents with respect to the Sale Shares. Good and valid title to the Sale Shares will be passed to the Buyer upon entry of the Buyer into the register of members of the Company as the legal owner of the Sale Shares.

5.4 Capitalization. The authorized share capital of the Company is US\$1,000,000 divided into (i) 8,000,000,000 Class A ordinary shares of a par value of US\$0.0001 each, 43,416,142 of which are issued and outstanding, and (ii) 2,000,000,000 Class B ordinary shares of a par value of US\$0.0001 each, 24,202,000 of which are issued and outstanding. All of the outstanding shares in the Company are duly authorized, validly issued, fully paid and non-assessable, free and clear of any Lien. There are no dividends that have accrued or been declared but are unpaid by the Company.

5.5 Non-Contravention. Neither the execution and the delivery of this Agreement or any Instrument of Transfer, nor the consummation of the transactions contemplated hereby and thereby by the Selling Shareholder, will (i) violate any provision of the organizational documents of the Company or materially violate any Law to which the Selling Shareholder or the Company is subject, or (ii) conflict with, result in a breach of or constitute a default under any material Contract to which the Selling Shareholder or the Company is a party or by which the Selling Shareholder or the Company is bound, except in each case of (i) and (ii) above, would not reasonably be expected to prohibit, materially delay or materially impair the consummation of the transactions contemplated hereby.

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Buyer [            ] / Selling Shareholder [            ]



5.6 Consents and Approvals. Neither the execution and the delivery of this Agreement or the applicable Instrument of Transfer, nor the consummation of the transactions contemplated hereby and thereby by the Selling Shareholder, requires any consent, approval, order, license or authorization of, registration, certificate, declaration or filing with or notice to any Governmental Authority or other third party (each, an “Authorization”), except for those Authorizations that have already been obtained.

5.7 No Litigation. There is no action, suit or proceeding pending or, to the best knowledge of the Selling Shareholder, threatened against any Company Entity that questions the validity of this Agreement or the right of the Selling Shareholder to enter into this Agreement or the applicable Instrument of Transfer or to consummate the transactions contemplated hereby or thereby.

5.8 Business of Company Entities. The business of each Company Entity is being carried on in the ordinary course and is a going concern. There is no existing fact or circumstance that could reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

5.9 Company Financial Statements. The Selling Shareholder has made available to the Buyer the Company Financial Statements. The Company Financial Statements are (i) prepared in accordance with the books and records of the Company Entities, (ii) true, correct and complete and present fairly the financial condition of the Company Entities as of the date or dates therein indicated and the results of operations for the period or periods therein specified, and (iii) prepared in accordance with IFRS applied on a consistent basis. Except as reflected in the Company Financial Statements, the Company Entities did not have any Liabilities as of the date or dates therein indicated.

5.10 Company Contracts. Each Company Contract that is material to the Company Entities has been duly executed and is valid and binding on the parties thereto with full force and effect. No material Company Contract will be terminated as a result of or in connection with the transactions contemplated by this Agreement. No Company Entity is in breach of any material obligations, or has knowledge of the invalidity or grounds for rescission, avoidance or repudiation of, or any breach of any material obligations by any counterparty to any material Company Contract, nor has any Company Entity received written notice of any intention to terminate any material Company Contract or repudiate or disclaim any transaction pursuant thereto in any material respect.

5.11 Employees. There are no material controversies pending or, to the knowledge of the Selling Shareholder, threatened between any Company Entity and its employees, contractors, subcontractors, agents or other Persons engaged by it. There are no material unfair labor practice complaints pending or, to the knowledge of the Selling Shareholder, threatened against any Company Entity before any Governmental Authority. There is no strike, slowdown, work stoppage or lockout, or similar activity or the threat thereof, with respect to any Company Entity.

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Buyer [                    ] / Selling Shareholder [                    ]





5.12 Compliance with Law. The Selling Shareholder has, in connection with the execution and delivery of this Agreement and the applicable Instrument of Transfer and the consummation of the transactions contemplated hereby and thereby, complied with all applicable Laws. The business of the Companies Entities is in compliance with all applicable Laws in material respects.

5.13 Tax Filings. Each Company Entity has filed or caused to be filed in a timely manner all applicable Tax Returns required to be filed by it, all such Tax Returns are true, correct and complete in all material respects, and each such Company Entity has paid, or provided adequate reserves, for all deficiencies or other assessments of Tax owed by it to any Governmental Authority. No unassessed Tax deficiency has been proposed or, to the best knowledge of the Selling Shareholder, threatened against any Company Entity by any Governmental Authority (taking into account applicable extensions). No Tax examination, audit, investigation or administrative or judicial proceedings by any Governmental Authority are currently in progress. No Company Entity has received from any Governmental Authority (i) any written notice indicating any intent to open an examination, audit, investigation or administrative or judicial proceedings in respect of any Tax or Tax Return or (ii) any written notice of deficiency or proposed adjustment for any unpaid Taxes. No unassessed Tax deficiency has been, to the best knowledge of the Selling Shareholder, threatened against any Company Entity by any Governmental Authority.

5.14 Solvency. No bankruptcy, insolvency or judicial composition proceedings concerning the Selling Shareholder or the Company Entities have been applied for. No circumstances exist which could require an application for any bankruptcy, insolvency or judicial composition proceedings concerning the Selling Shareholder or the Company Entities nor do any circumstances exist according to any applicable bankruptcy or insolvency Laws which could justify the avoidance of this Agreement. No steps have been taken or proposed in relation to the winding-up, bankruptcy, administration, insolvency or dissolution of the Selling Shareholder or Company Entity, nor has any analogous procedure or step been taken or proposed in any jurisdiction in relation to the Selling Shareholder or Company Entity. Neither the Selling Shareholder nor any Company Entity is or is expected to be insolvent under the laws of its jurisdiction of incorporation or is unable to pay its debts as they fall due and neither the Selling Shareholder nor any Company Entity has stopped paying its debts or indicated an intention to do so.

5.15 Anti-Corruption Compliance. No Company Entity has, and, to the best knowledge of the Selling Shareholder, none of the directors, officers, agents, employees, Affiliates or other Persons acting on behalf of any Company Entity has:

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Buyer [                    ] / Selling Shareholder [                    ]



(a) made or offered any payment of anything of value, or authorized such payment or offer, to any officer, employee or any other person acting in an official capacity for any government or any department, agency or instrumentality thereof, including any entity or enterprise owned or controlled by a government, or for any public international organization, to any political party or official thereof or to any candidate for political office (individually and collectively, a "Government Official") or to any person knowing or being aware of a high probability that all or a portion of such money or thing of value will be unlawfully offered, given or promised, directly or indirectly, to any Government Official, for the purpose of (i) influencing any act or decision of such Government Official in his official capacity, (ii) inducing such Government Official to do or omit to do any act in violation of his lawful duty, (iii) securing any improper advantage, (iv) inducing such Government Official to influence or affect any act or decisions of any entity or enterprise owned or controlled by a government, or (v) assisting any Company Entity in obtaining or retaining business for or with, or directing business to, any Company Entity; or

(b) violated any provision of applicable anti-bribery and anti-corruption Laws of any jurisdiction in which any Company Entity conducts its business or operations, including the United States Foreign Corrupt Practices Act of 1977, as amended.

5.16 Brokers. The Selling Shareholder has not engaged with or received services from any broker, finder, commission agent, placement agent or arranger in connection with the acquisition of the Subscription Shares, the transfer of the Sale Shares or matters in connection therewith.

5.17 Status: Purchase for Own Account. The Selling Shareholder is not a "U.S. person" as defined in Rule 902 of Regulation S under the Securities Act. The Selling Shareholder is acquiring the applicable Subscription Shares outside the United States in reliance upon the exemption from registration provided by Regulation S under the Securities Act, and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. The Selling Shareholder has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the applicable Subscription Shares. The Selling Shareholder is capable of bearing the economic risks of its investment, including a complete loss thereof. The Subscription Shares will be acquired for the Selling Shareholder's own account, not as a nominee or agent and not with a view to or in connection with the sale or distribution of any part thereof. The Selling Shareholder does not have any direct or indirect arrangement, or understanding with any other Persons regarding the distribution of the Subscription Shares in violation of the Securities Act or any other applicable state securities law.

5.18 Solicitation. The Selling Shareholder was not identified nor contacted through the marketing of the transactions contemplated by this Agreement. The Selling Shareholder does not contact the Buyer as a result of any general solicitation or directed selling efforts. The purchases of the Subscription Shares by the Selling Shareholder were not solicited by or through anyone other than the Buyer.

5.19 Restricted Securities. The Selling Shareholder acknowledges that the Subscription Shares are "restricted securities" that have not been registered under the Securities Act or any applicable state securities law. The Selling Shareholder further acknowledges that, absent an effective registration under the Securities Act, the Subscription Shares may only be offered, sold or otherwise transferred (i) to the Buyer, (ii) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, or (iii) pursuant to an exemption from registration under the Securities Act.

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Buyer [ ] / Selling Shareholder [ ]



5.20 No Other Representations and Warranties. The Selling Shareholder makes no other representations and warranties, implied or otherwise, other than those expressly set out in this Agreement.

6. **COVENANTS; ADDITIONAL AGREEMENTS**

6.1 Further Assurances. Each Party shall use reasonable best efforts to make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents and assurances without further consideration, which may reasonably be required or advisable to effect the transactions contemplated by this Agreement and the Instruments of Transfer.

6.2 Conduct of Business. Between the date hereof and the Closing Date, the Selling Shareholder shall cause the Company Entities to (a) conduct the business in the ordinary course consistent with past practice, as a going concern and in compliance with all applicable Laws and Contracts, (b) pay or perform debts, Taxes, and other obligations when due, and (c) maintain its assets in a condition comparable to their current condition, reasonable wear, tear and depreciation excepted.

6.3 Taxes. Except as otherwise provided in this Agreement, each Party shall bear its respective Taxes incurred in connection with the consummation of the transactions contemplated by this Agreement and the Instruments of Transfer.

6.4 Release. From and after the Closing, except as arising out of actions or omissions occurring after the Closing Date or arising as a result of this Agreement, the Selling Shareholder hereby waives and releases, on behalf of itself and each of its Affiliates and to the fullest extent permitted by applicable Law, the Buyer, from any and all Liabilities, rights, defenses, claims and causes of action, known or unknown, foreseen or unforeseen which such Selling Shareholder or any of its Affiliates has or may have in the future against the Company Entities with respect to matters arising prior to the Closing Date.

6.5 Confidentiality.

(a) Each Party shall, and shall cause its Affiliates to, keep confidential any non-public material or information with respect to this Agreement and the Instruments of Transfer, any of the terms and conditions of, and the status or other facts with respect to, this Agreement and the Instruments of Transfer and the transactions contemplated hereby and thereby, including the existence of this Agreement and the Instruments of Transfer (including written or non-written information, hereinafter the "Confidential Information"). Confidential Information shall not include any information that is (a) previously known on a non-confidential basis by the receiving Party, (b) in the public domain through no fault of such receiving Party, its Affiliates or its or its Affiliates' officers, directors or employees, (c) received from a party other than the Parties or their Affiliates, representatives or agents, so long as such party was not, to the knowledge of the receiving Party, subject to a duty of confidentiality to such Party or Affiliates or (d) developed independently by the receiving Party without reference to confidential information of the disclosing Party. No Party shall disclose such Confidential Information to any third party. Each Party may use the Confidential Information only for the purpose of, and to the extent necessary for, performing this Agreement, and shall not use such Confidential Information for any other purposes.

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Buyer [            ] / Selling Shareholder [            ]



(b) Notwithstanding any other provisions in this Section 6.5, if any Party believes in good faith that any announcement or notice must be prepared or published pursuant to applicable Laws (including any rules or regulations of any relevant securities exchange or valid legal process) or information is otherwise required to be disclosed to any Governmental Authority, such Party may, in accordance with its understanding of the applicable Laws, make the required disclosure in the manner it deems in compliance with the requirements of applicable Laws, rules or regulations. In addition, each Party may disclose, subject to any practicable arrangements to protect confidentiality, Confidential Information to the extent required under judicial or regulatory process or in connection with any judicial process regarding any legal action, suit or proceeding arising out of or relating to this Agreement or the Instruments of Transfer.

