

Dated the 22<sup>nd</sup> day of October 2015

FRASER HOLDINGS LIMITED	(1)
THE CONTROLLING SHAREHOLDERS	(2)
THE EXECUTIVE DIRECTORS	(3)
NATIONAL HONOUR INVESTMENTS LIMITED	(4)
MESSIS CAPITAL LIMITED	(5)
QUAM SECURITIES COMPANY LIMITED	(6)
AND	
UNDERWRITERS	(7)
<b>UNDERWRITING AGREEMENT</b>	
relating to	
the Placing of 360,000,000 Shares	
with a nominal value of HK\$0.01 each in the share capital of	
Fraser Holdings Limited	

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THIS UNDERWRITING AGREEMENT is made on the 22<sup>nd</sup> day of October 2015

**BETWEEN:-**

- (1) **FRASER HOLDINGS LIMITED**, an exempted company incorporated in the Cayman Islands with limited liability having its registered office situated at Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands and its principal place of business in Hong Kong situated at Room 1122, Pacific Link Tower, South Mark, 11 Yip Hing Street, Wong Chuk Hang, Hong Kong (the "**Company**");
- (2) **THE CONTROLLING SHAREHOLDERS**, being those persons whose names and addresses are set out in Part A of **Schedule 1** collectively referred to as the "**Controlling Shareholders** and each a "**Controlling Shareholder**";
- (3) **THE EXECUTIVE DIRECTORS**, being those individuals whose names, contacts and addresses are set out in Part B of **Schedule 1** (the "**Executive Directors**", and together with the Company and the Controlling Shareholders are collectively referred to as the "**Warrantors**" and each a "**Warrantor**");
- (4) **NATIONAL HONOUR INVESTMENTS LIMITED**, a company incorporated in the British Virgin Islands with its registered office situated at NovaSage Chambers, P.O. Box 4389, Road Town, Tortola, British Virgin Islands ("**National Honour**" or the "**Selling Shareholder**");
- (5) **MESSIS CAPITAL LIMITED**, a company incorporated in Hong Kong with its registered office situated at Room 1606, 16th Floor, Tower 2, Admiralty Centre, 18 Harcourt Road, Hong Kong ("**Messis Capital**" or the "**Sponsor**");
- (6) **QUAM SECURITIES COMPANY LIMITED**, a company incorporated in Hong Kong with its registered office situated at 18/F and 19/F, China Building, 29 Queen's Road Central, Hong Kong ("**Quam Securities**", "**Lead Manager**" or "**Bookrunner**");

**AND**

- (7) **THE UNDERWRITERS** whose names and addresses are set forth in **Schedule 2** (the "**Underwriters**" which include Quam Securities).

**WHEREAS:-**

- (A) The Company was incorporated in the Cayman Islands on 20 May 2015 and has, as at the date hereof, an authorised share capital of HK\$20,000,000 divided into 2,000,000,000 Shares and an issued share capital of HK\$100 made up of 10,000 Shares;
- (B) The Company was registered in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on 2 July 2015;
- (C) The Reorganisation was effected pursuant to which the Company became the holding company of each Group Company;

- (D) All of the Sale Shares will be legally and beneficially owned by the Selling Shareholder in its own right and immediately upon the Placing becoming unconditional, the Selling Shareholder shall be entitled to sell and transfer the Sale Shares (and the full and beneficial ownership therein) free from all Encumbrances and other third-party rights;
- (E) The Company is proposing to offer the New Shares for subscription, and the Selling Shareholder is proposing to sell the Sale Shares for purchase by professional, institutional and private investors under the Placing;
- (F) The Company has appointed Messis Capital as the sponsor to the Placing; and the Company and the Selling Shareholder have appointed Quam Securities as the lead manager and bookrunner of the Placing and appointed Supreme China Securities Limited as the co-lead manager of the Placing;
- (G) Acting on behalf of the Company, the Sponsor submitted to the Listing Division of the Stock Exchange an application for the listing of, and permission to deal in, the Shares in issue and to be issued (including the Shares that may be issued pursuant to the exercise of any options that may be granted under the Share Option Scheme) on GEM as mentioned in the Prospectus (the “Listing Application”);
- (H) The Underwriters have agreed to severally underwrite the Placing Shares, upon and subject to the terms and conditions hereinafter contained; and
- (I) The Warrantors and the Selling Shareholder have agreed to give certain representations, warranties, undertakings and indemnities contained in this Agreement in favour of the Underwriters.

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

## **1. DEFINITIONS AND INTERPRETATION**

### **1.1 Introduction**

In this Agreement, including the Recitals and the Schedules, unless the context requires otherwise, the capitalised terms used herein shall have the following meanings:-

<b>“Accounts”</b>	means the audited combined accounts of the Group for the Track Record Period and the audited combined balance sheet of the Group as at the Accounts Date, together with all related notes, set forth in appendix I to the Prospectus;
<b>“Accounts Date”</b>	means 30 April 2015;
<b>“Admission”</b>	means the grant or agreement to grant by the Listing Division of the listing of and permission to deal in the Shares, in issue or to be issued on the GEM as mentioned in the Prospectus (including any additional Shares that may be allotted and issued pursuant to the exercise of any options that may be granted under the

Share Option Scheme);

<b>“Affiliates”</b>	means, in relation to a particular company, any company or other entity which is its holding company or subsidiary, or any subsidiary of its holding company or which directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, such company. For the purposes of this definition, the term “ <u>control</u> ” (including the terms “ <u>controlling</u> ”, “ <u>controlled by</u> ” and “ <u>under common control with</u> ”) 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 (and “ <b>Affiliate</b> ” shall be construed accordingly);
<b>“Agreement amongst Underwriters”</b>	means the agreement to be entered into between the Lead Manager and the Underwriters on the date hereof;
<b>“Approvals”</b>	means all necessary approvals, sanctions, consents, orders, franchises, clearance, declarations, qualifications, licenses, permits, permissions, certificates and authorisations from any person and filings and registrations with any person of any relevant jurisdictions, including (without limitation) Hong Kong, the BVI and the Cayman Islands (as the case may be);
<b>“associate(s)”</b>	has the meaning given to it in the GEM Listing Rules (and “associates” shall be construed accordingly);
<b>“Board”</b>	means the board of directors of the Company;
<b>“Board Resolutions”</b>	means the resolutions of the Board approving, inter alia, the Placing as set forth in the minutes of the meeting of the Board;
<b>“Branch Registrar Agreement”</b>	means the agreement entered into between, the Company and the Hong Kong Branch Share Registrar;
<b>“Brokerage”</b>	means the brokerage at the rate of one per cent. of the Placing Price in respect of the Placing Shares payable by the Placees to members of the Stock Exchange or the Underwriters or otherwise pursuant to the GEM Listing Rules;
<b>“Business Day”</b>	means a day (excluding Saturdays, Sundays and public holidays or days on which a typhoon

	signal No. 8 or above or black rainstorm warning is hosted in Hong Kong at 10:00 a.m.) on which licensed banks in Hong Kong are generally open for normal banking business;
<b>“BVI”</b>	means the British Virgin Islands;
<b>“Cayman Islands Legal Advisers”</b>	means Appleby whose principal place of business of its Hong Kong office is at 2206-19 Jardine House, 1 Connaught Place, Central, Hong Kong;
<b>“Cayman Islands Law Letters”</b>	means the letters dated on or about the Prospectus Date, in relation to (i) the estate duty in the Cayman Islands applicable to the Company (if any), (ii) the adoption of abbreviated version of English and Chinese names and stock code by the Company in the Cayman Islands, (iii) the ability of the Company to purchase its own Shares and (iv) a summary of certain provisions of the company law of the Cayman Islands referred to in Appendix III to the Prospectus, issued or to be issued by the Cayman Islands Legal Advisers;
<b>“CCASS”</b>	means the Central Clearing and Settlement System established and operated by HKSCC;
<b>“close associate(s)”</b>	has the meaning given to it in the GEM Listing Rules (and “close associates” shall be construed accordingly);
<b>“Companies Ordinance”</b>	means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
<b>“Companies Ordinance (Miscellaneous Provisions)”</b>	means the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);
<b>“Company’s Solicitors”</b>	means Loong & Yeung whose address is at Suites 2001-2006, 20th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong;
<b>“Compliance Adviser Agreement”</b>	means the Compliance Adviser Agreement entered into between Messis Capital and the Company pursuant to Rule 6A.19 of the GEM Listing Rules;
<b>“Conditions”</b>	means the conditions precedent contained in Clause 2.1;
<b>“Conditions Precedent Documents”</b>	means the documents listed in Part A and Part B of <u>Schedule 5</u> ;

<b>“Despatch Date”</b>	means 2 November 2015, being the date of despatch of Share certificates to, or for credit of Shares into the relevant participants' accounts in CCASS of, successful applicants of the Placing;
<b>“Encumbrance”</b>	means a mortgage, charge, pledge, lien, option, restriction, right of first refusal, security interest, claim, equity interest, right of pre-emption, third-party right or interest, or interests or rights of the same nature as the foregoing or other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, retention arrangement) having similar effect;
<b>“GEM”</b>	means the Growth Enterprise Market of the Stock Exchange;
<b>“GEM Listing Rules”</b>	means The Rules Governing the Listing of Securities on GEM;
<b>“Group”</b>	means the Company, the Subsidiaries and jointly-controlled entities, as at the date hereof (if any) and where the context refers to any time prior to the effective date of the Reorganisation, those entities or businesses which were contributed to, and became part of, the Group pursuant to the Reorganisation;
<b>“Group Company”</b>	means a member of the Group;
<b>“HK\$” and “cents”</b>	means Hong Kong dollars and cents, respectively, the lawful currency for the time being of Hong Kong;
<b>“Hong Kong Tenancy Reports”</b>	means the tenancy reports issued or to be issued by the Company's Solicitors setting out certain matters relating to the properties leased by the Group in Hong Kong as set out in the Prospectus;
<b>“HKSCC”</b>	means Hong Kong Securities Clearing Company Limited;
<b>“Hong Kong”</b>	means the Hong Kong Special Administrative Region of the People's Republic of China;
<b>“Hong Kong Branch Share Registrar”</b>	means Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong;
<b>“Indemnified Parties”</b>	means the Underwriters and any Affiliate of such Underwriter as well as the directors, officers, employees, agents appointed by the

	Underwriters under and in accordance with clause 3.5 of this Agreement of each of the Underwriters and of each of such Affiliate of the Underwriters;
<b>“Intellectual Property”</b>	means patents, trademarks, service marks, registered designs, domain names, software, utility models, applications for any of the foregoing and the right to apply for any of the foregoing in any part of the world, copyright, inventions, confidential information, know-how and business names and any similar rights situated in any country; and the benefit (subject to the burden) of any and all licenses in connection with any of the foregoing;
<b>“Internal Control Adviser”</b>	means CT Partners Consultants Limited whose principal place of business in Hong Kong is at Unit 1601A, 16th Floor, Tower 6, China Hong Kong City, 33 Canton Road, Tsimshatsui, Kowloon, Hong Kong;
<b>“Law(s)”</b>	means all publicly available laws, rules, regulations, guidelines, opinions, notices, circulars, orders, judgments, decrees or rulings of any court, government, governmental or regulatory authority (including, without limitation, the Stock Exchange and the SFC) of all relevant jurisdictions, in which a Group Company or a Controlling Shareholder (as the case may be) is incorporated including (without limitation) Hong Kong, Cayman Islands, the BVI (as the case may be);
<b>“Legal Counsel”</b>	means Mr. Chan Chung, barrister-at-law of Hong Kong;
<b>“Legal Counsel’s Opinion”</b>	means the legal opinion to be issued by the Legal Counsel confirming certain matters of Hong Kong law relating to certain legal non-compliance by the Group Companies;
<b>“Listing Date”</b>	means the first day on which the Shares commence trading on GEM;
<b>“Listing Division”</b>	means the listing division of the Stock Exchange;
<b>“Litigation Company Lawyer”</b>	means Messrs Adrian Yeung & Cheng whose address is at Suite 1201-2a, 12/F, Golden Centre, 188 Des Voeux Road Central, Hong Kong;



<b>“Litigation Company Lawyer’s Opinion”</b>	means the legal opinion to be issued by the Litigation Company Lawyer confirming certain matters of Hong Kong law relating to litigation involving the Group Companies and certain legal non-compliance by the Group Companies
<b>“Memorandum and Articles of Association”</b>	means the amended and restated Memorandum and Articles of Association of the Company adopted on 15 October 2015;
<b>“New Shares”</b>	means the 205,000,000 new Shares to be offered by the Company for subscription at the Placing Price under the Placing;
<b>“Operative Documents”</b>	means the agreements set forth in the paragraph headed “1. Summary of material contracts” in appendix IV to the Prospectus, and the Registrar Agreements and the service agreements between the Company and each of the Executive Directors;
<b>“Placee”</b>	means each subscriber of the Placing Shares pursuant to the Placing;
<b>“Placing”</b>	means the proposed conditional placing by the Underwriters of the Placing Shares for and on behalf of the Company with professional, institutional and/or other investors in Hong Kong on the terms to be set forth in the Placing Documents;
<b>“Placing Documents”</b>	means the PHIP version of the Prospectus first posted on the website of the Stock Exchange on 16 October 2015, the Prospectus, the Placing Letters and any other documents agreed by the Company to be used in connection with the subscription and purchase of the Placing Shares;
<b>“Placing Letters”</b>	means the letters which are to be issued by the Underwriters to the Placees confirming the terms and conditions upon which they have agreed to subscribe for the Placing Shares as set forth in the Agreement Amongst Underwriters;
<b>“Placing Price”</b>	means the final placing price per Placing Share (exclusive of Brokerage, Transaction Levy and Trading Fee) of HK\$0.20 per Placing Share;
<b>“Placing Shares”</b>	means 360,000,000 Shares, comprising 205,000,000 New Shares and 155,000,000 Sale Shares, to be placed pursuant to the Placing upon the terms and subject to the

	conditions set forth in the Placing Documents;
<b>“Placing Underwriting Commitment”</b>	means, in relation to any Underwriter, the number of the Placing Shares in respect of which such Underwriter has agreed to procure Placees to subscribe or purchase, pursuant to the terms and conditions of this Agreement, as shown opposite its name in <b><u>Schedule 2</u></b> ;
<b>“PRC”</b>	means The People’s Republic of China which for the purposes of this Agreement shall not include Hong Kong, Taiwan and the Macau Special Administrative Region;
<b>“Principal Registrar”</b>	means Appleby Trust (Cayman) Ltd. of Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands;
<b>“Prospectus”</b>	means the prospectus to be issued by the Company in connection with the Placing;
<b>“Prospectus Date”</b>	means the date of the Prospectus, which is intended to be on or about 23 October 2015;
<b>“Registrar Agreements”</b>	means the Branch Registrar Agreement and the agreement entered into between the Company and the Principal Registrar;
<b>“Reorganisation”</b>	means the reorganisation of the Group in preparation for the listing of the Shares on GEM, details of which are set forth under the section headed “Statutory and general information — A. Further information about our Company — 4. Corporate reorganisation” in appendix IV to the Prospectus;
<b>“Reporting Accountants”</b>	means Grant Thornton Hong Kong Limited, whose principal place of business in Hong Kong is at Level 12, 28 Hennessy Road, Wanchai, Hong Kong;
<b>“Sale Shares”</b>	means 155,000,000 Shares to be offered by the Selling Shareholder for sale at the Placing Price under the Placing;
<b>“Selling Shareholder’s Warranties”</b>	means the representations, warranties and undertakings of the Selling Shareholder as set forth in this Agreement and Part B of <b><u>Schedule 3</u></b> ;
<b>“Selling Restrictions”</b>	means the selling restrictions as set forth in <b><u>Schedule 4</u></b> ;
<b>“Settlement Date”</b>	means the date for settlement of the subscription, allotment and transfer of the

	Placing Shares which shall be on the Listing Date or such other date as agreed between the Company (for itself and on behalf of the Selling Shareholder) and the Lead Manager (for itself and on behalf of the other Underwriter);
“SFC”	means the Securities and Futures Commission of Hong Kong;
“Share Option Scheme”	means the share option scheme conditionally adopted by the Company pursuant to a resolution passed by the shareholder of the Company on 15 October 2015, the principal terms of which are summarised under the section headed “Statutory and general information — D. Share Option Scheme” in appendix IV to the Prospectus;
“Shares”	means the ordinary shares of par value HK\$0.01 each in the share capital of the Company;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Subsidiaries”	means the subsidiaries of the Company (and “ <b>Subsidiary</b> ” shall be construed accordingly);
“subsidiaries”	has the meaning ascribed thereto in the Companies Ordinance and “subsidiaries” shall be construed accordingly;
“Taxation”	means all forms of taxation whenever created, imposed or arising and whether of Hong Kong, BVI, Cayman Islands or of any other part of the world and, without prejudice to the generality of the foregoing, includes all forms of taxation on or relating to profits, salaries, interest and other forms of income, taxation on capital gains, sales and value added taxation, estate duty, death duty, capital duty, stamp duty, payroll taxation, withholding taxation, rates and other taxes or charges relating to property, customs and other import and excise duties, and generally any taxation, duty, impost, levy, rate, charge or any amount payable to revenue, customs or fiscal authorities whether of Hong Kong, or of any other part of the world;
“Track Record Period”	means the two financial years ended 30 April 2015;
“Trading Fee”	means a trading fee at the rate of 0.005 per cent. of the Placing Price payable to the Stock

	Exchange;
<b>“Transaction Levy”</b>	means the transaction levy at the rate of 0.0027 per cent. of the Placing Price payable to the SFC;
<b>“Underwriters’ Solicitors”</b>	means Peter C. Wong, Chow & Chow whose principal place of business in Hong Kong is at Suites 1604-06, 16th Floor, ICBC Tower, 3 Garden Road, Central, Hong Kong;
<b>“United States” or “U.S.”</b>	means the United States of America;
<b>“Verification Notes”</b>	means the verification notes relating to verification of the contents of the Prospectus, prepared by the Underwriters’ Solicitors;
<b>“Warranties”</b>	means the representations, warranties and undertakings of the Warrantors as set forth in this Agreement and <b><u>Schedule 3</u></b> ; and
<b>“Websites”</b>	means the websites owned and/or operated by the Group.

## 1.2 Recitals and Schedules

The Recitals and Schedules form part of this Agreement and shall have the same force and effect as if expressly set forth in the body of this Agreement and any reference to this Agreement shall include the Recitals and the Schedules.

## 1.3 References

Except where the context otherwise requires, references in this Agreement to:-

- (a) statutory provisions, or to rules or regulations (whether or not having the force of law), shall be construed as references to the same as amended, varied, modified, consolidated or re-enacted or both from time to time (whether before or after the date of this Agreement) and to any subordinate legislation made under such statutory provisions;
- (b) persons shall include individuals, bodies corporate, unincorporated associations, all forms of governmental body or authority, any association and partnerships (whether or not having a separate legal personality) of two or more of the foregoing;
- (c) a subsidiary or a holding company is to the same as defined in sections 13 and 15 of the Companies Ordinance;
- (d) Clauses, Recitals and Schedules are to clauses and recitals of and schedules to this Agreement;
- (e) *[Deleted]*

- (f) a “**certified copy**” means a copy certified as a true copy by a director or the secretary of the Company, the Company's Solicitors or the Cayman Islands Legal Advisers (as the case may be);
- (g) dates or times of day are to Hong Kong date or time;
- (h) “best knowledge, information, belief and/or awareness” of any person or similar terms shall be treated as including but not limited to the best knowledge, information, belief or awareness which the person would have had if such person had made all due and careful enquiries.

#### 1.4 Headings

The headings in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

#### 1.5 Gender

In this Agreement, words importing a gender shall include the other genders and words importing the singular shall include the plural and vice versa.

### 2. **CONDITIONS**

#### 2.1 Conditions precedent

The obligations of the Underwriters under this Agreement are conditional on:-

- (a) the Lead Manager or the Underwriters' Solicitors, on behalf of the Underwriters, having received from the Company or the Company's Solicitors documents listed in Part A of **Schedule 5** not later than 7:00 p.m. on the date of this Agreement and documents listed in Part B of **Schedule 5** not later than 7:00 p.m. on the Business Day immediately preceding the Listing Date;
- (b) all Warranties and other statements of the Company in any documents delivered pursuant to Clause 2.1(a) being true and correct in all material respect in the sole and absolute opinion of the Lead Manager at and as of each of the dates (and where applicable, time) specified in Clause 8.3;
- (c) the issue by the Stock Exchange of a certificate of authorisation of registration in respect of the Prospectus and the registration by the Registrar of Companies in Hong Kong of one copy of each of the Prospectus (duly certified by two directors of the Company (or by their attorneys duly authorised in writing) as having been approved by resolutions of the Board) and having attached thereto all necessary consents and documents required by section 342C (subject to any certificate of exemption granted pursuant to section 342A) of the Companies Ordinance (Miscellaneous Provisions) on the date of this Agreement;
- (d) Admission been granted or agreeing to be granted (either unconditionally or subject only to allotment and issue of the Placing Shares, despatch or availability for collection of share certificates in respect of the Placing Shares, such other usual conditions for transaction of this nature and/or such other conditions as may be acceptable to the Lead Manager (for itself and on behalf of the other Underwriter) on or before the Listing Date (or such later

date as the Lead Manager (for itself and on behalf of the other Underwriter) may agree with the Company in writing) and the Admission not subsequently having been revoked prior to 8:00 a.m. of the Listing Date;

- (e) the fulfilment of such other conditions as stated in the section headed "Structure and conditions of the Placing – Conditions of the Placing" in the Prospectus before 8:00 a.m. of the Listing Date.

## 2.2 Procure fulfilment

The Warrantors and the Selling Shareholder jointly and severally undertake to use their respective reasonable endeavours to procure the fulfilment of the Conditions on or before the relevant time/date specified therefore and, in particular, shall furnish such information, supply such documents, pay such fees, give such undertakings and do all acts and things as may reasonably be required by the Lead Manager (for itself and on behalf of the other Underwriter), the Stock Exchange, the SFC and the Registrar of Companies in Hong Kong and any relevant governmental or regulatory authority in Hong Kong and the Cayman Islands in connection with the listing of the Shares and the fulfilment of such Conditions.

## 2.3 Waiver or extension

The Lead Manager (for itself and on behalf of the other Underwriter), shall have the right, at its sole and absolute discretion, by giving notice to the Company and the Underwriters on or before the last day on which each of the Conditions is required to be fulfilled, either:-

- (a) to extend the deadline for the fulfilment of any Condition to such time, date and/ or in such manner as it/they deems/deem appropriate and any such extension and the new timetable shall be notified by the exercising party(ies) to the other parties to this Agreement as soon as practicable after any such extension is made; or
- (b) in respect of the Condition set forth in Clause 2.1(a), to waive or modify (with or without condition(s) attached) such Condition.

## 2.4 Conditions not satisfied

Without prejudice to Clause 2.3, if any of the Conditions shall not have been fulfilled or waived in accordance with the terms hereof on or before the respective dates/ times specified therefor without any subsequent extension of time or waiver/ modification in accordance with the terms hereof, this Agreement shall terminate with immediate effect and the provisions of Clause 11.2 shall apply.

## 3. **APPOINTMENTS**

### 3.1 Appointment of the lead manager and bookrunner

On the terms and conditions of this Agreement, the Company (in relation to the new Shares) and the Selling Shareholder (in relation to the Sale Shares) hereby appoint Quam Securities as the lead manager and bookrunner, and Supreme China Securities Limited as a co-lead manager, to the exclusion of all others, and relying on the Warranties and other representations, undertakings, indemnities of the Warrantors and the Selling Shareholder's Warranties and other representations,

undertakings, indemnities of the Selling Shareholder set out in this Agreement and subject as hereinafter mentioned, Quam Securities and Supreme China Securities Limited accept their respective appointments hereunder.

### 3.2 Appointment of the Sponsor

The Company hereby confirms and acknowledges its appointment of Messis Capital to act as the sole and exclusive sponsor to the Placing. Messis Capital, relying on the Warranties and the other representations, undertakings, indemnities of the Warrantors and the Selling Shareholder's Warranties and other representations, undertakings, indemnities of the Selling Shareholder set out in this Agreement, hereby confirms its acceptance of such appointment on the terms and subject to the conditions of this Agreement and the mandate letter from Messis Capital to the Company dated 9 December 2014.