(c) Each Party may disclose the Confidential Information only to its Affiliates and its and its Affiliates' officers, directors, employees, agents and representatives on a need-to-know basis in the performance of this Agreement; provided that such Party shall ensure such Persons strictly abide by the confidentiality obligations hereunder.

(d) The confidentiality obligations of each Party hereunder shall survive the termination of this Agreement for a period of two (2) years. Each Party shall continue to abide by the confidentiality clause hereof and perform the obligation of confidentiality it undertakes until the other Party approves release of that obligation or until a breach of the confidentiality clause hereof will no longer result in any prejudice to the other Party.

**7. TERMINATION**

7.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by any Party through written notice to the other Parties if any Governmental Authority shall have enacted or issued any Law or Order or taken any other action permanently restraining, enjoining, preventing, prohibiting or otherwise making illegal the consummation of the transactions contemplated under this Agreement and such Law, Order or other action has become final and non-appealable; provided that a Party shall have no right to terminate this Agreement pursuant to this Section 7.1(a) if the imposition of such Law, Order or other action was caused by the breach by such Party or its Affiliate of any representation, warranty, covenant or agreement in this Agreement;

(b) by the Buyer if there exists a material breach of any representation, warranty, covenant or agreement of any Selling Shareholder such that the conditions set forth in Section 3.4 would not be satisfied and such breach has not been cured, or is incapable of being cured, by such Selling Shareholder within fifteen (15) days following its receipt of written notice from the Buyer of such breach; or

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Buyer [            ] / Selling Shareholder [            ]



(c) by the Selling Shareholder, acting collectively, if there exists a material breach of any representation, warranty, covenant or agreement of the Buyer such that the conditions set forth in Section 3.5 would not be satisfied and such breach has not been cured, or is incapable of being cured, by the Buyer within fifteen (15) days following its receipt of written notice from the Selling Shareholder of such breach.

(d) by occurrence of listing of the Company’s shares on the New York Stock Exchange (or any other recognized stock exchange elsewhere) prior to the Closing.

7.2 Effects of Termination. Upon the termination of this Agreement pursuant to Section 7.1, this Agreement (other than Article 1 and Article 9) shall become void and have no further force or effect; provided that no such termination shall relieve any Party of liability for any breach of this Agreement prior to such termination.

8. **INDEMNITY**

8.1 Survival. The representations and warranties of the Buyer and the Selling Shareholder and their respective Affiliates contained in this Agreement shall survive the Closing for a period of eighteen (18) months after the Closing Date, save for the Fundamental Representations of the Buyer and the Fundamental Representations of the Selling Shareholder which shall survive until the expiration of the applicable statutory limitation periods. The covenants and agreements of the Buyer and the Selling Shareholder and their respective Affiliates set forth herein shall survive the Closing until fully discharged in accordance with their terms, except for those covenants and agreements which shall be complied with or discharged prior to the Closing in accordance with the terms of this Agreement. Notwithstanding the foregoing, any breach of any representation, warranty, covenant or agreement in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate, if notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time.

8.2 Indemnification.

(a) Indemnification by the Buyer. From and after the Closing, the Buyer shall indemnify and hold harmless the Selling Shareholder and its directors, officers, employees, Affiliates, agents and assigns (each, a “Selling Shareholder Indemnitee”) against any losses, liabilities, damages, penalties, diminution in value, reasonable costs and expenses, including reasonable advisor’s fees and other expenses of investigation and defense of any of the foregoing (collectively, “Losses”), incurred by such Selling Shareholder Indemnitee as a result of, arising out of or in connection with (i) any material breach or violation of, or inaccuracy in, any representation or warranty made by the Buyer in this Agreement; and (ii) any material breach or violation of, or failure to perform, any covenants or agreements made by or on behalf of, or to be performed by, the Buyer in this Agreement.

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Buyer [            ] / Selling Shareholder [            ]



(b) Indemnification by the Selling Shareholder. From and after the Closing, the Selling Shareholder shall indemnify and hold harmless the Buyer and its directors, officers, employees, Affiliates, agents and assigns (each, a “Buyer Indemnitee”) against any Losses incurred by such Buyer Indemnitee as a result of, arising out of or in connection with (i) any breach or violation of, or inaccuracy in, any representation or warranty made by or on behalf of the Selling Shareholder in this Agreement or any claim by any third party alleging, constituting or involving such a breach violation or inaccuracy; (ii) any breach or violation of, or failure to perform, any covenants or agreements made by or on behalf of, or to be performed by, the Selling Shareholder in this Agreement, or any claim by any third party alleging, constituting or involving any such breach or violation or default or failure to perform; (iii) any violation or non-compliance with applicable Laws by the Selling Shareholder or Company Entity on or prior to the Closing Date, whether in the course of business or in connection with the execution and delivery of this Agreement and the Instrument of Transfer and the consummation of the transactions contemplated hereby and thereby; (iv) any failure to timely file applicable Tax Returns (or any failure for such Tax Returns to be true, correct and complete) by any Company Entity or any failure to timely and fully pay applicable Taxes owed by any Company Entity, for any tax period (or portion thereof) up to the Closing Date; and (v) any litigation or arbitration proceedings involving any Company Entity arising out of or based on an event that occurred or an action that was taken on or prior to the Closing Date.

(c) For purposes of this Agreement, (i) “Indemnifying Party” means the Buyer (with respect to Section 8.2(a)) or the Selling Shareholder (with respect to Section 8.2(b)); and (ii) “Indemnified Party” means the Selling Shareholder Indemnitee(s) (with respect to Section 8.2(a)) or the Buyer Indemnitee(s) (with respect to Section 8.2(b)).

8.3 Reliance. Each of the Buyer and the Selling Shareholder acknowledge and agree that (i) the Buyer has entered into this Agreement and agreed to the purchase of the Sale Shares from the Selling Shareholder and the allotment and issuance of the Subscription Shares to the Selling Shareholder hereunder, in reliance on the representations and warranties, and covenants and agreements, made by the Selling Shareholder in this Agreement, and (ii) the Selling Shareholder has entered into this Agreement and agreed to transfer the Sale Shares to the Buyer and to subscribe for the Subscription Shares in reliance on the representations and warranties, and covenants and agreements, made by the Buyer in this Agreement.

9. **MISCELLANEOUS**

9.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Cayman Islands without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than Cayman Islands to the rights and duties of the Parties hereunder.

9.2 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the Parties. This Agreement and the rights and obligations therein may not be assigned by any Party without the written consent of the other Party.

9.3 Entire Agreement. This Agreement, including the schedules and exhibits hereto, constitute the entire understanding and agreement among the Parties with regard to the subjects hereof and thereof.

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Buyer [            ] / Selling Shareholder [            ]



9.4 Notices. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given to the Party at the address set forth below (a) if in writing and served by personal delivery upon the Party for whom it is intended, on the date of such delivery, (b) if delivered by certified mail, registered mail or courier service, return-receipt received, on the date of such delivery, or (c) if delivered by email, upon confirmation of receipt by a non-automated response:

If to the Buyer, at:

Address: 23/F, Nexxus Building, 41 Connaught Road Central, Hong Kong

Attention:

Email:

If to the Selling Shareholder, at:

Address: 23/F, Nexxus Building, 41 Connaught Road Central, Hong Kong

Attention:

Email:

9.5 Amendments. Any term of this Agreement may be amended only by a written instrument executed by both the Buyer and the Selling Shareholder.

9.6 Specific Performance. The Parties agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with the terms hereof or thereof, and that the Parties shall be entitled to seek specific performance of the terms hereof or thereof, in addition to any other remedy at law or equity.

9.7 Fees and Expenses. Except as otherwise provided in this Agreement, each Party shall bear its respective expenses incurred in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated hereby, including fees and expenses of attorneys, accountants, consultants and financial advisors.

9.8 Delays or Omissions; Waivers. No delay or omission to exercise any right, power or remedy accruing to any Party, upon any breach or default of any Party under this Agreement, shall impair any such right, power or remedy of such Party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach of default thereafter occurring. Any waiver by any Party of any condition or breach of default under this Agreement must be in writing signed by such Party and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by Laws or otherwise afforded to any Party shall be cumulative and not alternative.

9.9 Interpretation. This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this Agreement. The headings of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. Unless otherwise expressly provided herein, all references to sections and schedules herein are to sections and schedules of this Agreement. Unless a provision hereof expressly provides otherwise: (i) the term "or" is not exclusive; (ii) the terms "herein," "hereof," and other similar words refer to this Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other subdivision; (iii) the masculine, feminine, and neuter genders will each be deemed to include the others; and (iv) whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

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Buyer [                    ] / Selling Shareholder [                    ]



9.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

9.11 Severability. If any provision of this Agreement is found to be invalid or unenforceable, then such provision shall be construed, to the extent feasible, so as to render the provision enforceable and to provide for the consummation of the transactions contemplated hereby on substantially the same terms as originally set forth herein, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or benefits intended by the Parties. In such event, the Parties shall use their best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the Parties' intent in entering into this Agreement.

9.12 Dispute Resolution. Any dispute, controversy or claim (each, a "Dispute") arising out of or relating to this Agreement, or the interpretation, breach, termination, validity or invalidity thereof, shall be referred to arbitration upon the demand of either party to the dispute with notice (the "Arbitration Notice") to the other. The Dispute shall be settled by arbitration in Cayman Islands Each party to the arbitration shall cooperate with each other party to the arbitration in making full disclosure of and providing complete access to all information and documents requested by such other party in connection with such arbitral proceedings, subject only to any confidentiality obligations binding on such party. The award of the arbitral tribunal shall be final and binding upon the parties thereto, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award. Any party to the Dispute shall be entitled to seek preliminary injunctive relief, if possible, from any court of competent jurisdiction pending the constitution of the arbitral tribunal. During the course of the arbitral tribunal's adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

[SIGNATURE PAGES FOLLOW]

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Buyer [                    ] / Selling Shareholder [                    ]





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IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement on the date and year first above written.

**BUYER**

AMTD INTERNATIONAL INC.

By: /s/ William Fung

Name: William Fung

Title: Chief Executive Officer

[Signature Page to Share Purchase Agreement]



20017Rj=hM8%e6#6>

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement on the date and year first above written.

**SELLING SHAREHOLDER**

AMTD GROUP COMPANY LIMITED

By: /s/ Marcellus Wong

Name: Marcellus Wong

Title: Director

[Signature Page to Share Purchase Agreement]



**Form of Instrument of Transfer**

**AMTD DIGITAL INC.**  
 an exempted company incorporated in the Cayman Islands  
 (the “Company”)

**SHARE TRANSFER FORM**

dated January 20, 2022

AMTD GROUP COMPANY LIMITED (the “**Transferor**”), for good and valuable consideration received by it from AMTD International Inc. (the “**Transferee**”), does hereby transfer to the Transferee the 19,892,000 fully paid Class B ordinary shares in the Company (of a par value of US\$0.0001 each) standing in the Transferor’s name in the Register of Members of the Company to hold unto the Transferee, its executors, administrators and assigns, subject to the several conditions on which the Transferor held the same at the time of execution of this Share Transfer Form.

The Transferor further acknowledges and agrees that the Transferee constitutes a Specified Person (as the term is defined in the currently effective memorandum and articles of association of the Company (the “**M&AA**”)) designated by Choi Chi Kin Calvin pursuant to and in accordance with the M&AA.

Signed by the Transferor on the date first above written:

**AMTD GROUP COMPANY LIMITED**

By: \_\_\_\_\_  
 Name: Marcellus Wong  
 Title: Director



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**SHARE PURCHASE AGREEMENT**

**Dated January 19, 2022**

**by and between**

**AMTD INTERNATIONAL INC.**

**and**

**INFINITY POWER INVESTMENTS LIMITED**



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**SHARE PURCHASE AGREEMENT**

THIS SHARE PURCHASE AGREEMENT (this "Agreement") is entered into on January 19, 2022 by and between AMTD International Inc., an exempted company incorporated under the laws of the Cayman Islands (the "Buyer") and Infinity Power Investments Limited, an exempted company incorporated under the laws of the British Virgin Islands (the "Selling Shareholder") and, together with the Buyer, the "Parties").