### 3.3 Appointment of the Hong Kong Branch Share Registrar

The Company has appointed the Hong Kong Branch Share Registrar to provide services in connection with the Placing on and subject to the terms and conditions of the Branch Registrar Agreement. The Company undertakes with the Underwriters to use its best endeavours to procure that the Hong Kong Branch Share Registrar shall do all such acts and things as may be reasonably required to be done by it in connection with the Placing and its associated transactions.

### 3.4 Appointment of the Underwriters

The Company (in relation to the new Shares) and the Selling Shareholder (in relation to the Sale Shares) hereby appoint the Underwriters to the exclusion of all others, as their exclusive agents for the limited purpose to assist the Company and the Selling Shareholder in offering to the Placees in procuring subscribers/ purchasers for, or failing which to subscribe/ purchase, the Placing Shares at the Placing Price in accordance with the Selling Restrictions and the provisions of this Agreement and the terms and conditions set forth in the Placing Documents, and the Underwriters, relying on the Warranties and other representations, undertakings, indemnities of the Warrantors and the Selling Shareholder's Warranties and other representations, undertakings, indemnities of the Selling Shareholder set out in this Agreement and subject as mentioned in this Agreement, accept the appointment.

### 3.5 Delegation

The appointment referred to in Clause 3.4 is made on the basis, and on the terms, that subject to compliance of all applicable Laws, each appointee is irrevocably authorised to delegate all or any of its relevant rights, duties, powers and discretions under this Agreement (other than financial and indemnification obligations in favour of the Company and other parties to this Agreement) in such manner and on such terms as it reasonably thinks fit (with or without formality and without prior notice of any such delegation being required to be given to the Company or the Selling Shareholder) to any one or more of its Affiliates (and, in particular, each Underwriter may appoint any of its Affiliates or any other person to be sub-agent(s) on behalf of the Company and/or the Selling Shareholder for the purpose of assisting the Company in offering the Placing Shares to the Placees in accordance with the Selling Restrictions, the applicable Laws and the terms and conditions set forth in the Placing Documents and this Agreement, with such authorities and rights as such Underwriter has pursuant to its own appointment under Clause 3.4) PROVIDED THAT each Underwriter shall remain liable for all acts and omissions of any Affiliates

and sub-agent(s) appointed by it pursuant to this Clause 3.5 and shall procure the compliance by any such Affiliates and sub-agent(s) with all relevant obligations and provisions to which such appointee is subject, or by which such appointee is or will be bound, pursuant to this Agreement or under any applicable Laws.

### 3.6 Conferment of authority

Each of the Company (in relation to the new Shares) and the Selling Shareholder (in relation to the Sale Shares) hereby confirms that the foregoing appointments of the Underwriters confer on each of the Underwriters, subject to the terms of this Agreement and applicable Laws, all powers, authorities and discretion on behalf of the Company and the Selling Shareholder respectively which are necessary for, or reasonably incidental to, the lawful and proper making of the Placing under and in accordance with this Agreement and hereby agree to ratify and confirm all lawful and proper acts conducted by the Underwriters and their delegates or sub-agents pursuant to Clause 3.5 above in the exercise of such appointment, powers, authorities and discretions under and in accordance with this Agreement.

### 3.7 Capacity as agents

Any transaction legally and validly carried out by the Underwriters within the scope of the appointments under and in accordance with this Agreement and grants of authorities and discretion contained in this Agreement shall constitute a transaction carried out at the request of the Company and the Selling Shareholder and as agent of the Company and the Selling Shareholder. The Underwriters shall not be responsible for any loss or damage to any persons arising from any such transaction (except for any material loss or damage arising out of or liability for any default, gross negligence, fraud, dishonesty or breach of the terms of this Agreement on the part of the relevant Underwriter concerned).

### 3.8 Sub-underwriting

Subject to below, the Underwriters shall be entitled to enter into sub-underwriting arrangements in respect of any part of their respective Placing Underwriting Commitments, PROVIDED THAT the Underwriters shall use the form of sub-underwriting letter as set forth in the Agreement Amongst Underwriters for this purpose and PROVIDED FURTHER THAT the Underwriters shall not offer the Placing Shares in connection with any such sub-underwriting to any person in respect of whom such offer or sale would be in contravention of applicable Laws and the Selling Restrictions or not in accordance with the Placing Documents or this Agreement. Each of the Underwriters shall be responsible for its own Placing Underwriting Commitments notwithstanding any such arrangement. All sub-underwriting commission shall be borne by the relevant Underwriter absolutely.

### 3.9 No liability for the Placing Documents

None of the Underwriters shall have any liability in respect of any omission of information from the Placing Documents or any information or statement of fact or opinion contained therein (other than information concerning themselves) being untrue, incorrect or misleading.

## 4. **THE PLACING AND THE UNDERWRITING OF THE PLACING SHARES**

### 4.1 Placing



Subject to the Conditions having been fulfilled (or waived, if appropriate), each of the Underwriters agrees and undertakes severally (not jointly or jointly and severally) to subscribe for or purchase of or to procure subscribers to subscribe for or purchasers of, the number of Placing Shares set forth opposite its name in Schedule 2 at the Placing Price (together with amounts on account of the Brokerage, Trading fee and Transaction Levy in accordance with the terms of the Placing) on the terms and conditions set forth in the Placing Documents and this Agreement.

#### 4.2 Undertakings from the Company and the Warrantors and the Selling Shareholder

Each of the Company and the Selling Shareholder undertakes to the Underwriters, and the other Warrantors undertake to the Underwriters to procure, that the Company and the Selling Shareholder respectively shall comply in all respects with and duly give effect to the terms and conditions of the Placing and their respective obligations pursuant to this Agreement and, in particular, that:-

- (a) the Company and the Selling Shareholder shall use its best endeavours to ensure that the Placing Shares shall be accepted for clearance and settlement through CCASS in Hong Kong on or prior to the Listing Date;
- (b) the Company shall duly allot and issue the New Shares and the Selling Shareholder shall sell the Sale Shares promptly after the Placing shall have become unconditional; and
- (c) the Company and the Selling Shareholder respectively shall procure that share certificate(s) are duly issued in respect of the Placing Shares to the Placees in accordance with the terms of the Placing Documents.

#### 4.3 Placees

In connection with the Placing (and without limiting Clause 3.8 but subject to compliance by the Underwriters with the applicable Laws, Selling Restrictions and in accordance with this Agreement), the Company (in relation to the new Shares) and the Selling Shareholder (in relation to the Sale Shares) hereby authorises the Underwriters:-

- (i) to offer the Placing Shares to potential Placees at the Placing Price (together with Brokerage, Trading Fee and Transaction Levy) in accordance with applicable Laws, and the terms of this Agreement and the Placing Documents;
- (ii) to distribute (and the Company and the Selling Shareholder hereby ratify and agree to ratify and confirms any prior distribution) to prospective Placees by the Underwriters, on behalf of the Company and the Selling Shareholder of any of the Placing Documents and in accordance with applicable Laws; and
- (iii) to enter into contracts on behalf of the Company and the Selling Shareholder for the subscription and allotment of the Placing Shares. The Placing Shares shall not be offered to any person who, to the best knowledge and belief of the relevant Underwriter, is a director of the Company or a close associate (as defined in the GEM Listing Rules) of any director, chief executive or substantial shareholder of the Company or otherwise a connected person (as such term is defined under the GEM Listing Rules) of the Company for the purpose of the GEM Listing Rules.

#### 4.4 Selling Restrictions and compliance by the Underwriters

Subject to the Selling Restrictions, the terms of Placing Documents and such other agreement or arrangement(s) as shall exist between the Underwriters, each of the Underwriters may offer the Placing Shares to such persons and in such places as it deems appropriate but all such offers shall be in strict compliance with all applicable Laws and the terms and conditions of this Agreement.

Each of the Underwriters severally undertakes, represents and warrants to the Company and the Selling Shareholder that it has complied and shall comply with applicable Laws, the Selling Restrictions and the rules and guidelines applicable to placing under the GEM Listing Rules or otherwise promulgated or published by the Stock Exchange, the SFC or other relevant regulatory authorities.

#### 4.5 No distribution of documents

Except for the Placing Documents or otherwise provided herein or by applicable Laws (in which case the Company, the Selling Shareholder and the other Warrantors shall first consult with the Sponsor and the Lead Manager before any such issue, publication, or distribution), each of the Company, the Selling Shareholder and the other Warrantors undertakes not, without the prior written approval of the Sponsor and the Lead Manager (such approval shall not be unreasonably withheld or delayed), to issue, publish, distribute or otherwise make available any document (including any prospectus), material or information in connection with the Placing for a period commencing on the date of this Agreement and ending on the expiry of six months after the Listing Date.

Each of the Underwriters hereby acknowledges that nothing in this Agreement shall give or be deemed to give any of them any authority to make any disclosure, representation or warranty (whether given orally or in writing) on behalf of the Company or the Selling Shareholder in connection with the Placing unless the same is contained in the Placing Documents, this Agreement or in any of the documents or materials produced in connection with the Placing as approved by the Company (for itself and on behalf of the Selling Shareholder) (such approval shall not be unreasonably withheld or delayed).

#### 4.6 Supply of information

The Lead Manager shall supply to the Hong Kong Branch Share Registrar no later than 10:00 a.m. on the second Business Day immediately prior to the Settlement Date:-

- (a) details of the total number of Placing Shares to be issued by the Company (in relation to the new Shares) and to be sold by the Selling Shareholder (in relation to the Sale Shares) under the Placing;
- (b) the number of share certificates required to be issued by the Company;
- (c) the denomination of each such certificate; and
- (d) the name(s) of the relevant allottee(s)/transferee(s).

#### 4.7 Payment

This Clause 4.7 applies with respect to all Placing Shares. Each Underwriter shall procure that it shall consolidate the payment made by its respective Placees and shall (in the case of their failing to do so, itself) pay to the Lead Manager, at or before 10:00 a.m. on the Settlement Date (or such other time and date as notified by the Lead Manager to the Underwriters) the full amount payable on application in respect of the number of Placing Shares agreed to be subscribed or purchased by such Placees (which shall include amounts on account of Brokerage, Trading Fee and Transaction Levy in accordance with the terms of the Placing Letters).

#### 4.8 Several obligations on the part of the Underwriters

The obligations of the Underwriters under this Clause 4 are several (and not joint or joint and several). The Placing Underwriting Commitments of the respective Underwriters as set forth in Schedule 2 represent the relevant maximum number of Placing Shares of such Underwriter. None of the Underwriters shall be liable for any failure by any other of the Underwriters to perform any of its obligations under this Clause 4 and each of the Underwriters shall be entitled to enforce this Agreement either alone or jointly with any other of the Underwriters.

#### 4.9 Failure to comply with obligations

If and to the extent that any Underwriter fails to comply with its obligations, the other Underwriter may in its absolute discretion (without creating any obligation in this respect on the part of such Underwriter and without prejudice to any other rights of any person against such Underwriter in respect of such default) apply for, or elect to procure subscribers for or purchasers of, any or all of the Placing Shares which any or all Underwriter(s) is/are required to subscribe or procure subscribers for or purchasers of pursuant to Clause 4.1 but fails to do. To the extent that any Placing Shares are so subscribed for or purchased pursuant to this Clause, the Underwriter in default shall cease to be entitled to any placing underwriting commission on or with respect to such Placing Shares.

#### 4.10 Obligations cease

Save as regards (i) accrued obligations and liabilities, (ii) the provisions of Clauses 13 to 20.7, and (iii) the obligations of the Lead Manager under Clause 5, all obligations and liabilities of the Underwriters under this Agreement shall cease following payment by or on behalf of the Underwriters pursuant to Clause 4.7.