**RECITALS**

WHEREAS, the Selling Shareholder holds 4,310,000 Class B ordinary shares of US\$0.0001 par value each (the "Sale Shares") in AMTD Digital Inc., an exempted company incorporated under the laws of the Cayman Islands (the "Company");

WHEREAS, the Selling Shareholder desires to sell and transfer to the Buyer, and the Buyer desires to purchase and accept from the Selling Shareholder, upon the terms and subject to the conditions set forth in this Agreement, the Sale Shares held by the Selling Shareholder;

WHEREAS, as consideration for the Sale Shares, the Buyer desires to issue to the Selling Shareholder, and the Selling Shareholder desires to subscribe for, upon the terms and subject to the conditions set forth in this Agreement, 9,127,487 Class B ordinary shares of US\$0.0001 par value each in the Buyer (the "Subscription Shares"); and

WHEREAS, the Parties desire to enter into this Agreement and make the respective representations, warranties, covenants and agreements set forth herein on the terms and subject to the conditions set forth herein.

**AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

**1. DEFINITIONS**

In this Agreement, unless the context otherwise requires, the following words and expressions have the meanings as follows:

"Affiliate" means, (i) with respect to a Person that is a natural person, such Person's relatives and any other Person (other than natural persons) directly or indirectly Controlled by such Person, and (ii) with respect to a Person that is not a natural person, a Person that directly, or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, such Person. For the purposes of this definition, a "relative" of a Person means such Person's spouse, parent, grandparent, child, grandchild, sibling, uncle, aunt, nephew, niece or great-grandparent or the spouse of such Person's child, grandchild, sibling, uncle, aunt, nephew or niece.

Initial by:

1 Buyer [ ] / Selling Shareholder [ ]



“Agreement” has the meaning set forth in the preamble.

“Arbitration Notice” has the meaning set forth in Section 9.12.

“Authorization” has the meaning set forth in Section 5.5.

“Business Day” means a day (other than a Saturday or a Sunday) that the banks in New York, Hong Kong, the PRC, or the Cayman Islands are generally open for business.

“Buyer” has the meaning set forth in the preamble.

“Buyer Group” or “Buyer Group Companies” means, collectively, the Buyer and its Affiliates, and each an “Buyer Group Company.”

“Buyer Indemnitee” has the meaning set forth in Section 8.2(b).

“Buyer Material Adverse Effect” means any event, fact, circumstance or occurrence that, individually or in the aggregate, results in or would result in a material adverse change in or a material adverse effect on (a) the financial condition, assets, liabilities or results of operations of the Buyer or (b) the ability of any Buyer Group Company to consummate the transactions contemplated by this Agreement; provided that in determining whether a Buyer Material Adverse Effect has occurred, there shall be excluded any effect on any Buyer Group Company to the extent relating to or arising in connection with (i) any action required to be taken pursuant to the terms and conditions of this Agreement, (ii) changes or effects affecting the industry in which the Buyer operates or the economy or financial, credit or securities markets or political conditions generally (to the extent that in each case such changes do not have a unique or disproportionate impact on the Buyer); (iii) the announcement or consummation of the transactions contemplated by this Agreement; (iv) any change in IFRS or in Law or accounting standards or interpretations thereof applicable to the Buyer; (v) any change resulting from any action by the Buyer or any of its Affiliates taken at the written request of the Selling Shareholder; or (vi) acts of God.

“Closing” has the meaning set forth in Section 3.1.

“Closing Date” has the meaning set forth in Section 3.1.

“Company” has the meaning set forth in the recitals.

“Company Contract” means, a contract, agreement, indenture, note, bond, loan, instrument, lease, mortgage, franchise, license, commitment, purchase order, and other legally binding arrangement, whether written or oral, to which any Company Entity is a party.

“Company Entities” means, collectively, the Company and its Affiliates, and each an “Company Entity.”

“Company Financial Statements” means the audited consolidated financial statements (including balance sheet, income statement and statement of cash flows) for the Company Entities, prepared in accordance with IFRS, as of April 30, 2021 and for the three fiscal years ended April 30, 2021, as applicable.

Initial by:

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Buyer [            ] / Selling Shareholder [            ]





“Company Material Adverse Effect” means any event, fact, circumstance or occurrence that, individually or in the aggregate, results in or would result in a material adverse change in or a material adverse effect on (a) the financial condition, assets, liabilities or results of operations of the Company Entities or (b) the ability of any Company Entity to consummate the transactions contemplated by this Agreement; provided that in determining whether a Company Material Adverse Effect has occurred, there shall be excluded any effect on the Company Entities to the extent relating to or arising in connection with (i) any action required to be taken pursuant to the terms and conditions of this Agreement, (ii) changes or effects affecting the industry in which the Company Entities operate or the economy or financial, credit or securities markets or political conditions generally (to the extent that in each case such changes do not have a unique or disproportionate impact on the Company Entities); (iii) the announcement or consummation of the transactions contemplated by this Agreement; (iv) any change in IFRS or in Law or accounting standards or interpretations thereof applicable to the Company Entities; (v) any change resulting from any action by any Selling Shareholder taken at the written request of the Buyer; or (vi) acts of God.

“Confidential Information” has the meaning set forth in Section 6.4(a).

“Contracts” means legally binding contracts, agreements, engagements, purchase orders, commitments, understandings, indentures, notes, bonds, loans, instruments, leases, mortgages, franchises, licenses or any other contractual arrangements or obligations which are currently subsisting and not terminated or completed (with each of such Contracts being referred to as a “Contract”).

“Control” 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.

“Dispute” has the meaning set forth in Section 9.12.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

“Fundamental Representations of the Buyer” shall mean the representations and warranties made by the Buyer to the Selling Shareholder contained in Section 4.1, Section 4.2, Section 4.3 and Section 4.4.

“Fundamental Representations of the Selling Shareholder” shall mean the representations and warranties made by the Selling Shareholder to the Buyer contained in Section 5.1, Section 5.2, Section 5.4 and Section 5.5.

“Governmental Authorities” means any nation, government, province, state, or any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of any government or any political subdivision thereof, court, tribunal, arbitrator, the governing body of any securities exchange, and self-regulatory organization, in each case having competent jurisdiction.

Initial by:

3

Buyer [            ] / Selling Shareholder [            ]



“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“IFRS” means the International Financial Reporting Standards and interpretations thereof as established by the International Accounting Standards Board, as in effect at the time any applicable financial statements were prepared.

“Indemnified Party” has the meaning set forth in Section 8.2(c).

“Indemnifying Party” has the meaning set forth in Section 8.2(c).

“Instrument of Transfer” has the meaning set forth in Section 3.3(b).

“Law” means any law, rule, constitution, code, ordinance, statute, treaty, decree, regulation, common law, order, official policy, circular, provision, administrative order, interpretation, injunction, judgment, ruling, assessment, writ or other legislative measure, in each case of any Governmental Authority.

“Liability” means all indebtedness, obligations and other liabilities of a Person, whether direct or indirect, absolute, accrued, contingent or otherwise, known or unknown, fixed or otherwise, due or to become due, whether or not accrued or paid.

“Lien” means (a) any mortgage, charge, lien, pledge or other encumbrance securing any obligation of any Person, (b) any option, right to acquire, right of pre-emption, right of set off or other arrangement under which money or claims to, or for the benefit of, any Person may be applied or set off so as to effect discharge of any sum owed or payable to any Person, or (c) any equity, assignment, hypothecation, title retention, claim, restriction, power of sale or other type of preferential arrangement the effect of which is to give a creditor in respect of indebtedness a preferential position in relation to any asset of a Person on any insolvency proceeding of that Person.

“Losses” has the meaning set forth in Section 8.2(a).

“Order” means any injunction, judgment, order, decree, stipulation or determination by or with any Governmental Authority.

“Parties” has the meaning set forth in the preamble.

“Person” means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise, entity or legal person.

Initial by:

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Buyer [            ] / Selling Shareholder [            ]



“PRC” means the People’s Republic of China and, for purposes of this Agreement, excludes Hong Kong, the Macao Special Administrative Region and Taiwan.

“Sale Shares” has the meaning set forth in the recitals.

“SEC” means the Securities and Exchange Commission of the United States or any other federal agency at the time administering the Securities Act.

“SEC Documents” has the meaning set forth in Section 4.5(a).

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Selling Shareholder” has the meaning set forth in the preamble.

“Selling Shareholder Indemnitee” has the meaning set forth in Section 8.2(a).

“Subscription Shares” has the meaning set forth in the recitals.

“Tax Return” means any return, report or statement showing Taxes, used to pay Taxes, or required to be filed with respect to any Tax (including any elections, declarations, schedules or attachments thereto, and any amendment thereof), including any information return, claim for refund, amended return or declaration of estimated or provisional Tax.

“Taxes” means (i) any net income, alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, value added, goods and services, transfer, franchise, business and occupation, profits, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental or windfall profit tax, custom duty or other tax, governmental fee or other like assessment or charge, together with any interest or any penalty, addition to tax or additional amount imposed by any Governmental Authority responsible for the imposition of any such tax (domestic or foreign), whether disputed or not, (ii) any liability for the payment of any amounts of the type described in clause (i) of this sentence as a result of being a member of an affiliated, consolidated, combined, unitary or aggregate group for any taxable period, and (iii) any liability for the payment of any amounts of the type described in clause (i) or (ii) of this sentence as a result of being a transferee of or successor to any Person or as a result of any express or implied obligation to indemnify any other Person.

“U.S.,” “US” and “United States” means the United States of America.

“US\$” means United States Dollars, the lawful currency of the United States.

**2. THE TRANSACTION**

At the Closing, the Selling Shareholder shall transfer to the Buyer, and the Buyer shall accept from the Selling Shareholder, the Sale Shares, free and clear of any Lien and with all rights attaching on and from the Closing, and the Buyer shall issue to the Selling Shareholder, and the Selling Shareholder shall subscribe for, the Subscription Shares on the terms and subject to the conditions of this Agreement.

Initial by:

5

Buyer [            ] / Selling Shareholder [            ]



3. **CLOSING; CLOSING DELIVERIES**

3.1 Closing. The closing of the transactions contemplated under Article 2 (the “Closing”) shall take place remotely within five (5) Business Days following the satisfaction or waiver of the conditions set forth in Section 3.4 and Section 3.5 (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions), or at such other time as the Parties may agree in writing (the date on which the Closing occurs, the “Closing Date”). All transactions occurring at the Closing shall be deemed to occur simultaneously, and shall be effective as of the Closing and upon occurrence of all transactions contemplated by Article 2 and this Article 3. For the avoidance of doubt, the consummation of the transactions described in Article 2 and this Article 3 shall occur together, and the Closing shall be deemed not to have occurred if any party fails to deliver any agreement or other instrument or document required under Article 2 and this Article 3. At the Closing, share certificate issued in the name of the Selling Shareholder in relation to the Sale Shares shall be cancelled, and the Selling Shareholder shall, promptly after Closing, deliver to the Company any such share certificate issued to the Selling Shareholder in relation to the Sale Shares or, where any such share certificate has been issued but has been lost, stolen or destroyed, such indemnity in respect of such lost, stolen or destroyed share certificate as the Buyer may reasonably request.

3.2 Deliveries by the Buyer at the Closing. At the Closing, the Buyer shall deliver to the Selling Shareholder a copy of the share certificate issued in the name of the Selling Shareholder, dated on the Closing Date, evidencing the ownership by the Selling Shareholder of the Subscription Shares (the original copy of which shall be delivered to the Selling Shareholder after the Closing).

3.3 Deliveries by the Selling Shareholder at the Closing. At the Closing, the Selling Shareholder shall deliver to the Buyer:

(a) a copy of the share certificate issued in the name of the Buyer, dated on the Closing Date, evidencing the ownership by the Buyer of the Sale Shares (the original copy of which shall be delivered to the Buyer after the Closing); and

(b) an instrument of transfer duly executed by the Selling Shareholder in the form attached as Exhibit A to this Agreement (an “Instrument of Transfer”).

3.4 Conditions to the Obligation of the Buyer to Effect the Closing. The obligation of the Buyer to consummate the transactions contemplated by Article 2 is subject to the satisfaction, as of the Closing Date, of the following conditions, any of which may be waived in writing by the Buyer in its sole discretion:

(a) The Selling Shareholder shall have performed and complied in all material respects with all, and not be in breach or default in any material respects under any, agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with on or before the Closing Date; and

(b) No court or other Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the transactions contemplated hereby.

Initial by:

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Buyer [            ] / Selling Shareholder [            ]



3.5 Conditions to the Obligation of the Selling Shareholder to Effect the Closing. The obligation of the Selling Shareholder to consummate the transactions contemplated by Article 2 is subject to the satisfaction, as of the Closing Date, of the following conditions, any of which may be waived in writing by the Selling Shareholder in its sole discretion:

(a) The Buyer shall have performed and complied in all material respects with all, and not be in breach or default in any material respects under any, agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with on or before the Closing Date; and

(b) No court or other Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the transactions contemplated hereby.

**4. REPRESENTATIONS AND WARRANTIES OF THE BUYER**

The Buyer hereby represents and warrants to the Selling Shareholder the following.

4.1 Due Formation; Qualification. The Buyer is an exempted company, duly incorporated, validly existing and in good standing under the laws of the Cayman Islands, has the requisite corporate power and authority to own, lease and operate its business and assets and to conduct its business as currently conducted and as described in the SEC Documents, and is duly qualified to transact business in all material respects in each jurisdiction in which the conduct of its business or its ownership, leasing or operation of property requires such qualification.

4.2 Authorization; Enforceability. The Buyer has requisite legal power and authority to execute, deliver and perform its obligations under this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Buyer and, assuming due authorization, execution and delivery by the Selling Shareholder, constitutes a legal, valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies or general principles of equity.

4.3 Due Issuance. The Subscription Shares are duly authorized and, when issued in accordance with this Agreement, will be validly issued, fully paid and non-assessable and free and clear of any Lien, right of first refusal, third-party right or interest, claim or restriction of any kind or nature, except for restrictions arising under the Securities Act or created by virtue of this Agreement. Good and valid title to the Subscription Shares will be passed to the Selling Shareholder upon entry of the Selling Shareholder into the register of members of the Buyer as the respective legal owners of the applicable Subscription Shares.

Initial by:

7

Buyer [            ] / Selling Shareholder [            ]



4.4 Non-Contravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby by the Buyer, will (i) violate any provision of the organizational documents of the Buyer or materially violate any Law to which the Buyer is subject, or (ii) conflict with, result in a breach of or constitute a default under any material Contract to which the Buyer is a party or by which the Buyer is bound, except in each case of (i) and (ii) above, would not reasonably be expected to prohibit, materially delay or materially impair the consummation of the transactions contemplated hereby.

4.5 SEC Matters; Financial Statements.

(a) The Buyer has filed or furnished, as applicable, on a timely basis, all registration statements, proxy statements and other statements, reports, schedules, forms and other documents required to be filed or furnished by it with the SEC (all of the foregoing documents filed with or furnished to the SEC and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein, the "SEC Documents"). As of their respective effective dates (in the case of the SEC Documents that are registration statements filed pursuant to the requirements of the Securities Act) and as of their respective SEC filing dates (in the case of all other SEC Documents), or in each case, if amended prior to the date hereof, as of the date of the last such amendment: (A) each of the SEC Documents complied in all material respects with the applicable requirements of the Securities Act and the Exchange Act and any rules and regulations promulgated thereunder applicable to the SEC Documents (as the case may be) and (B) none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the material statements therein, in the light of the circumstances under which they were made, not misleading.

(b) The financial statements (including any related notes) contained in the SEC Documents: (i) complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, (ii) were prepared in accordance with IFRS and (iii) fairly present in all material respects the consolidated financial position of the Buyer Group Companies as of the respective dates thereof and the consolidated results of operations and cash flows of the Buyer Group for the periods covered thereby, except as disclosed therein and as permitted under the Exchange Act.

4.6 No Registration. Assuming the accuracy of the representations and warranties of the Selling Shareholder set forth in Section 5.9, Section 5.10 and Section 5.11, it is not necessary in connection with the issuance and sale of the Subscription Shares to register the Subscription Shares under the Securities Act. No directed selling efforts (as defined in Rule 902 of Regulation S under the Securities Act) have been made by any Buyer Group Company or any person acting on its behalf with respect to any Subscription Shares.

4.7 Brokers. None of the Buyer Group Companies has engaged with or received services from any broker, finder, commission agent, placement agent or arranger in connection with the transactions contemplated by this Agreement.

Initial by:

8

Buyer [            ] / Selling Shareholder [            ]



4.8 No Other Representations and Warranties. The Buyer makes no other representations and warranties, implied or otherwise, other than those expressly set out in this Agreement.

5. **REPRESENTATIONS AND WARRANTIES OF THE SELLING SHAREHOLDER**

The Selling Shareholder hereby represents and warrants to the Buyer the following.

5.1 Due Formation; Qualification. The Selling Shareholder is duly incorporated, validly existing and in good standing under the laws of its jurisdiction of organization and has all necessary corporate power and authority to enter into this Agreement and the applicable Instrument of Transfer, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby.

5.2 Authorization; Enforceability. The Selling Shareholder has requisite legal power and authority to execute, deliver and perform its obligations under this Agreement and the applicable Instrument of Transfer and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by the Selling Shareholder and, assuming due authorization, execution and delivery by the Buyer, constitutes a legal, valid and binding obligation of the Selling Shareholder, enforceable against the Selling Shareholder in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies or general principles of equity.

5.3 Valid Title. The Selling Shareholder is the sole record and beneficial owner of and has good and valid title to the Sale Shares, free and clear of any Lien, right of first refusal, third-party right or interest, claim or restriction of any kind or nature, except for restrictions created by virtue of this Agreement. The Selling Shareholder is not a party nor subject to any Contract that affects or relates to the voting or giving of written consents with respect to the Sale Shares. Good and valid title to the Sale Shares will be passed to the Buyer upon entry of the Buyer into the register of members of the Company as the legal owner of the Sale Shares.

5.4 Non-Contravention. Neither the execution and the delivery of this Agreement or any Instrument of Transfer, nor the consummation of the transactions contemplated hereby and thereby by the Selling Shareholder, will (i) violate any provision of the organizational documents of the Company or materially violate any Law to which the Selling Shareholder is subject, or (ii) conflict with, result in a breach of or constitute a default under any material Contract to which the Selling Shareholder is a party or by which the Selling Shareholder is bound, except in each case of (i) and (ii) above, would not reasonably be expected to prohibit, materially delay or materially impair the consummation of the transactions contemplated hereby.

5.5 Consents and Approvals. Neither the execution and the delivery of this Agreement or the applicable Instrument of Transfer, nor the consummation of the transactions contemplated hereby and thereby by the Selling Shareholder, requires any consent, approval, order, license or authorization of, registration, certificate, declaration or filing with or notice to any Governmental Authority or other third party (each, an "Authorization"), except for those Authorizations that have already been obtained.

Initial by:

9

Buyer [            ] / Selling Shareholder [            ]



5.6 Compliance with Law. The Selling Shareholder has, in connection with the execution and delivery of this Agreement and the Instrument of Transfer and the consummation of the transactions contemplated hereby and thereby, complied with all applicable Laws.

5.7 Solvency. No bankruptcy, insolvency or judicial composition proceedings concerning the Selling Shareholder have been applied for. No circumstances exist which could require an application for any bankruptcy, insolvency or judicial composition proceedings concerning the Selling Shareholder nor do any circumstances exist according to any applicable bankruptcy or insolvency Laws which could justify the avoidance of this Agreement. No steps have been taken or proposed in relation to the winding-up, bankruptcy, administration, insolvency or dissolution of the Selling Shareholder, nor has any analogous procedure or step been taken or proposed in any jurisdiction in relation to the Selling Shareholder. The Selling Shareholder is not or is not expected to be insolvent under the laws of its jurisdiction of incorporation nor is unable to pay its debts as they fall due and the Selling Shareholder has not stopped paying its debts or indicated an intention to do so.

5.8 Brokers. The Selling Shareholder has not engaged with or received services from any broker, finder, commission agent, placement agent or arranger in connection with the acquisition of the Subscription Shares, the transfer of the Sale Shares or matters in connection therewith.

5.9 Status; Purchase for Own Account. The Selling Shareholder is not a "U.S. person" as defined in Rule 902 of Regulation S under the Securities Act. The Selling Shareholder is acquiring the applicable Subscription Shares outside the United States in reliance upon the exemption from registration provided by Regulation S under the Securities Act, and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. The Selling Shareholder has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the applicable Subscription Shares. The Selling Shareholder is capable of bearing the economic risks of its investment, including a complete loss thereof. The Subscription Shares will be acquired for the Selling Shareholder's own account, not as a nominee or agent and not with a view to or in connection with the sale or distribution of any part thereof. The Selling Shareholder does not have any direct or indirect arrangement, or understanding with any other Persons regarding the distribution of the Subscription Shares in violation of the Securities Act or any other applicable state securities law.

5.10 Solicitation. The Selling Shareholder was not identified or contacted through the marketing of the transactions contemplated by this Agreement. The Selling Shareholder did not contact the Buyer as a result of any general solicitation or directed selling efforts. The purchase of the Subscription Shares by the Selling Shareholder was not solicited by or through anyone other than the Buyer.

Initial by:

10

Buyer [            ] / Selling Shareholder [            ]





5.11 Restricted Securities. The Selling Shareholder acknowledges that the Subscription Shares are “restricted securities” that have not been registered under the Securities Act or any applicable state securities law. The Selling Shareholder further acknowledges that, absent an effective registration under the Securities Act, the Subscription Shares may only be offered, sold or otherwise transferred (i) to the Buyer, (ii) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, or (iii) pursuant to an exemption from registration under the Securities Act.

6. **COVENANTS; ADDITIONAL AGREEMENTS**

6.1 Further Assurances. Each Party shall use reasonable best efforts to make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents and assurances without further consideration, which may reasonably be required or advisable to effect the transactions contemplated by this Agreement and the Instruments of Transfer.

6.2 Taxes. Except as otherwise provided in this Agreement, each Party shall bear its respective Taxes incurred in connection with the consummation of the transactions contemplated by this Agreement and the Instruments of Transfer.

6.3 Release. From and after the Closing, except as arising out of actions or omissions occurring after the Closing Date or arising as a result of this Agreement, the Selling Shareholder hereby waives and releases, on behalf of itself and each of its Affiliates and to the fullest extent permitted by applicable Law, the Buyer, from any and all Liabilities, rights, defenses, claims and causes of action, known or unknown, foreseen or unforeseen which the Selling Shareholder or any of its Affiliates has or may have in the future against the Company Entities with respect to matters arising prior to the Closing Date.

6.4 Confidentiality.

(a) Each Party shall, and shall cause its Affiliates to, keep confidential any non-public material or information with respect to this Agreement and the Instruments of Transfer, any of the terms and conditions of, and the status or other facts with respect to, this Agreement and the Instruments of Transfer and the transactions contemplated hereby and thereby, including the existence of this Agreement and the Instruments of Transfer (including written or non-written information, hereinafter the “Confidential Information”). Confidential Information shall not include any information that is (a) previously known on a non-confidential basis by the receiving Party, (b) in the public domain through no fault of such receiving Party, its Affiliates or its or its Affiliates’ officers, directors or employees, (c) received from a party other than the Parties or their Affiliates, representatives or agents, so long as such party was not, to the knowledge of the receiving Party, subject to a duty of confidentiality to such Party or Affiliates or (d) developed independently by the receiving Party without reference to confidential information of the disclosing Party. No Party shall disclose such Confidential Information to any third party. Each Party may use the Confidential Information only for the purpose of, and to the extent necessary for, performing this Agreement, and shall not use such Confidential Information for any other purposes.

Initial by:

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Buyer [            ] / Selling Shareholder [            ]



(b) Notwithstanding any other provisions in this Section 6.4, if any Party believes in good faith that any announcement or notice must be prepared or published pursuant to applicable Laws (including any rules or regulations of any relevant securities exchange or valid legal process) or information is otherwise required to be disclosed to any Governmental Authority, such Party may, in accordance with its understanding of the applicable Laws, make the required disclosure in the manner it deems in compliance with the requirements of applicable Laws, rules or regulations. In addition, each Party may disclose, subject to any practicable arrangements to protect confidentiality, Confidential Information to the extent required under judicial or regulatory process or in connection with any judicial process regarding any legal action, suit or proceeding arising out of or relating to this Agreement or the Instruments of Transfer.

(c) Each Party may disclose the Confidential Information only to its Affiliates and its and its Affiliates' officers, directors, employees, agents and representatives on a need-to-know basis in the performance of this Agreement; provided that such Party shall ensure such Persons strictly abide by the confidentiality obligations hereunder.