### **5. SETTLEMENT OF THE PLACING PROCEEDS**

#### 5.1 Payment to the Company and the Selling Shareholder

The Lead Manager (for itself and on behalf of other Underwriter) shall pay in Hong Kong dollars to the Company (receiving for itself and the Selling Shareholder) (or shall procure that there be paid to the Company), in accordance with this Clause and Clause 4.7 and subject to Clause 7, the net proceeds from the Placing of the Placing Shares as soon as practicable after the Conditions have been fulfilled (or waived) but in any event, subject to the fulfilment of the foregoing Conditions, no later than 5:00 p.m. within three Business Days immediately following the Listing Date and against delivery by the Company (for itself and the Selling Shareholder) to the Lead Manager (for itself and on behalf of other Underwriter) (or as the Lead Manager may direct) by 10:00 a.m. on the Settlement Date of:-

- (a) Share certificates in respect thereof; or

- (b) if and to the extent that the Lead Manager may elect to require delivery of such Placing Shares into CCASS, evidence reasonably satisfactory to the Lead Manager that certificates for such Placing Shares have been duly delivered to CCASS:-
- (i) in such denominations; and
  - (ii) for credit to such CCASS participants' stock accounts (including the details of such accounts),

as the Lead Manager (for itself and on behalf of other Underwriter) may have notified to the Company (for itself and the Selling Shareholder) or the Hong Kong Branch Share Registrar no later than 3:00 p.m. on the second Business Day immediately prior to the Settlement Date or such other time as the Company (for itself and the Selling Shareholder) and the Lead Manager (for itself and on behalf of other Underwriter) may agree.

The Company and the Selling Shareholder shall procure that the names of the Placees or HKSCC Nominees Limited (as the case may be) shall be entered in the register of members of the Company accordingly (without payment of any registration fee) in accordance with the instructions of the Lead Manager (for itself and on behalf of other Underwriter).

## 5.2 Interpretation

For the purpose of this Clause 5, the "net proceeds from the Placing" means the aggregate Placing Price of the number of Placing Shares to be subscribed for and issued by the Company, under the Placing but after deducting and retaining:-

- (i) *[Deleted]*
- (ii) road show, marketing, promotion costs and other expenses incurred by the Lead Manager as the lead manager and bookrunner in relation to the Placing with the prior approval of the Company;
- (iii) the amount of placing underwriting commission payable to the Underwriters under Clause 7.2, together with the Brokerage, the Transaction Levy and the Trading Fee.

In accordance with Clause 5.1, the net proceeds from the Placing shall be paid in Hong Kong dollars to the Company (receiving for itself and on behalf of the Selling Shareholder) by cheque (crossed "account payee only") drawn on a licensed bank in Hong Kong and payable to the Company (receiving for itself and on behalf of the Selling Shareholder) or by wire transfer to the Company's bank accounts, in Hong Kong or by such other means as may be agreed between the Company (for itself and on behalf of the Selling Shareholder) and the Lead Manager. If applicable, the amount payable by the Lead Manager shall be paid in Hong Kong dollars. If applicable, the other amounts payable by the Lead Manager shall be paid in Hong Kong dollars by cheque (crossed "account payee only") drawn on a licensed bank in Hong Kong and payable to the Company or by wire transfer to the Company's bank accounts, in Hong Kong or by such other means as may be agreed by the Lead Manager and the Company (for itself and on behalf of the Selling Shareholder).

## 5.3 Payment of Trading Fee and Transaction Levy

The Lead Manager (for itself and on behalf of the other Underwriter) shall arrange for the payment:-

- (i) to the Stock Exchange, the aggregate amount of the Trading Fee; and
- (ii) to the SFC, the aggregate amount of the Transaction Levy,

with respect to the Placing Shares placed to the placees through the Underwriters. For the avoidance of doubt, this shall include the aggregate amount of the Trading Fee and Transaction Levy with respect to the Placing Shares payable by the Company and the Selling Shareholder.

#### 5.4 Obligations on the Lead Manager

For the avoidance of doubt, the obligations of the Lead Manager under Clauses 5.1 and 5.2 are strictly limited to the application by such Lead Manager of funds paid to and held by it pursuant to and in accordance with this Agreement. In particular, the Lead Manager has no liability to the Company or the Selling Shareholder (or to any other person) under such Clauses if and to the extent that such failure arises due to any of the Underwriters (other than itself) not making any payment due. The rights of the Company and the Selling Shareholder in respect of any such failure by an Underwriter to make any such payment lie exclusively as against such Underwriter on a several basis in accordance with Clause 4.8. Entirely without prejudice to the foregoing, the Lead Manager has the right (but not the obligation), to pay to the Company (receiving for itself and on behalf of the Selling Shareholder) on such Underwriter's behalf, the whole of the payment owing from such Underwriters and take delivery of the relevant Placing Shares and sell or dispose of them at the Lead Manager's absolute discretion and repay all or part of the money owed by such Underwriter to the Company (receiving for itself and on behalf of the Selling Shareholder) and charge the relevant Underwriter for any shortfall, if any, arising from such sale or disposal including any expenses incurred.

### 6. **PRICING**

#### 6.1 Determination of the Placing Price

The final Placing Price under the Placing is fixed at HK\$0.20 per Placing Share (excluding Brokerage, Trading Fee and Transaction Levy).

### 7. **COMMISSIONS, FEES AND EXPENSES**

#### 7.1 Sponsorship fee and compliance adviser fee

(a) In consideration of the Sponsor's services in relation to the Placing and the Company's application for the Admission, the Company shall pay to the Sponsor an advisory fee of an amount separately agreed between the Company and the Sponsor and all expenses incurred by the Sponsor pursuant to the mandate letter from the Sponsor to the Company dated 9 December 2014.

(b) *[Deleted]*

#### 7.2 Underwriting commission

Subject to the provisions of this Clause 7, the Company (in relation to the new Shares) and the Selling Shareholder (in relation to the Sale Shares) shall pay, in proportion to the number of the Placing Shares, to the Lead Manager (for itself and on behalf of the other Underwriter) an underwriting commission equal to two point five(2.5) per cent. of the aggregate Placing Price in respect of all of the Placing Shares. The Underwriters shall pay their respective sub-underwriters any sub-underwriting commission and other concession (if any) out of its entitlement of underwriting commission. The entitlement of the Underwriters to the placing underwriting commission shall be paid in accordance with the terms set forth in the Agreement Amongst Underwriters. The obligation of the Company to pay such commission shall be deemed fully satisfied and discharged by making such payment to the Lead Manager (for itself and on behalf of the other Underwriter) and the Company and the Selling Shareholder shall not be concerned as to how and when the Lead Manager distributes such commission among the Underwriters.

7.3 Other costs payable by the Company and the Selling Shareholder

Subject to Clause 7.4, all fees, costs, charges and other expenses of, in connection with or incidental to the Placing and this Agreement and the transactions contemplated thereby or hereby including, without limitation:-

- (a) *[Deleted]*
- (b) *[Deleted]*
- (c) *[Deleted]*
- (d) *[Deleted]*
- (e) *[Deleted]*
- (f) *[Deleted]*
- (g) *[Deleted]*
- (h) *[Deleted]*
- (i) *[Deleted]*
- (j) the cost of despatch and distribution of the Placing Documents in Hong Kong;
- (k) CCASS transaction fees payable and all expenses actually and reasonably incurred by the Lead Manager for making arrangements on settlement of the Placing Shares on the Settlement Date;
- (l) *[Deleted]*
- (m) all capital duty (if any), premium duty (if any) and other fees charges and expenses payable in respect of the creation, issue and allotment of the Shares including but not limited to the Trading Fee and Transaction Levy paid under clause 5.3 of this Agreement;
- (n) costs and expenses related to the launching of the Placing;
- (o) costs and expenses of conducting the syndicate analysts' briefing; and

(p) *[Deleted]*

(q) out-of-pocket and travelling expenses reasonably and properly incurred by the Underwriters in relation to the Placing,

shall be borne by the Company and the Selling Shareholder in proportion to the number of new Shares and Sale Shares offered under the Placing. The Company and the Selling Shareholder shall, forthwith upon request reimburse the Lead Manager the amount(s) of any such above expenses which the Lead Manager may have properly and reasonably incurred on behalf of the Company and the Selling Shareholder (excluding all underwriting, sub-underwriting, placing or sub-placing commission) and the Company and the Selling Shareholder shall pay all such above fees, costs and expenses incurred in connection with the Placing. For the avoidance of doubt, the initial listing fees payable to the Stock Exchange shall be borne solely by the Company and the Selling Shareholder, and if any of such costs, fees, expenses charges, etc. shall have been paid or deducted under other clauses of this Agreement (including without limitation, clause 7.1 of this Agreement), it will not be payable again hereunder.

#### 7.4 Costs and expenses payable in case the Placing does not proceed

If this Agreement shall be rescinded or terminated or not become unconditional or, for any other reason, the Placing is not completed, the Company and the Selling Shareholder shall not be liable to pay any underwriting commission, fees, costs, expenses, charges, etc. under Clause 7.2, but without prejudice to amounts previously agreed by the Company and/or the Selling Shareholder to be payable by the Company or the Selling Shareholder (as the case may be) including but not limited to the combined sponsorship, advisory fee and documentation fee referred to in Clause 7.1(a) together with reimbursement of the expenses reasonably incurred thereunder, and the Company and the Selling Shareholder shall also pay or reimburse to the relevant parties, all costs, fees, charges and expenses referred to in Clause 7.3 which have been reasonably incurred or are liable to be paid by any of the Underwriters or by the Lead Manager (for itself and on behalf of the other Underwriter).

#### 7.5 Time of payment of costs

All commissions, fees, costs, charges and expenses referred to in this Clause 7 shall, if not so deducted pursuant to Clauses 4.7 and 5, be payable by the Company and the Selling Shareholder within seven Business Days of the first written request by the Lead Manager, save to the extent that appropriate amounts in respect thereof have been deducted from the amounts payable to the Company and the Selling Shareholder as provided in this Agreement.

The obligation of the Company and the Selling Shareholder to pay such commission, costs, fees and expenses shall be deemed fully satisfied and discharged by making such payment to the Lead Manager (or by allowing such deduction from application monies pursuant to Clauses 4.7 and 5). The Company and the Selling Shareholder shall not be concerned the allocation and distribution of such commission, costs, fees and expenses between the Underwriters.

## 8. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

### 8.1 Warranties

Each of the Warrantors (in relation to the Warranties) and the Selling Shareholder (in relation to the Selling Shareholder's Warranties) hereby jointly and severally represents, warrants and undertakes to the Underwriters and each of them that (save and except as disclosed in this Agreement, the Placing Documents or the Conditions Precedent Documents, submissions and subsequent replies and responses made on behalf of the Company to the Stock Exchange, the SFC or other regulatory bodies in respect of the Listing Application), each of the Warranties and the Selling Shareholder's Warranties (as the case may be) is true and accurate in all material respects and not misleading in any material respects as at the date of this Agreement and acknowledges that and each of the Underwriters is entering into this Agreement in reliance upon the Warranties and the Selling Shareholder's Warranties (as the case may be). Each Warranty and Selling Shareholder's Warranty shall be construed independently and shall not be limited or restricted by reference to or inference from the terms of any other of the Warranties and the Selling Shareholder's Warranties or any other term of this Agreement.

### 8.2 Full force

The Warranties and the Selling Shareholder's Warranties shall remain in full force and effect notwithstanding the completion of the Placing and the matters and arrangements referred to or contemplated in this Agreement.

### 8.3 Warranties and the Selling Shareholder's Warranties repeated

The Warranties and the Selling Shareholder's Warranties are given on and as at the date of this Agreement with respect to the facts and circumstances subsisting as at the date of this Agreement. In addition, the Warranties and the Selling Shareholder's Warranties shall be deemed to be repeated:-

- (a) on the date of registration of the Prospectus by the Registrar of Companies in Hong Kong as required by section 342C of the Companies Ordinance (Miscellaneous Provisions);
- (b) on the Prospectus Date;
- (c) on the date on which all the Conditions are fulfilled or waived in accordance therewith; and
- (d) on the Listing Date prior to 8:00 a.m.,

in each case with reference to the facts and circumstances then subsisting.

If at any time prior to the completion of the issue of the Placing Shares by the Company, any event occurs as a result of which the Placing Documents, as then amended or supplemented, would include any materially untrue statement of a material fact or omit to state any fact to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respects, or if it should be necessary to amend or supplement the Placing Documents to comply with applicable Law, the Company and the Selling Shareholder shall promptly notify the Lead Manager of the same and shall promptly prepare and provide to the



Lead Manager an amendment or supplement which shall correct such statement or omission or effect such compliance and shall not distribute any such amendment or supplement to which the Lead Manager reasonably and timely object, subject to applicable Law.