(d) The confidentiality obligations of each Party hereunder shall survive the termination of this Agreement for a period of two (2) years. Each Party shall continue to abide by the confidentiality clause hereof and perform the obligation of confidentiality it undertakes until the other Party approves release of that obligation or until a breach of the confidentiality clause hereof will no longer result in any prejudice to the other Party.

7. **TERMINATION**

7.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by any Party through written notice to the other Parties if any Governmental Authority shall have enacted or issued any Law or Order or taken any other action permanently restraining, enjoining, preventing, prohibiting or otherwise making illegal the consummation of the transactions contemplated under this Agreement and such Law, Order or other action has become final and non-appealable; provided that a Party shall have no right to terminate this Agreement pursuant to this Section 7.1(a) if the imposition of such Law, Order or other action was caused by the breach by such Party or its Affiliate of any representation, warranty, covenant or agreement in this Agreement;

(b) by the Buyer if there exists a material breach of any representation, warranty, covenant or agreement of the Selling Shareholder such that the conditions set forth in Section 3.4 would not be satisfied and such breach has not been cured, or is incapable of being cured, by the Selling Shareholder within fifteen (15) days following its receipt of written notice from the Buyer of such breach; or

(c) by the Selling Shareholder, if there exists a material breach of any representation, warranty, covenant or agreement of the Buyer such that the conditions set forth in Section 3.5 would not be satisfied and such breach has not been cured, or is incapable of being cured, by the Buyer within fifteen (15) days following its receipt of written notice from the Selling Shareholder of such breach.

(d) by occurrence of listing of the Company's shares on the New York Stock Exchange (or any other recognized stock exchange elsewhere) prior to the Closing.

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Buyer [            ] / Selling Shareholder [            ]



7.2 Effects of Termination. Upon the termination of this Agreement pursuant to Section 7.1, this Agreement (other than Article 1 and Article 9) shall become void and have no further force or effect; provided that no such termination shall relieve any Party of liability for any breach of this Agreement prior to such termination.

8. **INDEMNITY**

8.1 Survival. The representations and warranties of the Buyer and the Selling Shareholder and their respective Affiliates contained in this Agreement shall survive the Closing for a period of eighteen (18) months after the Closing Date, save for the Fundamental Representations of the Buyer and the Fundamental Representations of the Selling Shareholder which shall survive until the expiration of the applicable statutory limitation periods. The covenants and agreements of the Buyer and the Selling Shareholder and their respective Affiliates set forth herein shall survive the Closing until fully discharged in accordance with their terms, except for those covenants and agreements which shall be complied with or discharged prior to the Closing in accordance with the terms of this Agreement. Notwithstanding the foregoing, any breach of any representation, warranty, covenant or agreement in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate, if notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time.

8.2 Indemnification.

(a) Indemnification by the Buyer. From and after the Closing, the Buyer shall indemnify and hold harmless the Selling Shareholder and its directors, officers, employees, Affiliates, agents and assigns (each, a "Selling Shareholder Indemnitee") against any losses, liabilities, damages, penalties, diminution in value, reasonable costs and expenses, including reasonable advisor's fees and other expenses of investigation and defense of any of the foregoing (collectively, "Losses"), incurred by the Selling Shareholder Indemnitee as a result of, arising out of or in connection with (i) any material breach or violation of, or inaccuracy in, any representation or warranty made by the Buyer in this Agreement; and (ii) any material breach or violation of, or failure to perform, any covenants or agreements made by or on behalf of, or to be performed by, the Buyer in this Agreement.

(b) Indemnification by the Selling Shareholder. From and after the Closing, the Selling Shareholder shall indemnify and hold harmless the Buyer and its directors, officers, employees, Affiliates, agents and assigns (each, a "Buyer Indemnitee") against any Losses incurred by such Buyer Indemnitee as a result of, arising out of or in connection with (i) any breach or violation of, or inaccuracy in, any representation or warranty made by or on behalf of the Selling Shareholder in this Agreement or any claim by any third party alleging, constituting or involving such a breach violation or inaccuracy; (ii) any breach or violation of, or failure to perform, any covenants or agreements made by or on behalf of, or to be performed by, the Selling Shareholder in this Agreement, or any claim by any third party alleging, constituting or involving any such breach or violation or default or failure to perform; (iii) any violation or non-compliance with applicable Laws by the Selling Shareholder or Company Entity on or prior to the Closing Date, whether in the course of business or in connection with the execution and delivery of this Agreement and the Instrument of Transfer and the consummation of the transactions contemplated hereby and thereby; (iv) any failure to timely file applicable Tax Returns (or any failure for such Tax Returns to be true, correct and complete) by any Company Entity or any failure to timely and fully pay applicable Taxes owed by any Company Entity, for any tax period (or portion thereof) up to the Closing Date; and (v) any litigation or arbitration proceedings involving any Company Entity arising out of or based on an event that occurred or an action that was taken on or prior to the Closing Date.

Initial by:

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Buyer [                    ] / Selling Shareholder [                    ]





If to the Buyer, at:

Address: 23/F, Nexxus Building, 41 Connaught Road Central, Hong Kong  
 Attention:  
 Email:

If to the Selling Shareholder, at:

Address: Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands  
 Attention: Board of Directors

9.5 Amendments. Any term of this Agreement may be amended only by a written instrument executed by both the Buyer and the Selling Shareholder.

9.6 Specific Performance. The Parties agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with the terms hereof or thereof, and that the Parties shall be entitled to seek specific performance of the terms hereof or thereof, in addition to any other remedy at law or equity.

9.7 Fees and Expenses. Except as otherwise provided in this Agreement, each Party shall bear its respective expenses incurred in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated hereby, including fees and expenses of attorneys, accountants, consultants and financial advisors.

9.8 Delays or Omissions; Waivers. No delay or omission to exercise any right, power or remedy accruing to any Party, upon any breach or default of any Party under this Agreement, shall impair any such right, power or remedy of such Party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach of default thereafter occurring. Any waiver by any Party of any condition or breach of default under this Agreement must be in writing signed by such Party and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by Laws or otherwise afforded to any Party shall be cumulative and not alternative.

9.9 Interpretation. This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this Agreement. The headings of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. Unless otherwise expressly provided herein, all references to sections and schedules herein are to sections and schedules of this Agreement. Unless a provision hereof expressly provides otherwise: (i) the term "or" is not exclusive; (ii) the terms "herein," "hereof," and other similar words refer to this Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other subdivision; (iii) the masculine, feminine, and neuter genders will each be deemed to include the others; and (iv) whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

Initial by:

15 Buyer [ ] / Selling Shareholder [ ]



9.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

9.11 Severability. If any provision of this Agreement is found to be invalid or unenforceable, then such provision shall be construed, to the extent feasible, so as to render the provision enforceable and to provide for the consummation of the transactions contemplated hereby on substantially the same terms as originally set forth herein, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or benefits intended by the Parties. In such event, the Parties shall use their best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the Parties' intent in entering into this Agreement.

9.12 Dispute Resolution. Any dispute, controversy or claim (each, a "Dispute") arising out of or relating to this Agreement, or the interpretation, breach, termination, validity or invalidity thereof, shall be referred to arbitration upon the demand of either party to the dispute with notice (the "Arbitration Notice") to the other. The Dispute shall be settled by arbitration in Cayman Islands. Each party to the arbitration shall cooperate with each other party to the arbitration in making full disclosure of and providing complete access to all information and documents requested by such other party in connection with such arbitral proceedings, subject only to any confidentiality obligations binding on such party. The award of the arbitral tribunal shall be final and binding upon the parties thereto, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award. Any party to the Dispute shall be entitled to seek preliminary injunctive relief, if possible, from any court of competent jurisdiction pending the constitution of the arbitral tribunal. During the course of the arbitral tribunal's adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

[SIGNATURE PAGES FOLLOW]

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Buyer [                    ] / Selling Shareholder [                    ]



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IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement on the date and year first above written.

**BUYER**

AMTD INTERNATIONAL INC.

By: /s/ William Fung  
 Name: William Fung  
 Title: Chief Executive Officer

[Signature Page to Share Purchase Agreement]



IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement on the date and year first above written.

**SELLING SHAREHOLDER**

INFINITY POWER  
INVESTMENTS LIMITED

By: /s/ Calvin Choi  
Name: Calvin Choi  
Title: Director

[Signature Page to Share Purchase Agreement]





**Exhibit A**

**Instrument of Transfer**

**AMTD DIGITAL INC.**

an exempted company incorporated in the Cayman Islands  
(the “**Company**”)

**SHARE TRANSFER FORM**

dated January 20, 2022

INFINITY POWER INVESTMENTS LIMITED (the “**Transferor**”), for good and valuable consideration received by it from AMTD International Inc. (the “**Transferee**”), does hereby transfer to the Transferee the 4,310,000 fully paid Class B ordinary shares in the Company (of a par value of US\$0.0001 each) standing in the Transferor’s name in the Register of Members of the Company to hold unto the Transferee, its executors, administrators and assigns, subject to the several conditions on which the Transferor held the same at the time of execution of this Share Transfer Form.

Signed by the Transferor on the date first above written:

**INFINITY POWER INVESTMENTS LIMITED**

By: \_\_\_\_\_  
Name: Calvin Choi  
Title: Director



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**SHARE PURCHASE AGREEMENT**

**Dated January 19, 2022**

**by and between**

**AMTD INTERNATIONAL INC.**

**and**

**POLY PLATINUM ENTERPRISES LIMITED**



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**SHARE PURCHASE AGREEMENT**

THIS SHARE PURCHASE AGREEMENT (this "Agreement") is entered into on January 19, 2022 by and between AMTD International Inc., an exempted company incorporated under the laws of the Cayman Islands (the "Buyer") and Poly Platinum Enterprises Limited, an exempted company incorporated under the laws of the British Virgin Islands (the "Selling Shareholder") and, together with the Buyer, the "Parties").

**RECITALS**

WHEREAS, the Selling Shareholder holds 1,500,000 Class A ordinary shares of US\$0.0001 par value each (the "Sale Shares") in AMTD Digital Inc., an exempted company incorporated under the laws of the Cayman Islands (the "Company");

WHEREAS, the Selling Shareholder desires to sell and transfer to the Buyer, and the Buyer desires to purchase and accept from the Selling Shareholder, upon the terms and subject to the conditions set forth in this Agreement, the Sale Shares held by the Selling Shareholder;

WHEREAS, as consideration for the Sale Shares, the Buyer desires to issue to the Selling Shareholder, and the Selling Shareholder desires to subscribe for, upon the terms and subject to the conditions set forth in this Agreement, 3,176,619 Class A ordinary shares of US\$0.0001 par value each in the Buyer (the "Subscription Shares"); and

WHEREAS, the Parties desire to enter into this Agreement and make the respective representations, warranties, covenants and agreements set forth herein on the terms and subject to the conditions set forth herein.

**AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

**1. DEFINITIONS**

In this Agreement, unless the context otherwise requires, the following words and expressions have the meanings as follows:

"Affiliate" means, (i) with respect to a Person that is a natural person, such Person's relatives and any other Person (other than natural persons) directly or indirectly Controlled by such Person, and (ii) with respect to a Person that is not a natural person, a Person that directly, or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, such Person. For the purposes of this definition, a "relative" of a Person means such Person's spouse, parent, grandparent, child, grandchild, sibling, uncle, aunt, nephew, niece or great-grandparent or the spouse of such Person's child, grandchild, sibling, uncle, aunt, nephew or niece.

Initial by:

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Buyer [            ] / Selling Shareholder [            ]



“Agreement” has the meaning set forth in the preamble.

“Arbitration Notice” has the meaning set forth in Section 9.12.

“Authorization” has the meaning set forth in Section 5.5.

“Business Day” means a day (other than a Saturday or a Sunday) that the banks in New York, Hong Kong, the PRC, or the Cayman Islands are generally open for business.

“Buyer” has the meaning set forth in the preamble.

“Buyer Group” or “Buyer Group Companies” means, collectively, the Buyer and its Affiliates, and each an “Buyer Group Company.”

“Buyer Indemnitee” has the meaning set forth in Section 8.2(b).

“Buyer Material Adverse Effect” means any event, fact, circumstance or occurrence that, individually or in the aggregate, results in or would result in a material adverse change in or a material adverse effect on (a) the financial condition, assets, liabilities or results of operations of the Buyer or (b) the ability of any Buyer Group Company to consummate the transactions contemplated by this Agreement; provided that in determining whether a Buyer Material Adverse Effect has occurred, there shall be excluded any effect on any Buyer Group Company to the extent relating to or arising in connection with (i) any action required to be taken pursuant to the terms and conditions of this Agreement, (ii) changes or effects affecting the industry in which the Buyer operates or the economy or financial, credit or securities markets or political conditions generally (to the extent that in each case such changes do not have a unique or disproportionate impact on the Buyer); (iii) the announcement or consummation of the transactions contemplated by this Agreement; (iv) any change in IFRS or in Law or accounting standards or interpretations thereof applicable to the Buyer; (v) any change resulting from any action by the Buyer or any of its Affiliates taken at the written request of the Selling Shareholder; or (vi) acts of God.

“Closing” has the meaning set forth in Section 3.1.

“Closing Date” has the meaning set forth in Section 3.1.

“Company” has the meaning set forth in the recitals.

“Company Contract” means, a contract, agreement, indenture, note, bond, loan, instrument, lease, mortgage, franchise, license, commitment, purchase order, and other legally binding arrangement, whether written or oral, to which any Company Entity is a party.

“Company Entities” means, collectively, the Company and its Affiliates, and each an “Company Entity.”

“Company Financial Statements” means the audited consolidated financial statements (including balance sheet, income statement and statement of cash flows) for the Company Entities, prepared in accordance with IFRS, as of April 30, 2021 and for the three fiscal years ended April 30, 2021, as applicable.

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Buyer [            ] / Selling Shareholder [            ]



“Confidential Information” has the meaning set forth in Section 6.4(a).

“Contracts” means legally binding contracts, agreements, engagements, purchase orders, commitments, understandings, indentures, notes, bonds, loans, instruments, leases, mortgages, franchises, licenses or any other contractual arrangements or obligations which are currently subsisting and not terminated or completed (with each of such Contracts being referred to as a “Contract”).

“Control” 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.

“Dispute” has the meaning set forth in Section 9.12.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

“Fundamental Representations of the Buyer” shall mean the representations and warranties made by the Buyer to the Selling Shareholder contained in Section 4.1, Section 4.2, Section 4.3, Section 4.4 and Section 4.7.

“Fundamental Representations of the Selling Shareholder” shall mean the representations and warranties made by the Selling Shareholder to the Buyer contained in Section 5.1, Section 5.2, Section 5.4 and Section 5.5.

“Governmental Authorities” means any nation, government, province, state, or any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of any government or any political subdivision thereof, court, tribunal, arbitrator, the governing body of any securities exchange, and self-regulatory organization, in each case having competent jurisdiction.

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“IFRS” means the International Financial Reporting Standards and interpretations thereof as established by the International Accounting Standards Board, as in effect at the time any applicable financial statements were prepared.

“Indemnified Party” has the meaning set forth in Section 8.2(c).

“Indemnifying Party” has the meaning set forth in Section 8.2(c).

“Instrument of Transfer” has the meaning set forth in Section 3.3(b).

Initial by:

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Buyer [            ] / Selling Shareholder [            ]



“Law” means any law, rule, constitution, code, ordinance, statute, treaty, decree, regulation, common law, order, official policy, circular, provision, administrative order, interpretation, injunction, judgment, ruling, assessment, writ or other legislative measure, in each case of any Governmental Authority.

“Liability” means all indebtedness, obligations and other liabilities of a Person, whether direct or indirect, absolute, accrued, contingent or otherwise, known or unknown, fixed or otherwise, due or to become due, whether or not accrued or paid.

“Lien” means (a) any mortgage, charge, lien, pledge or other encumbrance securing any obligation of any Person, (b) any option, right to acquire, right of pre-emption, right of set off or other arrangement under which money or claims to, or for the benefit of, any Person may be applied or set off so as to effect discharge of any sum owed or payable to any Person, or (c) any equity, assignment, hypothecation, title retention, claim, restriction, power of sale or other type of preferential arrangement the effect of which is to give a creditor in respect of indebtedness a preferential position in relation to any asset of a Person on any insolvency proceeding of that Person.

“Losses” has the meaning set forth in Section 8.2(a).

“Order” means any injunction, judgment, order, decree, stipulation or determination by or with any Governmental Authority.

“Parties” has the meaning set forth in the preamble.

“Person” means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise, entity or legal person.

“PRC” means the People’s Republic of China and, for purposes of this Agreement, excludes Hong Kong, the Macao Special Administrative Region and Taiwan.

“Sale Shares” has the meaning set forth in the recitals.

“SEC” means the Securities and Exchange Commission of the United States or any other federal agency at the time administering the Securities Act.

“SEC Documents” has the meaning set forth in Section 4.5(a).

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Selling Shareholder” has the meaning set forth in the preamble.

“Selling Shareholder Indemnitee” has the meaning set forth in Section 8.2(a).

“Subscription Shares” has the meaning set forth in the recitals.

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Buyer [            ] / Selling Shareholder [            ]





“Taxes” means (i) any net income, alternative or add-on minimum tax, gross income, gross receipts, sales, use, ad valorem, value added, goods and services, transfer, franchise, business and occupation, profits, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental or windfall profit tax, custom duty or other tax, governmental fee or other like assessment or charge, together with any interest or any penalty, addition to tax or additional amount imposed by any Governmental Authority responsible for the imposition of any such tax (domestic or foreign), whether disputed or not, (ii) any liability for the payment of any amounts of the type described in clause (i) of this sentence as a result of being a member of an affiliated, consolidated, combined, unitary or aggregate group for any taxable period, and (iii) any liability for the payment of any amounts of the type described in clause (i) or (ii) of this sentence as a result of being a transferee of or successor to any Person or as a result of any express or implied obligation to indemnify any other Person.

“U.S.,” “US” and “United States” means the United States of America.

“US\$” means United States Dollars, the lawful currency of the United States.

2. **THE TRANSACTION**

At the Closing, the Selling Shareholder shall transfer to the Buyer, and the Buyer shall accept from the Selling Shareholder, the Sale Shares, free and clear of any Lien and with all rights attaching on and from the Closing, and the Buyer shall issue to the Selling Shareholder, and the Selling Shareholder shall subscribe for, the Subscription Shares on the terms and subject to the conditions of this Agreement.

3. **CLOSING; CLOSING DELIVERIES**

3.1 Closing. The closing of the transactions contemplated under Article 2 (the “Closing”) shall take place remotely within five (5) Business Days following the satisfaction or waiver of the conditions set forth in Section 3.4 and Section 3.5 (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions), or at such other time as the Parties may agree in writing (the date on which the Closing occurs, the “Closing Date”). All transactions occurring at the Closing shall be deemed to occur simultaneously, and shall be effective as of the Closing and upon occurrence of all transactions contemplated by Article 2 and this Article 3. For the avoidance of doubt, the consummation of the transactions described in Article 2 and this Article 3 shall occur together, and the Closing shall be deemed not to have occurred if any party fails to deliver any agreement or other instrument or document required under Article 2 and this Article 3. At the Closing, share certificate issued in the name of the Selling Shareholder in relation to the Sale Shares shall be cancelled, and the Selling Shareholder shall, promptly after Closing, deliver to the Company any such share certificate issued to the Selling Shareholder in relation to the Sale Shares or, where any such share certificate has been issued but has been lost, stolen or destroyed, such indemnity in respect of such lost, stolen or destroyed share certificate as the Buyer may reasonably request.

3.2 Deliveries by the Buyer at the Closing. At the Closing, the Buyer shall deliver to the Selling Shareholder a copy of the share certificate issued in the name of the Selling Shareholder, dated on the Closing Date, evidencing the ownership by the Selling Shareholder of the Subscription Shares (the original copy of which shall be delivered to the Selling Shareholder after the Closing).

Initial by:

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Buyer [ ] / Selling Shareholder [ ]



3.3 Deliveries by the Selling Shareholder at the Closing. At the Closing, the Selling Shareholder shall deliver to the Buyer:

(a) a copy of the share certificate issued in the name of the Buyer, dated on the Closing Date, evidencing the ownership by the Buyer of the Sale Shares (the original copy of which shall be delivered to the Buyer after the Closing); and

(b) an instrument of transfer duly executed by the Selling Shareholder in the form attached as Exhibit A to this Agreement (an “Instrument of Transfer”).

3.4 Conditions to the Obligation of the Buyer to Effect the Closing. The obligation of the Buyer to consummate the transactions contemplated by Article 2 is subject to the satisfaction, as of the Closing Date, of the following conditions, any of which may be waived in writing by the Buyer in its sole discretion:

(a) The Selling Shareholder shall have performed and complied in all material respects with all, and not be in breach or default in any material respects under any, agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with on or before the Closing Date; and

(b) No court or other Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the transactions contemplated hereby.

3.5 Conditions to the Obligation of the Selling Shareholder to Effect the Closing. The obligation of the Selling Shareholder to consummate the transactions contemplated by Article 2 is subject to the satisfaction, as of the Closing Date, of the following conditions, any of which may be waived in writing by the Selling Shareholder in its sole discretion:

(a) The Buyer shall have performed and complied in all material respects with all, and not be in breach or default in any material respects under any, agreements, covenants, conditions and obligations contained in this Agreement that are required to be performed or complied with on or before the Closing Date;

(b) No court or other Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) that is in effect and restrains, enjoins or otherwise prohibits consummation of the transactions contemplated hereby;

(c) No Buyer Material Adverse Effect. There shall not have been any change, event, circumstance, development, condition or effect that has had or could reasonably be expected to have, individually or in the aggregate, a Buyer Material Adverse Effect; and

Initial by:

6 Buyer [ ] / Selling Shareholder [ ]



(d) No Suspension. No stop order or suspension of trading shall have been imposed by the New York Stock Exchange, the SEC or any other Governmental Authority with respect to public trading in the American depository shares (“ADSs”) representing Class A ordinary shares of the Buyer.

4. **REPRESENTATIONS AND WARRANTIES OF THE BUYER**

The Buyer hereby represents and warrants to the Selling Shareholder the following.

4.1 Due Formation; Qualification. The Buyer is an exempted company, duly incorporated, validly existing and in good standing under the laws of the Cayman Islands, has the requisite corporate power and authority to own, lease and operate its business and assets and to conduct its business as currently conducted and as described in the SEC Documents, and is duly qualified to transact business in all material respects in each jurisdiction in which the conduct of its business or its ownership, leasing or operation of property requires such qualification.

4.2 Authorization; Enforceability. The Buyer has requisite legal power and authority to execute, deliver and perform its obligations under this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Buyer and, assuming due authorization, execution and delivery by the Selling Shareholder, constitutes a legal, valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors’ rights generally, and (ii) applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies or general principles of equity.

4.3 Due Issuance. The Subscription Shares are duly authorized and, when issued in accordance with this Agreement, will be validly issued, fully paid and non-assessable and free and clear of any Lien, right of first refusal, third-party right or interest, claim or restriction of any kind or nature, except for restrictions arising under the Securities Act or created by virtue of this Agreement. Good and valid title to the Subscription Shares will be passed to the Selling Shareholder upon entry of the Selling Shareholder into the register of members of the Buyer as the respective legal owners of the applicable Subscription Shares.

4.4 Non-Contravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby by the Buyer, will (i) violate any provision of the organizational documents of the Buyer or materially violate any Law to which the Buyer is subject, or (ii) conflict with, result in a breach of or constitute a default under any material Contract to which the Buyer is a party or by which the Buyer is bound, except in each case of (i) and (ii) above, would not reasonably be expected to prohibit, materially delay or materially impair the consummation of the transactions contemplated hereby.

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Buyer [                    ] / Selling Shareholder [                    ]



4.5 SEC Matters; Financial Statements.

(a) The Buyer has filed or furnished, as applicable, on a timely basis, all registration statements, proxy statements and other statements, reports, schedules, forms and other documents required to be filed or furnished by it with the SEC (all of the foregoing documents filed with or furnished to the SEC and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein, the “SEC Documents”). As of their respective effective dates (in the case of the SEC Documents that are registration statements filed pursuant to the requirements of the Securities Act) and as of their respective SEC filing dates (in the case of all other SEC Documents), or in each case, if amended prior to the date hereof, as of the date of the last such amendment: (A) each of the SEC Documents complied in all material respects with the applicable requirements of the Securities Act and the Exchange Act and any rules and regulations promulgated thereunder applicable to the SEC Documents (as the case may be) and (B) none of the SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the material statements therein, in the light of the circumstances under which they were made, not misleading.