#### 8.4 Notice of breach of Warranties and the Selling Shareholder's Warranties

Each of the Warrantors (in relation to the Warranties) and Selling Shareholder (in relation to the Selling Shareholder's Warranties) hereby jointly and severally undertakes to forthwith notify the Lead Manager (for itself and on behalf of the other Underwriter) in writing from the date of this Agreement up to the Listing Date if it comes to its knowledge that any of the Warranties and the Selling Shareholder's Warranties respectively are untrue, inaccurate or misleading in any material respect or ceases to be true and accurate in all material respects or becomes misleading in any material respects at any time up to the last of the dates specified in Clause 8.3 or if they becomes aware of any event or circumstances which would or might cause any of the Warranties and the Selling Shareholder's Warranties respectively to become untrue, inaccurate, misleading or breached in any material respect.

#### 8.5 Undertakings

Each of the Warrantors (in relation to the Warranties) and Selling Shareholder (in relation to the Selling Shareholder's Warranties) jointly and severally undertakes to the Underwriters not to, and shall procure that neither the Company nor any other Group Company, do or omit to do anything or permit to occur any event which would or might render any of the Warranties and the Selling Shareholder's Warranties respectively untrue, incorrect or misleading in any material respect at any time up to the last of the dates specified in Clause 8.3.

#### 8.6 Announcement of matters

If at any time, by reference to the facts and circumstances then subsisting, on or prior to the last of the dates on which the Warranties and the Selling Shareholder's Warranties are deemed to be given pursuant to the provisions of Clause 8.3, any matter or event comes to the attention of any of the Warrantors or the Selling Shareholder which:

- (a) would result in that any Warranties or Selling Shareholder's Warranties, if repeated immediately after the occurrence of such matter or event, would be untrue or incorrect or misleading or breached, in any material respect; or
- (b) would render any statement, whether of fact or opinion, contained in the Placing Documents, untrue or incorrect or misleading, in any material respect; or
- (c) would result in the omission in any material respect of any fact which is material for disclosure or required by applicable Laws to be disclosed in the Placing Documents (assuming the relevant documents were to be issued immediately after occurrence of such matter or event); or
- (d) would result in any material breach of the representations, warranties or undertakings given by any of the Warrantors or the Selling Shareholder or any circumstances giving rise to a material claim under any of the indemnities as contained in, or given pursuant to, this Agreement,

such Warrantors and the Selling Shareholder shall forthwith notify the Lead Manager (for itself and on behalf of the other Underwriter) and the other Warrantors and the Lead Manager (for itself and on behalf of the other Underwriter) shall, but without prejudice to any other rights of any party hereto, forthwith consult each other with a view to agreeing, if any of the Placing Documents has already been issued, published, distributed or made publicly available, what announcement or circular or document, if any, should be issued, published, distributed or made publicly available or what other act or thing should be done. The Warrantors and the Selling Shareholder agree not to issue, publish, distribute or make publicly available any such announcement, circular or document or do any such act or thing without the prior written consent of the Lead Manager (for itself and on behalf of the other Underwriter) (which consent not to be unreasonably withheld or delayed), except as required by applicable Laws, in which case the Warrantors and the Selling Shareholder shall first consult the Lead Manager before such issue, publication or distribution or act or thing being done. In addition, the Warrantors and the Selling Shareholder shall take such additional steps as may be reasonably requested by the Lead Manager to remedy the same, subject to applicable Laws.

8.7 Warrantors' and Selling Shareholder's knowledge

A reference in this Clause 8 or in Schedule 3 to a Warrantor's or the Selling Shareholder's knowledge, information, belief or awareness includes the best knowledge, information, belief or awareness which such Warrantor or the Selling Shareholder would have if such Warrantor or the Selling Shareholder had made all reasonable due and careful enquiries.

8.8 Obligations personal

The obligations of each of the Warrantors and the Selling Shareholder under this Agreement shall be binding on its personal representatives or successors or assigns.

8.9 Obligations joint and several

Save where the context otherwise requires, the obligations of the Warrantors under this Agreement shall be joint and several.

8.10 Release of obligations

Any liability owed to the Underwriters or any of them hereunder may in whole or in part be released, compounded or compromised and time or indulgence may be given by the Underwriters or any of them as regards any person under such liability without prejudicing such Underwriter's rights against any other person under the same or a similar liability.

8.11 Assignment

The benefit of the representations, warranties and undertakings contained in this Agreement may be assigned in whole or in part by any of the Underwriters to any of its respective Affiliates involved in the Placing and to their respective sub-underwriters appointed in accordance with this Agreement but save as aforesaid no party hereto shall assign or transfer any of its rights or obligations under this Agreement.

8.12 Consideration

Each of the Warrantors and the Selling Shareholder has entered into this Agreement and agreed to give the representations, warranties and undertakings herein, in consideration of the Underwriters agreeing to enter into this Agreement on the terms set forth herein.

#### 8.13 Underwriters' Warranties

Each of the Underwriters severally in respect of itself only (and not jointly or jointly and severally) represents, warrants and undertakes to the Company that:-

- (a) it has the requisite power and authority to enter into and perform this Agreement;
- (b) this Agreement constitutes, and any other documents required to be executed by it pursuant to the provisions of this Agreement or in connection with the Placing shall, when executed, constitute, its valid and binding obligations in accordance with their respective terms;
- (c) the execution and delivery of, and the performance by it of its obligations under this Agreement shall not (i) result in a breach of any provision of its memorandum or articles of association (or equivalent constitutive documents); or (ii) result in a breach or constitute a default under, any instrument to which it is a party or by which it is bound; or (iii) result in a breach of any Laws to which it is bound; or (iv) require any approval from any governmental or regulatory body; and
- (d) insofar as applicable to it, it shall provide such information concerning the places of the Placing Shares procured by it as the Stock Exchange or the SFC may require.
- (e) the Underwriters shall not be entitled to recover from the Warrantors (in relation to the Warranties) and the Selling Shareholder (in relation to the Selling Shareholder's Warranties) more than once in respect of the same damage suffered as a result of any breach(es) of any Warranties and/or the Selling Shareholder's Warranties.

#### 8.14 Sponsor's Warranties

The Sponsor represents, warrants and undertakes to the Company that:-

- (a) it has the requisite power and authority to enter into and perform this Agreement;
- (b) this Agreement constitutes, and any other documents required to be executed by it pursuant to the provisions of this Agreement or in connection with the Placing shall, when executed, constitute, its valid and binding obligations in accordance with their respective terms;
- (c) the execution and delivery of, and the performance by it of its obligations under this Agreement shall not (i) result in a breach of any provision of its memorandum or articles of association (or equivalent constitutive documents); or (ii) result in a breach or constitute a default under, any instrument to which it is a party or by which it is bound; or (iii) result in a

breach of any Laws to which it is bound; or (iv) require any approval from any governmental or regulatory body; and

- (d) the Sponsor shall not be entitled to recover from the Warrantors (in relation to the Warranties) and the Selling Shareholder (in relation to the Selling Shareholder's Warranties) more than once in respect of the same damage suffered as a result of any breach(es) of any Warranties and/or the Selling Shareholder's Warranties.

## **9. INDEMNITY**

### **9.1 Claims against the Underwriters**

No claim shall be made against the Underwriters or any of them or any Affiliate of any of the Underwriters which has been involved in the Placing by any of the Warrantors or the Selling Shareholder or their respective directors to recover any damage, cost, charge or expense which any of the Warrantors or the Selling Shareholder or their respective directors to recover any damage, cost, charge or expense which any of the Warrantors or the Selling Shareholder or their respective directors may suffer by reason of or in any way arising out of the proper and lawful carrying out by the Underwriters of any act in connection with the transactions contemplated herein and in the Placing Documents, the due and proper performance of the Underwriters' obligations hereunder, thereunder or otherwise in connection with the allotment or issue of the Placing Shares or the preparation or despatch of the Placing Documents, in each case in accordance with this Agreement PROVIDED THAT such damage, cost, charge or expense has not arisen from such Underwriter's (including its Affiliates and Indemnified Parties) gross negligence, dishonesty, wilful default, breach of this Agreement or fraud.

### **9.2 Indemnity given by the Warrantors and the Selling Shareholder**

Each of the Warrantors (in relation to the Warranties) and the Selling Shareholder (in relation to the Selling Shareholder's Warranties) jointly and severally undertakes, to indemnify and keep each of the Indemnified Parties at all times fully indemnified, against all actions, claims, disputes and proceedings from time to time against, and all losses, liabilities, damage, payments, reasonable costs (including, without limitation, legal costs) and expenses (including, without limitation, all payments, costs and expenses arising out of or in connection with the investigation, defence or settlement of any such actions, claims and proceedings or the enforcement of any such settlement or any judgment obtained in respect of any such actions, claims and proceedings) which any Indemnified Party suffer or incur by any Indemnified Party and which are, directly or indirectly, arising out of or in connection with:-

- (a) the lawful and proper performance by the Underwriters or any of them of their or its obligations under and in accordance with this Agreement;
- (b) the issue, publication, distribution or making available of any of the Placing Documents pursuant to this Agreement and/or such documents (including any amendment thereof or supplement thereto) and all other public notices, announcements and advertisements in connection with the Placing (whether or not approved by the Sponsor and/or the Lead Manager);
- (c) the offer, allotment and issue of the Placing Shares;

- (d) any breach or alleged breach on the part of any of the Warrantors and the Selling Shareholder of any of the provisions of this Agreement or the Memorandum and Articles of Association;
- (e) any of the Warranties or Selling Shareholder's Warranties being untrue or misleading in any respect or having been breached in any respect or being alleged to be untrue or misleading in any respect or alleged to have been breached in any respect;
- (f) any breach or alleged breach by the Warrantors or the Selling Shareholder of the laws, rules or regulations of Hong Kong resulting from the distribution of the Placing Documents and/or any offer, sale or distribution of the Placing Shares otherwise than in accordance with and on the terms of those documents and this Agreement or at the instructions of the Sponsor, the Lead Manager or the Underwriters;
- (g) any of the Placing Documents containing any untrue or alleged untrue statement of a material fact, or omitting or alleged omitting a fact necessary to make any statement therein, in the light of the circumstances under which it was made, not misleading;
- (h) any statement, estimate, forecast or expression of opinion, intention or expectation contained in the Placing Documents or any amendment or supplement thereto being untrue, incomplete, inaccurate or misleading in any respect, or any omission to state therein a fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;
- (i) any of the Placing Documents failing or being alleged to fail to disclose sufficient information necessary to enable an informed assessment to be made of the assets and liabilities, financial position, profits and losses and prospects of the Group or of the rights attaching to the Placing Shares;
- (j) any settlement by any Group Company of any investigation or proceeding in respect of the Placing by any governmental or regulatory authority, commenced or threatened; and
- (k) the Placing failing or being alleged to fail to comply with the applicable requirements of the GEM Listing Rules or any statute or statutory regulation at any applicable jurisdiction, or any condition or terms of any approvals in connection with the Placing, other than as a result of breach(es) of undertakings, gross negligence, default, dishonesty, fraud hereof by the Underwriters, their respective Affiliates and/or Indemnified Persons or any of them,

PROVIDED THAT the indemnity provided for in this Clause 9.2 shall not apply in respect of an Indemnified Party to the extent, but only to the extent, that any such action, claim or proceeding made against, or any such loss, liabilities or damage suffered or any such payment, cost and expense made or incurred by, such Indemnified Party is caused mainly by the gross negligence, wilful default or fraud or breach of this Agreement on the part of the relevant Underwriter, its Affiliates and/or Indemnified Party. The non-application of the indemnity provided for in this Clause 9.2 in respect of any Indemnified Party shall not affect the application of such indemnity in respect of any other Indemnified Parties. Any settlement or compromise

of any actions, claim or proceeding or loss, liabilities or damages by the Sponsor or the Lead Manager or any other Indemnified Party shall be made without prejudice to any claim, action or demand any other Indemnified Person may have or make against the Company and/or any of the Warrantors or the Selling Shareholder under this Clause or otherwise under this Agreement.