(b) The financial statements (including any related notes) contained in the SEC Documents: (i) complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, (ii) were prepared in accordance with IFRS and (iii) fairly present in all material respects the consolidated financial position of the Buyer Group Companies as of the respective dates thereof and the consolidated results of operations and cash flows of the Buyer Group for the periods covered thereby, except as disclosed therein and as permitted under the Exchange Act.

4.6 No Registration. Assuming the accuracy of the representations and warranties of the Selling Shareholder set forth in Section 5.9, Section 5.10 and Section 5.11, it is not necessary in connection with the issuance and sale of the Subscription Shares to register the Subscription Shares under the Securities Act. No directed selling efforts (as defined in Rule 902 of Regulation S under the Securities Act) have been made by any Buyer Group Company or any person acting on its behalf with respect to any Subscription Shares.

4.7 Consents and Approvals. Neither the execution and the delivery of this Agreement nor the consummation of the transactions contemplated hereby and thereby by the Buyer, requires any consent, approval, order, license or authorization of, registration, certificate, declaration or filing with or notice to any Governmental Authority or other third party (each, an “Authorization”), except for those Authorizations that have already been obtained.

4.8 Brokers. None of the Buyer Group Companies has engaged with or received services from any broker, finder, commission agent, placement agent or arranger in connection with the transactions contemplated by this Agreement.

4.9 No Other Representations and Warranties. The Buyer makes no other representations and warranties, implied or otherwise, other than those expressly set out in this Agreement.

5. **REPRESENTATIONS AND WARRANTIES OF THE SELLING SHAREHOLDER**

The Selling Shareholder hereby represents and warrants to the Buyer the following.

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Buyer [            ] / Selling Shareholder [            ]



5.1 Due Formation; Qualification. The Selling Shareholder is duly incorporated, validly existing and in good standing under the laws of its jurisdiction of organization and has all necessary corporate power and authority to enter into this Agreement and the applicable Instrument of Transfer, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby.

5.2 Authorization; Enforceability. The Selling Shareholder has requisite legal power and authority to execute, deliver and perform its obligations under this Agreement and the applicable Instrument of Transfer and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by the Selling Shareholder and, assuming due authorization, execution and delivery by the Buyer, constitutes a legal, valid and binding obligation of the Selling Shareholder, enforceable against the Selling Shareholder in accordance with its terms, except as limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, and (ii) applicable Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies or general principles of equity.

5.3 Valid Title. The Selling Shareholder is the sole record and beneficial owner of and has good and valid title to the Sale Shares, free and clear of any Lien, right of first refusal, third-party right or interest, claim or restriction of any kind or nature, except for restrictions created by virtue of this Agreement. The Selling Shareholder is not a party nor subject to any Contract that affects or relates to the voting or giving of written consents with respect to the Sale Shares. Good and valid title to the Sale Shares will be passed to the Buyer upon entry of the Buyer into the register of members of the Company as the legal owner of the Sale Shares.

5.4 Non-Contravention. Neither the execution and the delivery of this Agreement or any Instrument of Transfer, nor the consummation of the transactions contemplated hereby and thereby by the Selling Shareholder, will (i) violate any provision of the organizational documents of the Company or materially violate any Law to which the Selling Shareholder is subject, or (ii) conflict with, result in a breach of or constitute a default under any material Contract to which the Selling Shareholder is a party or by which the Selling Shareholder is bound, except in each case of (i) and (ii) above, would not reasonably be expected to prohibit, materially delay or materially impair the consummation of the transactions contemplated hereby.

5.5 Consents and Approvals. Neither the execution and the delivery of this Agreement or the applicable Instrument of Transfer, nor the consummation of the transactions contemplated hereby and thereby by the Selling Shareholder, requires any consent, approval, order, license or authorization of, registration, certificate, declaration or filing with or notice to any Governmental Authority or other third party (each, an "Authorization"), except for those Authorizations that have already been obtained.

5.6 Compliance with Law. The Selling Shareholder has, in connection with the execution and delivery of this Agreement and the Instrument of Transfer and the consummation of the transactions contemplated hereby and thereby, complied with all applicable Laws.

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Buyer [            ] / Selling Shareholder [            ]



5.7 Solvency. To the best knowledge of the Selling Shareholder, (i) no bankruptcy, insolvency or judicial composition proceedings concerning the Selling Shareholder have been applied for; (ii) no circumstances exist which could require an application for any bankruptcy, insolvency or judicial composition proceedings concerning the Selling Shareholder nor do any circumstances concerning the Selling Shareholder exist according to any applicable bankruptcy or insolvency Laws which could justify the avoidance of this Agreement; (iii) no steps have been taken or proposed in relation to the winding-up, bankruptcy, administration, insolvency or dissolution of the Selling Shareholder, nor has any analogous procedure or step been taken or proposed in any jurisdiction in relation to the Selling Shareholder. The Selling Shareholder is not insolvent under the laws of its jurisdiction of incorporation nor is unable to pay its debts as they fall due and the Selling Shareholder has not stopped paying its debts or indicated an intention to do so.

5.8 Brokers. The Selling Shareholder has not engaged with or received services from any broker, finder, commission agent, placement agent or arranger in connection with the acquisition of the Subscription Shares, the transfer of the Sale Shares or matters in connection therewith.

5.9 Status; Purchase for Own Account. The Selling Shareholder is not a "U.S. person" as defined in Rule 902 of Regulation S under the Securities Act. The Selling Shareholder is acquiring the applicable Subscription Shares outside the United States in reliance upon the exemption from registration provided by Regulation S under the Securities Act, and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. The Selling Shareholder has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of its investment in the applicable Subscription Shares. The Selling Shareholder is capable of bearing the economic risks of its investment, including a complete loss thereof. The Subscription Shares will be acquired for the Selling Shareholder's own account, not as a nominee or agent and not with a view to or in connection with the sale or distribution of any part thereof. The Selling Shareholder does not have any direct or indirect arrangement, or understanding with any other Persons regarding the distribution of the Subscription Shares in violation of the Securities Act or any other applicable state securities law.

5.10 Solicitation. The Selling Shareholder was not identified or contacted through the marketing of the transactions contemplated by this Agreement. The Selling Shareholder did not contact the Buyer as a result of any general solicitation or directed selling efforts. The purchase of the Subscription Shares by the Selling Shareholder was not solicited by or through anyone other than the Buyer.

5.11 Restricted Securities. The Selling Shareholder acknowledges that the Subscription Shares are "restricted securities" that have not been registered under the Securities Act or any applicable state securities law. The Selling Shareholder further acknowledges that, absent an effective registration under the Securities Act, the Subscription Shares may only be offered, sold or otherwise transferred (i) to the Buyer, (ii) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, or (iii) pursuant to an exemption from registration under the Securities Act.

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Buyer [            ] / Selling Shareholder [            ]



6. **COVENANTS; ADDITIONAL AGREEMENTS**

6.1 Further Assurances. Each Party shall use reasonable best efforts to make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents and assurances without further consideration, which may reasonably be required or advisable to effect the transactions contemplated by this Agreement and the Instruments of Transfer.

6.2 Taxes. Except as otherwise provided in this Agreement, each Party shall bear its respective Taxes incurred in connection with the consummation of the transactions contemplated by this Agreement and the Instruments of Transfer.

6.3 Release. From and after the Closing, except as arising out of actions or omissions occurring after the Closing Date or arising as a result of this Agreement, the Selling Shareholder hereby waives and releases, on behalf of itself and each of its Affiliates and to the fullest extent permitted by applicable Law, the Buyer, from any and all Liabilities, rights, defenses, claims and causes of action, known or unknown, foreseen or unforeseen which the Selling Shareholder or any of its Affiliates has or may have in the future against the Company Entities with respect to matters arising prior to the Closing Date.

6.4 Confidentiality.

(a) Each Party shall, and shall cause its Affiliates to, keep confidential any non-public material or information with respect to this Agreement and the Instruments of Transfer, any of the terms and conditions of, and the status or other facts with respect to, this Agreement and the Instruments of Transfer and the transactions contemplated hereby and thereby, including the existence of this Agreement and the Instruments of Transfer (including written or non-written information, hereinafter the “Confidential Information”). Confidential Information shall not include any information that is (a) previously known on a non-confidential basis by the receiving Party, (b) in the public domain through no fault of such receiving Party, its Affiliates or its or its Affiliates’ officers, directors or employees, (c) received from a party other than the Parties or their Affiliates, representatives or agents, so long as such party was not, to the knowledge of the receiving Party, subject to a duty of confidentiality to such Party or Affiliates or (d) developed independently by the receiving Party without reference to confidential information of the disclosing Party. No Party shall disclose such Confidential Information to any third party. Each Party may use the Confidential Information only for the purpose of, and to the extent necessary for, performing this Agreement, and shall not use such Confidential Information for any other purposes.

(b) Notwithstanding any other provisions in this Section 6.4, if any Party believes in good faith that any announcement or notice must be prepared or published pursuant to applicable Laws (including any rules or regulations of any relevant securities exchange or valid legal process) or information is otherwise required to be disclosed to any Governmental Authority, such Party may, in accordance with its understanding of the applicable Laws, make the required disclosure in the manner it deems in compliance with the requirements of applicable Laws, rules or regulations. In addition, each Party may disclose, subject to any practicable arrangements to protect confidentiality, Confidential Information to the extent required under judicial or regulatory process or in connection with any judicial process regarding any legal action, suit or proceeding arising out of or relating to this Agreement or the Instruments of Transfer.

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Buyer [            ] / Selling Shareholder [            ]



(c) Each Party may disclose the Confidential Information only to its Affiliates and its and its Affiliates' officers, directors, employees, agents and representatives on a need-to-know basis in the performance of this Agreement; provided that such Party shall ensure such Persons strictly abide by the confidentiality obligations hereunder.

(d) The confidentiality obligations of each Party hereunder shall survive the termination of this Agreement for a period of two (2) years. Each Party shall continue to abide by the confidentiality clause hereof and perform the obligation of confidentiality it undertakes until the other Party approves release of that obligation or until a breach of the confidentiality clause hereof will no longer result in any prejudice to the other Party.

6.5 Issuance of ADSs. Upon the Selling Shareholder's written request, the Buyer shall use its best efforts to facilitate and take all other actions required or necessary, to enable the deposit of any or all of Class A Ordinary Shares by the Selling Shareholder with the relevant depository for the issuance of ADSs in accordance with the applicable depository agreement between the Buyer and the relevant depository.

6.6 Listing. The Buyer will use its best efforts to maintain the listing of ADSs on the New York Stock Exchange and the Buyer will comply with all the applicable reporting requirements of the Exchange Act.

7. **TERMINATION**

7.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by any Party through written notice to the other Parties if any Governmental Authority shall have enacted or issued any Law or Order or taken any other action permanently restraining, enjoining, preventing, prohibiting or otherwise making illegal the consummation of the transactions contemplated under this Agreement and such Law, Order or other action has become final and non-appealable; provided that a Party shall have no right to terminate this Agreement pursuant to this Section 7.1(a) if the imposition of such Law, Order or other action was caused by the breach by such Party or its Affiliate of any representation, warranty, covenant or agreement in this Agreement;

(b) by the Buyer if there exists a material breach of any representation, warranty, covenant or agreement of the Selling Shareholder such that the conditions set forth in Section 3.4 would not be satisfied and such breach has not been cured, or is incapable of being cured, by the Selling Shareholder within fifteen (15) days following its receipt of written notice from the Buyer of such breach; or

(c) by the Selling Shareholder, if there exists a material breach of any representation, warranty, covenant or agreement of the Buyer such that the conditions set forth in Section 3.5 would not be satisfied and such breach has not been cured, or is incapable of being cured, by the Buyer within fifteen (15) days following its receipt of written notice from the Selling Shareholder of such breach.

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Buyer [            ] / Selling Shareholder [            ]





(d) by occurrence of listing of the Company’s shares on the New York Stock Exchange (or any other recognized stock exchange elsewhere) prior to the Closing.

7.2 Effects of Termination. Upon the termination of this Agreement pursuant to Section 7.1, this Agreement (other than Article 1 and Article 9) shall become void and have no further force or effect; provided that no such termination shall relieve any Party of liability for any breach of this Agreement prior to such termination.