9.3 Keep the Warrantors, the Selling Shareholder and the Company informed

Each Indemnified Party shall use its reasonable endeavours to keep the Warrantors and the Selling Shareholder and the Company informed of the conduct of any action, claim or proceeding made against such Indemnified Party and to which the provisions of Clause 9.2 apply and shall provide all relevant information to and seek the consent of the Warrantors and the Company (which consent not to be unreasonably withheld or delayed) prior to settling any such action, claim or proceeding. Each of the Warrantors, the Selling Shareholder nor the Company shall, without the prior written consent of an Indemnified Party (which consent not to be unreasonably withheld or delayed), effect any settlement of any pending or threatened proceeding in respect of which such Indemnified Party is a party and indemnity could have been sought hereunder by such Indemnified Party, in such a way as to impose a liability on such Indemnified Party.

9.4 Indemnity insufficient

If the indemnity provided for in Clause 9.2 is unavailable or insufficient to hold harmless an Indemnified Party, then the Warrantors, the Selling Shareholder and the Company, to the extent applicable to their respective indemnities under Clause 9.2 and between themselves severally, but not jointly or jointly and severally, shall on demand contribute to the amount paid or payable by such Indemnified Party as a result of the actions, claims, proceedings, losses, damage, payments, costs and expenses referred to in Clause 9.2:-

- (a) in such proportion as is appropriate to reflect the relative benefits received by the Warrantors, the Selling Shareholder and the Company, on the one hand and the Underwriters on the other from the Placing; or
- (b) if the allocation provided in Clause 9.4(a) is not permitted by applicable Laws, then in such proportion as is appropriate to reflect not only the relative benefits referred to in Clause 9.4(a) but also the relative fault of any of the Warrantors, the Selling Shareholder or the Company on the one hand and the Underwriters on the other hand which resulted in the actions, claims, proceedings, losses, damage, payments, costs and expenses referred to in Clause 9.2 as well as any other relevant equitable considerations.

9.5 Payment free from counterclaims/set-offs

All payments made by the Warrantors, the Selling Shareholder and the Company under this Clause 9 shall be made gross, free of any right of counterclaim or set off and without deduction or withholding of any kind, other than any deduction or withholding required by Law. If the Warrantors, the Selling Shareholder and the Company make a deduction under this Clause 9, the sum due from the indemnifying party shall be increased to the extent necessary to ensure that, after the making of any deduction or withholding, the relevant Indemnified Party which is entitled to such payment receives a sum equal to the sum it would have received had no deduction or withholding been made.

## 9.6 Tax

If a payment under this Clause 9 shall be or has been subject to tax in Hong Kong (other than profit tax), the indemnifying party shall pay the relevant Indemnified Party on demand the amount (after taking into account any tax payable in respect of the amount and treating for these purposes as payable any tax that would be payable but for a relief, clearance, deduction or credit) that shall ensure that the relevant Indemnified Party receives and retains a net sum equal to the sum it would have received had the payment not been subject to tax.

## 9.7 Full force

The foregoing provisions of this Clause 9 shall continue in full force and effect for a period of six years from the date of this Agreement notwithstanding the Placing becoming unconditional and having been completed or the termination of this Agreement (as the case may be).

## 10. **FURTHER UNDERTAKINGS**

### 10.1 Compliance by the Company

The Company undertakes to the Underwriters and each of them that in respect of the Placing it shall, and each of the other Warrantors and the Selling Shareholder jointly and severally undertakes to the Underwriters and each of them to procure that the Company shall comply with the terms and conditions of the Placing and all applicable Laws issued from time to time, in particular, all obligations imposed upon it by the Companies Ordinance (Miscellaneous Provisions) and the GEM Listing Rules and all requirements of the Stock Exchange or the SFC in respect of or by reason of the matters contemplated by this Agreement and otherwise in connection with the Placing, including but without limitation:-

- (a) complying in all respects with the terms and conditions of the Placing and, in particular, to allot and issue and transfer the Placing Shares to Placees prior to the Listing;
- (b) using its best endeavours to do all such things as are necessary to ensure that Admission is obtained and not cancelled or revoked in respect of the Placing;
- (c) making all necessary filings with the Registrar of Companies in Hong Kong in respect of the Placing;
- (d) making available for inspection at the offices of the Company's Solicitors the documents referred to in the paragraph headed "Documents available for inspection" of appendix V to the Prospectus for the period and at the address stated therein;
- (e) procuring that the Principal Registrar and the Hong Kong Branch Share Registrar shall comply in all material respects in respect of the Placing with the terms of their respective appointments under the terms of the Registrar Agreements;
- (f) complying with the GEM Listing Rules in relation to supplemental listing documents and further agreeing not to issue, publish, distribute or make

available any announcement, circular or document in respect of the Placing without the prior written consent of the Lead Manager (such consent not to be unreasonably withheld or delayed);

- (g) procuring that none of the connected persons (as defined in the GEM Listing Rules) of the Company, shall be allocated any of the Placing Shares either in their own names or through nominees unless permitted to do so under the GEM Listing Rules and having obtained confirmation to that effect; and
- (h) procuring that all of the net proceeds received by it pursuant to the Placing shall be used in the manner specified in the section headed "Future plans and use of proceeds" in the Prospectus or otherwise in accordance with the GEM Listing Rules.

#### 10.2 Information

Each of the Warrantors and the Selling Shareholder jointly and severally undertakes to provide to the Underwriters all such information known to it or which on reasonable enquiry ought to be known to it and whether relating to the Group or any of the Warrantors or the Selling Shareholder or otherwise as may be reasonably required by the Lead Manager (for itself and on behalf of the other Underwriter) and/or the Company in connection with the Placing for the purposes of complying with any requirements of Laws or of the Stock Exchange or of the SFC or of any other relevant regulatory or governmental authority in respect of the Placing for a period of one year commencing from the Listing Date.

#### 10.3 Compliance by the Warrantors and the Selling Shareholder

Each of the Warrantors and the Selling Shareholder jointly and severally undertakes to the Underwriters and each of them that it shall comply with all applicable Laws and the rules and regulations issued from time to time by the Stock Exchange and any other regulatory authority in all material respects in connection with the Placing.

#### 10.4 Hong Kong Branch Share Registrar and payment of tax/expenses

The Company undertakes to the Underwriters and each of them that it shall, and each of the other Warrantors and the Selling Shareholder jointly and severally undertakes to the Underwriters and each of them to procure that the Company shall:-

- (a) use its best endeavours to procure that the Hong Kong Branch Share Registrar do all such acts and things as may be required to be done by each of them and by the time specified or necessary in connection with the Placing and the transactions contemplated herein; and
- (b) pay any tax, duty, levy, fee or other charge or expenses which may be payable by the Company in Cayman Islands, Hong Kong or elsewhere, in connection with the creation, allotment or issue of the Placing Shares, the Placing, the execution and delivery of, or the performance of any of the provisions under, this Agreement (save with respect to the payment obligation provided in Clause 5.3 which shall be arranged by the Lead Manager on behalf of the Company), if any.



#### 10.6 Restrictive covenants

The Company undertakes to each of the Underwriters that it shall not, and each of the other Warrantors jointly and severally undertakes to each of the Underwriters to procure that the Company shall not, at any time after the date of this Agreement up to and including the date on which all of the Conditions are fulfilled or waived in accordance with this Agreement:-

- (a) amend or agree to amend the Memorandum and Articles of Association;
- (b) enter into or allow any Group Company to enter into any commitment or arrangement which could materially and adversely affect the Placing or which is outside the ordinary course of business of any Group Company or is material in the context of the business or affairs of the Group;
- (c) take any steps which, in the reasonable opinion of the Lead Manager, would be materially inconsistent with any expression of policy or intention in the Prospectus; and
- (d) make any material amendment to any of the service contracts of the directors of the Company or waive or release a director of the Company from any provision of his service contract and the Company shall do all such acts and things to enforce or preserve the rights of the Company under the service contracts.

#### 10.7 Further covenants

The Company undertakes to each of the Underwriters that it shall not, and each of the other Warrantors jointly and severally undertakes to each of the Underwriters to procure that the Company shall not within the period commencing on the Prospectus Date and ending on the date six months from the Listing Date, purchase any securities of the Company.

#### 10.8 Maintain listing and other regulatory compliance

The Company undertakes to each of the Underwriters that it shall, and each of the other Warrantors shall procure that the Company shall:-

- (a) procure that it shall maintain a listing for the Shares on the GEM for at least one year after all of the Conditions have been fulfilled (or waived) except following a withdrawal of such listing which has been approved by the relevant shareholders of the Company in accordance with the GEM Listing Rules or following an offer (within the meaning of the Hong Kong Code on Takeovers and Mergers) for the Company becoming unconditional;
- (b) comply with all the undertakings and commitments made by it in the Placing Documents or pursuant to any requirements of the GEM Listing Rules or the Stock Exchange in respect of the Placing;
- (c) deliver to the Stock Exchange in accordance with the requirement of the GEM Listing Rules the declaration to be signed by the Company in the form set forth in appendix 5, Form E to the GEM Listing Rules in respect of the Placing; and

- (d) procure that the audited accounts of the Company for its two financial year ending 30 April 2015 shall be prepared on a basis consistent in all material respects with the accounting policies adopted for the purposes of the financial statements contained in the report of the Reporting Accountants set forth in appendix I to the Prospectus.

#### 10.9 Significant changes

If, at any time up to or on the date falling 30 days after the Listing Date:-

- (a) there is a significant change which affects or is capable of affecting any information contained in the Placing Documents; or
- (b) a significant new matter arises, the inclusion of information in respect of which would have been required in any of the Placing Documents had it arisen before any of them was issued,

then the Company shall (and each of the other Warrantors shall procure that the Company shall):-

- (i) promptly provide full particulars thereof to Sponsor and the Lead Manager;
- (ii) if so required by Sponsor or the Lead Manager, inform the Stock Exchange of such change or matter;
- (iii) (if so required by the Stock Exchange the Sponsor or the Lead Manager) promptly prepare and (through the Sponsor) deliver to the Stock Exchange for approval documentation containing details thereof in a form agreed by the Sponsor and the Lead Manager and publish such documentation in such manner as the Stock Exchange, the Sponsor or the Lead Manager may require; and
- (iv) make all necessary announcements to the press to avoid a false market being created in the Placing Shares.

Each of the Warrantors and Selling Shareholder undertakes not to issue, publish, distribute or make available publicly any announcement, circular, document or other communication relating to any matter aforesaid without the prior written consent of the Lead Manager (such consent not to be unreasonably withheld or delayed).

For the purpose of this Clause, “**significant**” means significant for the purposes of making an informed assessment of the matters mentioned in Rule 14.08(7) of the GEM Listing Rules.

#### 10.10 General

Without prejudice to the foregoing obligations, each of the Warrantors the Selling Shareholder jointly and severally undertakes with the Underwriters that he/she/it shall do all such other acts and things as may be reasonably required to be done by it to carry into effect the Placing in accordance with the terms thereof.