**8. INDEMNITY**

8.1 Survival. The representations and warranties of the Buyer and the Selling Shareholder and their respective Affiliates contained in this Agreement shall survive the Closing for a period of eighteen (18) months after the Closing Date, save for the Fundamental Representations of the Buyer and the Fundamental Representations of the Selling Shareholder which shall survive until the expiration of the applicable statutory limitation periods. The covenants and agreements of the Buyer and the Selling Shareholder and their respective Affiliates set forth herein shall survive the Closing until fully discharged in accordance with their terms, except for those covenants and agreements which shall be complied with or discharged prior to the Closing in accordance with the terms of this Agreement. Notwithstanding the foregoing, any breach of any representation, warranty, covenant or agreement in respect of which indemnity may be sought under this Agreement shall survive the time at which it would otherwise terminate, if notice of the inaccuracy or breach thereof giving rise to such right of indemnity shall have been given to the party against whom such indemnity may be sought prior to such time.

8.2 Indemnification.

(a) Indemnification by the Buyer. From and after the Closing, the Buyer shall indemnify and hold harmless the Selling Shareholder and its directors, officers, employees, Affiliates, agents and assigns (each, a “Selling Shareholder Indemnitee”) against any losses, liabilities, damages, penalties, diminution in value, reasonable costs and expenses, including reasonable advisor’s fees and other expenses of investigation and defense of any of the foregoing (collectively, “Losses”), incurred by the Selling Shareholder Indemnitee as a result of, arising out of or in connection with (i) any material breach or violation of, or inaccuracy in, any representation or warranty made by the Buyer in this Agreement; and (ii) any material breach or violation of, or failure to perform, any covenants or agreements made by or on behalf of, or to be performed by, the Buyer in this Agreement.

(b) Indemnification by the Selling Shareholder. From and after the Closing, the Selling Shareholder shall indemnify and hold harmless the Buyer and its directors, officers, employees, Affiliates, agents and assigns (each, a “Buyer Indemnitee”) against any Losses incurred by such Buyer Indemnitee as a result of, arising out of or in connection with (i) any breach or violation of, or inaccuracy in, any representation or warranty made by or on behalf of the Selling Shareholder in this Agreement or any claim by any third party alleging, constituting or involving such a breach violation or inaccuracy; and (ii) any breach or violation of, or failure to perform, any covenants or agreements made by or on behalf of, or to be performed by, the Selling Shareholder in this Agreement, or any claim by any third party alleging, constituting or involving any such breach or violation or default or failure to perform..

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Buyer [            ] / Selling Shareholder [            ]



(c) For purposes of this Agreement, (i) “Indemnifying Party” means the Buyer (with respect to Section 8.2(a)) or the Selling Shareholder (with respect to Section 8.2(b)); and (ii) “Indemnified Party” means the Selling Shareholder Indemnitee(s) (with respect to Section 8.2(a)) or the Buyer Indemnitee(s) (with respect to Section 8.2(b)).

8.3 Reliance. Each of the Buyer and the Selling Shareholder acknowledge and agree that (i) the Buyer has entered into this Agreement and agreed to the purchase of the Sale Shares from the Selling Shareholder and the allotment and issuance of the Subscription Shares to the Selling Shareholder hereunder, in reliance on the representations and warranties, and covenants and agreements, made by the Selling Shareholder in this Agreement, and (ii) the Selling Shareholder has entered into this Agreement and agreed to transfer the Sale Shares to the Buyer and to subscribe for the Subscription Shares in reliance on the representations and warranties, and covenants and agreements, made by the Buyer in this Agreement.

9. **MISCELLANEOUS**

9.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Cayman Islands without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than Cayman Islands to the rights and duties of the Parties hereunder.

9.2 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the Parties. This Agreement and the rights and obligations therein may not be assigned by any Party without the written consent of the other Party.

9.3 Entire Agreement. This Agreement, including the schedules and exhibits hereto, constitute the entire understanding and agreement among the Parties with regard to the subjects hereof and thereof.

9.4 Notices. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given to the Party at the address set forth below (a) if in writing and served by personal delivery upon the Party for whom it is intended, on the date of such delivery, (b) if delivered by certified mail, registered mail or courier service, return-receipt received, on the date of such delivery, or (c) if delivered by email, upon confirmation of receipt by a non-automated response:

If to the Buyer, at:

Address: 23/F, Nexxus Building, 41 Connaught Road Central, Hong Kong

Attention:

Email:

Initial by:

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Buyer [            ] / Selling Shareholder [            ]



If to the Selling Shareholder, at:

Address: Room 3806-10, 38/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong

Attention:

Email:

9.5 Amendments. Any term of this Agreement may be amended only by a written instrument executed by both the Buyer and the Selling Shareholder.

9.6 Specific Performance. The Parties agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with the terms hereof or thereof, and that the Parties shall be entitled to seek specific performance of the terms hereof or thereof, in addition to any other remedy at law or equity.

9.7 Fees and Expenses. Except as otherwise provided in this Agreement, each Party shall bear its respective expenses incurred in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated hereby, including fees and expenses of attorneys, accountants, consultants and financial advisors.

9.8 Delays or Omissions; Waivers. No delay or omission to exercise any right, power or remedy accruing to any Party, upon any breach or default of any Party under this Agreement, shall impair any such right, power or remedy of such Party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach of default thereafter occurring. Any waiver by any Party of any condition or breach of default under this Agreement must be in writing signed by such Party and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by Laws or otherwise afforded to any Party shall be cumulative and not alternative.

9.9 Interpretation. This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this Agreement. The headings of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. Unless otherwise expressly provided herein, all references to sections and schedules herein are to sections and schedules of this Agreement. Unless a provision hereof expressly provides otherwise: (i) the term "or" is not exclusive; (ii) the terms "herein," "hereof," and other similar words refer to this Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other subdivision; (iii) the masculine, feminine, and neuter genders will each be deemed to include the others; and (iv) whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

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Buyer [            ] / Selling Shareholder [            ]



9.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

9.11 Severability. If any provision of this Agreement is found to be invalid or unenforceable, then such provision shall be construed, to the extent feasible, so as to render the provision enforceable and to provide for the consummation of the transactions contemplated hereby on substantially the same terms as originally set forth herein, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or benefits intended by the Parties. In such event, the Parties shall use their best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the Parties' intent in entering into this Agreement.

9.12 Dispute Resolution. Any dispute, controversy or claim (each, a "Dispute") arising out of or relating to this Agreement, or the interpretation, breach, termination, validity or invalidity thereof, shall be referred to arbitration upon the demand of either party to the dispute with notice (the "Arbitration Notice") to the other. The Dispute shall be settled by arbitration in Cayman Islands. Each party to the arbitration shall cooperate with each other party to the arbitration in making full disclosure of and providing complete access to all information and documents requested by such other party in connection with such arbitral proceedings, subject only to any confidentiality obligations binding on such party. The award of the arbitral tribunal shall be final and binding upon the parties thereto, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award. Any party to the Dispute shall be entitled to seek preliminary injunctive relief, if possible, from any court of competent jurisdiction pending the constitution of the arbitral tribunal. During the course of the arbitral tribunal's adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

[SIGNATURE PAGES FOLLOW]

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Buyer [            ] / Selling Shareholder [            ]



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IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement on the date and year first above written.

**BUYER**

AMTD INTERNATIONAL INC.

By: /s/ William Fung

Name: William Fung

Title: Chief Executive Director

[Signature Page to Share Purchase Agreement]



20017Rj=hM8%sgl6D

IN WITNESS WHEREOF, the Parties have executed and delivered this Agreement on the date and year first above written.

**SELLING SHAREHOLDER**

POLY PLATINUM ENTERPRISES LIMTIED

By: /s/ Li Xiaoguang

Name: Li Xiaoguang

Title: Director

[Signature Page to Share Purchase Agreement]



**Exhibit A**

**Instrument of Transfer**

**AMTD DIGITAL INC.**

an exempted company incorporated in the Cayman Islands  
(the “Company”)

**SHARE TRANSFER FORM**

dated \_\_\_\_\_

POLY PLATINUM ENTERPRISES LIMITED (the “**Transferor**”), for good and valuable consideration received by it from AMTD International Inc. (the “**Transferee**”), does hereby transfer to the Transferee the 1,500,000 fully paid Class A ordinary shares in the Company (of a par value of US\$0.0001 each) standing in the Transferor’s name in the Register of Members of the Company to hold unto the Transferee, its executors, administrators and assigns, subject to the several conditions on which the Transferor held the same at the time of execution of this Share Transfer Form.

Signed by the Transferor on the date first above written:

**POLY PLATINUM ENTERPRISES LIMITED**

By: \_\_\_\_\_  
Name:  
Title:



List of Subsidiaries of the Registrant

Subsidiaries	Place of Incorporation
AMTD Investment Inc.	Cayman Islands
AMTD Digital Inc.	Cayman Islands
AMTD Strategic Investment (BVI) Limited	British Virgin Islands
AMTD Investment Solutions Group (BVI) Limited	British Virgin Islands
AMTD IDEA International Limited	British Virgin Islands
AMTD Fintech Investment (BVI) Limited	British Virgin Islands
AMTD Digital Financial Holdings Limited	British Virgin Islands
AMTD Digital Media Holdings Limited	British Virgin Islands
AMTD Digital Investments Holdings Limited	British Virgin Islands
AMTD Digital Connectors Holdings Limited	British Virgin Islands
AMTD (Singapore) Group Holdings Ltd.	British Virgin Islands
PolicyPal Group Limited	British Virgin Islands
AMTD Risk Solutions Limited	British Virgin Islands
AMTD Direct Investment III Limited	British Virgin Islands
AMTD Investment Solutions Limited	British Virgin Islands
AMTD Biomedical Investment Limited	British Virgin Islands
AMTD Direct Investment I Limited	British Virgin Islands
AMTD Principal Investment Solutions Group Limited	British Virgin Islands
AMTD Strategic Investment Limited	Hong Kong
AMTD Investment Solutions Group Limited	Hong Kong
AMTD Overseas Limited	Hong Kong
AMTD Fintech Investment Limited	Hong Kong
AMTD International Holding Group Limited	Hong Kong
AMTD Securities Limited	Hong Kong
AMTD Global Markets Limited	Hong Kong
Asia Alternative Asset Partners Limited	Hong Kong
AMTD Digital Media Limited	Hong Kong
AMTD Risk Solutions Group Limited	Hong Kong
Digital Finance Media Limited	Hong Kong
AMTD Global Markets Pte. Ltd.	Singapore
AMTD Digital Solutions Power Pte. Ltd.	Singapore
AMTD Digital Media Solutions Pte. Ltd.	Singapore
AMTD Singapore Solidarity Fund Pte. Ltd.	Singapore
AMTD Digital Holdings Pte. Ltd.	Singapore
PolicyPal Pte. Ltd.	Singapore
AMTD Solidarity Fund 1 Pte. Ltd.	Singapore
AMTD Solidarity Fund 2 Pte. Ltd.	Singapore
AMTD Solidarity Fund 3 Pte. Ltd.	Singapore
AMTD Solidarity Fund 4 Pte. Ltd.	Singapore
AMTD Solidarity Fund 5 Pte. Ltd.	Singapore
Singa Digital Pte. Ltd.	Singapore
Applaud Digital Solutions Pte. Ltd.	Singapore
PolicyPal Tech Pte. Ltd.	Singapore
BaoXianBaoBao Pte. Ltd.	Singapore
AMTD Capital Co., Ltd.	PRC





**Certification of Chief Executive Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, William Fung, certify that:

1. I have reviewed this annual report on Form 20-F of AMTD IDEA Group (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: April 18, 2022

By: /s/ William Fung  
Name: William Fung  
Title: Chief Executive Officer



**Certification of Chief Financial Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Xavier Ho Sum Zee, certify that:

1. I have reviewed this annual report on Form 20-F of AMTD IDEA Group (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: April 18, 2022

By: /s/ Xavier Ho Sum Zee  
Name: Xavier Ho Sum Zee  
Title: Chief Financial Officer



**Certification of Chief Executive Officer  
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of AMTD IDEA Group (the "Company") on Form 20-F for the year ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William Fung, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 18, 2022

By: /s/ William Fung  
Name: William Fung  
Title: Chief Executive Officer



**Certification of Chief Financial Officer  
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of AMTD IDEA Group (the "Company") on Form 20-F for the year ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Xavier Ho Sum Zee, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 18, 2022

By: /s/ Xavier Ho Sum Zee  
Name: Xavier Ho Sum Zee  
Title: Chief Financial Officer