### 11. **TERMINATION**

#### 11.1 Termination events

The Lead Manager (for itself and on behalf of the other Underwriter) shall be entitled in its sole and absolute discretion by notice in writing to the Company (with a copy of such notice to the other parties hereto) to terminate this Agreement with immediate effect if at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date:-

(a) there shall develop, occur, exist or come into effect:-

- (i) any event, or series of events, in the beyond the reasonable control of the Underwriters (including, without limitation, acts of government, strikes, lock outs, fire, explosion, flooding, civil commotion, acts of war, acts of God, acts of terrorism, riot, public disorder, economic sanctions, outbreak of diseases or epidemics including SARS and avian influenza and such related/mutated forms or interruption or delay in transportation) in or affecting Hong Kong, the Cayman Islands or any other jurisdiction relevant to any Group Company or the Placing (collectively, the "**Relevant Jurisdictions**") which in the reasonable opinion of the Lead Manager has or would have the effect of making any part of this Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Placing or pursuant to the underwriting thereof; or
- (ii) any change or development involving a prospective change, or any event or series of events likely to result in any change or development involving a prospective change in local, national, international, financial, economic, political, military, industrial, fiscal, regulatory or market conditions and matters and/or disaster or any monetary or trading settlement systems (including any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange, or a material fluctuation in the exchange rate of Hong Kong dollars against any foreign currency, or any interruption in securities settlement or clearance service or procedures) in the Relevant Jurisdictions; or
- (iii) any new law or change or development involving a prospective change in existing laws or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent authority in any of the Relevant Jurisdictions; or
- (iv) the imposition of economic sanctions, in whatever form, directly or indirectly, by, or for any of the Relevant Jurisdictions; or
- (v) a change or development occurs involving a prospective change in taxation or exchange control (or the implementation of any exchange control) in any of the Relevant Jurisdictions; or
- (vi) any material change or development involving a prospective change, or a materialisation of, any of the risks set forth in the section headed "Risk Factors" in the Prospectus; or
- (vii) any litigation or claim of material importance of any third party being threatened or instigated against any Group Company (other than those fully covered by an insurance policy of any Group Company); or

- (viii) a valid demand by any creditor for repayment or payment of any indebtedness of any Group Company or in respect of which any Group Company is liable prior to its stated maturity; or
- (ix) any loss or damage sustained by any Group Company (howsoever caused but excluding such loss or damage which are subject of and fully covered by any insurance or claim against any person); or
- (x) a petition is presented for the winding up or liquidation of any Group Company or any Group Company makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any Group Company or a provisional liquidator, receiver or manager is appointed to take over all or part of the assets or undertaking of any Group Company or anything analogous thereto occurs in respect of any Group Company; or
- (xi) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary of Hong Kong and/or the Hong Kong Monetary Authority or other competent authority) or any of the Relevant Jurisdictions,

which, individually or in aggregate, in the sole and absolute opinion of the Lead Manager (for itself and on behalf of the other Underwriter):

- (1) is/are or shall have or is likely to have a material adverse effect on the business, financial condition, trading position or prospects of the Group as a whole or in the case of Clause 11.1(a)(v), to any present shareholder of the Company in his, her or its capacity as such or the prospective shareholders of the Company as a whole in their capacity as such; or
- (2) has/have or is likely to have a material adverse effect on the success, marketability or pricing of the Placing or the level of interest under the Placing; or
- (3) make(s) it inadvisable, inexpedient or impracticable for the Placing to proceed in any material respect; or

(b) there has come to the notice of the Lead Manager:-

- (i) that any statement, considered by the Lead Manager to be material in its sole and absolute discretion, contained in any of the Placing Documents in relation to the Placing was when the same was issued, or has become, untrue, incorrect or misleading in any material respect and reasonably considered by the Lead Manager to be material and adverse to the Placing; or
- (ii) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the Prospectus Date, constitute an omission therefrom reasonably considered by the Lead Manager to be material and adverse to the Placing; or
- (iii) any material breach of any of the obligations imposed upon any party to this Agreement (other than on the Sponsor and/or the Underwriters); or

- (iv) any change or development reasonably considered by the Lead Manager to have or likely to have a material adverse effect on business affairs, prospects or the financial or trading position of the Group as a whole; or
- (v) any material breach of any of the Warranties or the Selling Shareholder's Warranties.

## 11.2 Effect on termination

Upon the termination of this Agreement pursuant to the provisions of Clause 11.1 or Clause 2.4:-

- (a) each of the parties hereto shall cease to have any rights or obligations under this Agreement, save in respect of the provisions of this Clause 11.2 and Clauses 7.1, 7.3, 7.4, 13, 14, 17 to 21 and any rights or obligations which may have accrued under this Agreement prior to such termination; and
- (b) the Company shall pay to Messis Capital and the Lead Manager the fees, costs and expenses set forth in Clauses 7.1(a), 7.3 and 7.4 and
- (c) with respect to the Placing all payments made by the Underwriters or any of them and/or by the Placees shall be refunded to the relevant persons accordingly.

## 12. RESTRICTION ON ISSUE OR DISPOSAL OF SHARES

### 12.1 Restriction on the issue of Shares

The Company hereby undertakes to each of the Sponsor and the Underwriters that (and each of the Controlling Shareholders and Executive Directors hereby undertakes to each of the Sponsor and the Underwriters to procure the Company that) no further Shares or securities convertible into equity securities of the Company (whether or not of a class already listed) may be issued by the Company or form the subject of any agreement to such an issue by the Company within six months from the Listing Date (whether or not such issue of Shares or securities of the Company will be completed within six months from the commencement of dealings), except in certain circumstances prescribed by Rule 17.29 of the GEM Listing Rules.

### 12.2 Restriction on disposal of Shares by the Controlling Shareholders

Each of the Controlling Shareholders hereby jointly and severally agrees and undertakes to each of the Company, the Sponsor and the Underwriters that except with the prior written consent of the Sponsor and the Lead Manager (for itself and on behalf of the other Underwriter) and unless pursuant to the sale of the Sale Shares and unless in compliance with the requirements of the GEM Listing Rules, none of the Controlling Shareholders shall and shall procure that the relevant registered holder(s) shall not:

- (a) during the period from the date by reference to which disclosure of the shareholding of the Controlling Shareholders is made in the Prospectus up to and including the date falling six months after the Listing Date (the "**First Six-month Period**"), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of,

any of those Shares of the Company in respect of which he/she/it is shown by the Prospectus to be the beneficial owner(s) (the “**Relevant Securities**”); and

- (b) in the six-month period commencing upon the expiry of the First Six-month Period (the “**Second Six-month Period**”), dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any Relevant Securities if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/she/it would cease to be a controlling shareholder (as defined in the GEM Listing Rules) of the Company,

provided that the restriction specified in this Clause 12.2 shall not apply to any Share which the Controlling Shareholders or any of their respective close associates may acquire or become interested in following the Listing Date.

### 12.3 Further restrictions

The Company hereby undertakes to each of the Sponsor and the Underwriters that and each of the Executive Directors and Controlling Shareholders jointly and severally undertakes to each of the Sponsor and the Underwriters to that, save with the prior written consent of the Lead Manager, or save pursuant to the Capitalisation Issue, the Placing and the Share Option Scheme, the Company shall not, within the period of six months from the Listing Date:

- (a) save as permitted under the GEM Listing Rules (including but not limited to Rule 17.29 of the GEM Listing Rules) and the applicable laws, allot or issue or agree to allot or issue any Shares or any other securities in the Company (including warrants or other convertible securities (and whether or not of a class already listed));
- (b) grant or agree to grant any options, warrants or other rights carrying any rights to subscribe for or otherwise convert into, or exchange for any Shares or any other securities of the Company;
- (c) purchase any securities of the Company; or
- (d) offer to or agree to do any of the foregoing or announce any intention to do so.

### 12.4 Information by the Controlling Shareholders

Each of the Controlling Shareholders hereby jointly and severally further agrees and undertakes to each of the Company, the Sponsor and the Underwriters that:

- (a) in the event that he/she/it pledges or charges any of his/her/its direct or indirect interest in the Shares or other securities of the Company under Rule 13.18(1) of the GEM Listing Rules or pursuant to any right or waiver granted by the Stock Exchange pursuant to Rule 13.18(4) of the GEM Listing Rules at any time during the period commencing on the date by reference to which disclosure of the shareholding of the Controlling Shareholders is made in the Prospectus and ending on the date of which the Second Six-month Period expires, he/she/it must inform the Company, the Sponsor and the Underwriters immediately thereafter disclosing the details specified in Rule 17.43(1) to (4) of the GEM Listing Rules; and

- (b) having pledged or charged any of his/her/its interest in the Shares or other securities of the Company under Sub-clause (a) above, he/it must inform the Company, the Sponsor and the Underwriters immediately in the event that he/she/it becomes aware that the pledgee or chargee has disposed of or intends to dispose of such interest and the number of the Shares or other securities of the Company affected.

#### 12.5 Compliance

Each of the Controlling Shareholders hereby undertakes with the Underwriters that he/she/it shall comply with all restrictions and requirements under the GEM Listing Rules (as may be amended from time to time) on the disposal by he/she/it or by the registered holder of any Shares or other securities of the Company in respect of which it is, or is shown by the Prospectus to be, the beneficial owner.

#### 12.6 Full force

The undertakings in Clause 12 and this Clause shall continue in full force and effect notwithstanding the Placing becoming unconditional and having been completed.

### 13. **ANNOUNCEMENTS**

#### 13.1 Restrictions on announcements

No announcement concerning this Agreement, any matter contemplated herein or any ancillary matter hereto shall be made or despatched by any of the Warrantors and Selling Shareholder (or by any of their respective directors, officers, employees or agents) during the period of six months from the date of this Agreement without the prior written approval of the Lead Manager (for itself and on behalf of the other Underwriter) (such written approval not to be unreasonably withheld or delayed) except in the event and to the extent that any such announcement is required by applicable Laws or required by any securities exchange or regulatory or governmental body to which such party is subject or submits, wherever situated, including, without limitation, the Stock Exchange and the SFC, whether or not the requirement has the force of Law and any such announcement so made by any of the parties shall be made only after the Company and the Lead Manager (for itself and on behalf of the other Underwriter) have had a reasonable opportunity to review and comment on the final draft and their respective comments (if any) have been fully considered by the issuers thereof.

#### 13.2 Full force

The restriction contained in this Clause 13 shall continue to apply after the completion of the Placing or, for so long as the Sponsor still remains as sponsor or compliance adviser to the Company but subject to the termination of this Agreement.

### 14. **CONFIDENTIALITY**

#### 14.1 Information confidential

Subject to Clause 14.2, each party hereto shall, and shall procure that their respective Affiliates, directors, officers, employees and agents shall, treat as strictly confidential all information received or obtained as a result of entering into or performing this Agreement which relates to the provisions of this Agreement, the

negotiations relating to this Agreement, the matters contemplated under this Agreement or the other parties to this Agreement.

#### 14.2 Exceptions

Any party hereto may disclose, or permit its directors, officers, employees and agents to disclose, information which would otherwise be confidential if and to the extent:-

- (a) required by applicable Laws;
- (b) required, requested or otherwise compelled by any securities exchange or regulatory or governmental body to which such party is subject or submits, wherever situated, including, without limitation, the Stock Exchange and the SFC, whether or not the requirement of information has the force of law;
- (c) required to vest the full benefit of this Agreement in such party;
- (d) disclosed to the professional advisers and auditors of such party;
- (e) the information has come into the public domain through no fault of such party;
- (f) required by any Underwriter or its Affiliates involved in the Placing; or
- (g) the other parties have given prior written approval (and in the case of the Underwriters, by the Lead Manager (for itself and on behalf of the other Underwriter)) to the disclosure such approval not to be unreasonably withheld or delayed,

PROVIDED THAT, in the case of Clauses 14.2(c) and 14.2(g) above, any such information disclosed shall be disclosed only after consultation with the other parties.

#### 14.3 Full force

The restrictions contained in this Clause 14 shall continue to apply notwithstanding the termination of this Agreement or the completion of the Placing.

### 15. MISCELLANEOUS UNDERTAKINGS

#### 15.1 Company undertakings

The Company hereby undertakes to and covenants with each of the Underwriters and the Sponsor:-

- (a) that it shall not, and shall procure that no Group Company shall, do or omit to do anything which can reasonably be expected to cause any of the Warranties or the Selling Shareholder's Warranties to be untrue in any material respect at any time prior to or on the Listing Date;
- (b) that, except with the prior written consent of the Lead Manager or unless disclosed in the Prospectus (such consent not to be unreasonably withheld or delayed), it shall not enter into or procure or permit any Group Company to enter into any commitment or agreement which can reasonably be expected to materially and adversely affect the Placing as a whole or which is outside



the ordinary course of business of any Group Company or is material in the context of the business or affairs of the Group taken as a whole in any case between the date of this Agreement and within six months after the Listing Date;

- (c) that within six months after the Listing Date:-
  - (i) it shall at all times adopt and uphold a securities dealing code no less exacting than as set forth in Rules 5.46 to 5.68 of the GEM Listing Rules and shall use all reasonable endeavours to procure that the directors of the Company uphold, comply and act in accordance with the provisions of the same;
  - (ii) so far as it is able and it remains lawful and proper for it to do so, comply with all the undertakings and commitments made by it or the directors of the Company in the Prospectus;
  - (iii) it shall comply with the provisions of The Codes on Takeovers and Mergers and Share Buy-backs;
- (d) none of the terms of the appointments of the Hong Kong Branch Share Registrar shall be amended without the prior written consent of the Lead Manager (such consent not to be unreasonably withheld or delayed) within six months after the Listing Date; and
- (e) that it shall comply with rule 13.19 of the GEM Listing Rules to inform the Stock Exchange as soon as it has been informed of matters referred to in rules 13.19(1) and 13.19(2) of the GEM Listing Rules by the controlling shareholder(s) (as defined in the GEM Listing Rules) and disclose such matters by way of press announcement as soon as possible, in any case in accordance with the requirements of the Stock Exchange from time to time within six months after the Listing Date.

#### 15.2 Controlling Shareholders' and Executive Directors' undertakings

Each of the Controlling Shareholders and Executive Directors jointly and severally undertakes to and covenants with each of the Underwriters to procure that the Company complies with Clause 15.1.

### 16. **NO RIGHTS OF CONTRIBUTION**

#### 16.1 Waiver

Each of the Warrantors (other than the Company) and the Selling Shareholder hereby irrevocably and unconditionally:-

- (a) waives any right of contribution or recovery or any claim, demand or action it may have or be entitled to take against the Company and/or any Group Company as a result of any claim or demand or action made or taken against it, or any loss or damage or liability suffered or incurred by it, whether alone or jointly with the Company or any other person, as the case may be, in consequence of it entering into this Agreement or otherwise with respect to any act or matter appertaining to the Placing;

- (b) acknowledges and agrees that the Company and/or any Group Company shall have no liability to it whatsoever whether alone or jointly with any other person, under the provisions of this Agreement or otherwise in respect of any act or matter appertaining to the Placing; and
- (c) undertakes (in the event of any claim being made by any Underwriter against it under this Agreement) not to make any claim against any director, officer or employee of the Company or of any Group Company on whom it may have relied on before agreeing to any term of this Agreement and in respect of whose act or default in that regard the Company or such Group Company is or would be vicariously liable.

## **17. TIME OF THE ESSENCE**

Save as otherwise expressly provided herein, time shall be of the essence of this Agreement.

## **18. INVALIDITY**

If, at any time, any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the Laws of any jurisdiction, neither the legality, validity or enforceability in that jurisdiction of any other provisions hereof nor the legality, validity or enforceability of that or any other provision(s) hereof under the Laws of any other jurisdiction shall in any way be affected or impaired thereby.

## **19. NOTICES**

### **19.1 Language**

All notices or other communication delivered hereunder shall be in writing and shall be in the English language.

### **19.2 Time of notice**

Any such notice or other communication shall be addressed as provided in Clause 19.3 and if so addressed, shall be deemed to have been duly given or made as follows:-

- (a) if sent by personal delivery, upon delivery at the address of the relevant party;
- (b) if sent by post, two Business Days after the date of posting;
- (c) if sent by facsimile, when despatched with confirmed receipt as evidenced by the transmission report generated at the end of the transmission of such facsimile by the facsimile machine used for such transmission.

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

### **19.3 Details of contact**

The relevant address and facsimile number of each of the parties hereto for the purpose of this Agreement, subject to Clause 19.4, are as follows:-

If to the Company to : Room 1122, Pacific Link Tower, South Mark, 11  
Yip Hing Street, Wong Chuk Hang, Hong Kong  
Fax : Fax: (852) 2580 0470  
Attention : Mr. Yu Ringo Shek Man

If to National Honour to : Room 1122, Pacific Link Tower, South Mark, 11  
Yip Hing Street, Wong Chuk Hang, Hong Kong  
Fax : Fax: (852) 2580 0470  
Attention : Mr. Yu Ringo Shek Man

If to the Sponsor to : Room 1606, 16th Floor, Tower 2, Admiralty  
Centre, 18 Harcourt Road, Hong Kong  
Fax : Fax: (852) 2525 9980  
Attention : Mr. Kinson Li

If to any of the Controlling Shareholders (except National Honour), at their respective addresses and fax numbers, and for the attention of the person set opposite his name in Part A of **Schedule 1**, respectively.

If to any of the Executive Directors, at their respective addresses and fax numbers, and for the attention of the person set opposite his name in Part B of **Schedule 1**, respectively.

If to any of the Underwriters, at their respective address and fax number, and for the attention of the person set opposite its name in **Schedule 2**, respectively.

#### 19.4 Change of contact details

A party may notify the other parties to this Agreement of a change of its relevant address or facsimile number for the purposes of Clause 19.3, PROVIDED THAT such notification shall only be effective on:-

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

## 20. MISCELLANEOUS

### 20.1 Assignment

Each of the Underwriters may assign, in whole or in part, the benefits of this Agreement, including, without limitation, the Warranties, the Selling Shareholder's Warranties and the indemnities in Clauses 8 and 9 to any of the persons which have the benefit of the indemnities in Clause 9 and any successor entity to any Underwriter or any of the foregoing. Obligations under this Agreement shall not be assignable.

### 20.2 Release or compromise

Each party hereto may release, or compromise the liability of, the other parties (or any of them) or grant time or other indulgence to the other parties (or any of them) without releasing or reducing the liability of the other parties (or any of them) or any other party hereto.

#### 20.3 Exercise of rights

No delay or omission on the part of any party hereto in exercising any right, power or remedy under this Agreement shall impair such right, power or remedy or operate as a waiver thereof. The single or partial exercise of any right, power or remedy under this Agreement shall not preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The rights, power and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by Laws.

#### 20.4 Entire agreement

This Agreement together with any document referred to herein as an agreement expected to be entered into, constitutes the entire agreement among the Warrantors, the Sponsor, the Underwriters relating to the underwriting of the Placing and (with the exception of the mandate letter referred to in Clause 3.3) supersedes and extinguishes any prior drafts, agreements, undertakings, understanding, representations, warranties and arrangements of any nature whatsoever, whether or not in writing, relating to such matters as have been regulated by the provisions of this Agreement.

#### 20.5 Amendment and variations

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

#### 20.6 Counterparts

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

#### 20.7 Authority of the Lead Manager

Each Underwriter hereby authorises the Lead Manager to act on behalf of all Underwriters in the sole discretion of the Lead Manager in the exercise of all rights and discretions granted to the Underwriters or any of them under this Agreement and authorises the Lead Manager in relation thereto to take all actions it may consider desirable and necessary to give effect to the transactions contemplated herein.

### 21. **GOVERNING LAW AND JURISDICTION**

#### 21.1 Governing law

This Agreement shall be governed by and construed in accordance with the laws of Hong Kong and the parties hereby irrevocably agree that any suit, action or proceeding (the “**Proceedings**”) arising out of or in connection with this Agreement

may be brought in the Hong Kong courts and hereby submit to the non-exclusive jurisdiction of the Hong Kong courts.

21.2 Service of documents

Each of the parties hereto irrevocably agrees that the process by which any Proceedings are begun shall be sufficiently and effectively served on it if delivered in connection with any Proceedings in Hong Kong, in accordance with Clause 19.

21.3 Submission to Hong Kong courts

The submission to the jurisdiction of the courts of Hong Kong shall not (and shall not be construed so as to) limit the right of any party hereto to take Proceedings against the other parties hereto or any of them in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable Laws.

21.4 Process agent of the National Honour

National Honour hereby irrevocably appoint Yu Ringo Shek Man of Room 1122, Pacific Link Tower, South Mark, 11 Yip Hing Street, Wong Chuk Hang, Hong Kong (in this Clause 21.4 (the “Agent”)) as its agent to receive and acknowledge on its behalf service of any writ, summons, order, judgment or other notice of legal process in Hong Kong. National Honour agrees that any such legal process shall be sufficiently served on it if delivered to its Agent (marked for the attention of The Board of Directors for service at its or his address for the time being in Hong Kong). In the event that the Agent cannot continue to act as agent for National Honour, National Honour shall forthwith appoint another agent in Hong Kong for the same purposes and notify such appointment to the other parties.

21.5 Immunity

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

SCHEDULE 1

PART A: THE CONTROLLING SHAREHOLDERS

<u>Name</u>	<u>Contact details</u>	<u>Residential/registered office address</u>
Yu Shek Man Ringo (余錫萬)	Fax: (852) 2580 0470	Flat G, 26/F, Block 13, South Horizons, Ap Lei Chau, Hong Kong
Wong So Wah (黃素華)	Fax: (852) 2580 0470	Flat G, 26/F, Block 13, South Horizons, Ap Lei Chau, Hong Kong
National Honour Investments Limited (國譽投資有限公司)	Fax: (852) 2580 0470	NovaSage Chambers, P.O. Box 4389, Road Town, Tortola, British Virgin Islands

PART B: THE EXECUTIVE DIRECTORS

<u>Name</u>	<u>Contact details</u>	<u>Residential address</u>	<u>Nationality</u>
Yu Shek Man Ringo (余錫萬)	Fax: (852) 2580 0470	Flat G, 26/F, Block 13, South Horizons, Ap Lei Chau, Hong Kong	Chinese
Wong So Wah (黃素華)	Fax: (852) 2580 0470	Flat G, 26/F, Block 13, South Horizons, Ap Lei Chau, Hong Kong	Chinese

SCHEDULE 2

THE UNDERWRITERS

Placing Underwriting Commitment			
Underwriters	Contact details (address, facsimile)	Number of the Placing Shares	Approximate percentage
Quam Securities Company Limited	18/F China Building, 29 Queen's Road Central, Hong Kong Hong Kong fax no.: (852) 2104 7943 Attn: ECM Department	3,000,000	0.83%
Supreme China Securities Limited	Room D - F, 17/F., Hang Seng Tsuen Wan Building, 289 Sha Tsui Road, Tsuen Wan, Hong Kong fax no.: (852) 2153 3978 Attn: Alexander Chow	357,000,000	99.17%
<b>Total</b>		<b>360,000,000</b>	<b>100.00%</b>

### SCHEDULE 3

#### WARRANTIES AND THE SELLING SHAREHOLDER'S WARRANTIES

##### Part A: Warranties given by the Warrantors

Subject to matters disclosed in the this Agreement, the Prospectus, the Conditions Precedent Documents, submission and subsequent replies and responses made on behalf of the Company to the Stock Exchange, the SFC or other regulatory bodies in respect of the Listing Application and prior to Listing, each of the Warrantors jointly and severally represents, warrants and undertakes to the Sponsor, the Lead Manager, the Underwriters and each of them as follows:

##### 1. CAPACITY

- 1.1 Each of the Warrantors has the requisite power and authority to enter into and perform its obligations under this Agreement and each of the Operative Documents to which it is a party.
- 1.2 This Agreement and each of the Operative Documents to which each of the Warrantors is a party constitutes or will, when executed and delivered, constitute, and any other document required to be executed by it pursuant to the provisions of this Agreement or any of the Operative Documents will, when executed and delivered, constitute, valid and binding obligations of the relevant Warrantors enforceable in accordance with their respective terms.
- 1.3 The execution and delivery of, and the performance by each of the Warrantors of its obligations under this Agreement or any of the Operative Documents to which it is a party do not and will not, and each such document does not and will not:-
  - (a) if the Warrantor is a company, result in a breach of any provision of the memorandum of association, bye-laws and articles of association or other equivalent constitutional documents of such Warrantor (as the case may be);
  - (b) result in a breach of, or constitute a default under, any instrument to which any of the Warrantors is a party or by which it or any of his/its properties is bound;
  - (c) result in a breach of any Laws to which any of the Warrantors are subject or by which it or any of its respective assets is bound;
  - (d) require any Approval from the relevant governmental or regulatory body or the sanction or consent of its shareholders (as the case may be) which has not been obtained as of the date hereof; or
  - (e) has resulted in or will render any Group Company liable to any, or any additional, tax, duty, charge, impost or levy (whether by way of actual assessment, loss of allowance, deduction or credit available for relief or otherwise) of any material amount.



- 1.4 To the best of the knowledge and belief of the Warrantors, each Group Company has been duly incorporated/established and is validly existing under the Laws of their respective places of incorporation.
- 1.5 Each Group Company has the legal right, power, capacity and authority to own, use, lease and operate its assets and to conduct its business in the manner presently conducted.
- 1.6 Each Group Company is duly qualified to transact its business in each jurisdiction in which business is presently transacted by it and where such qualification is required.
- 1.7 None of the directors of the Company has revoked the respective authority and confirmations given by him or her in his or her responsibility letter, statement of interests and the power of attorney addressed to the Company and the Sponsor and such authority and confirmations remain in full force and effect.
- 1.8 Each of the Warrantors has, on the date of this Agreement, full and unfettered right, power and authority to enter into this Agreement and assume all of its obligations thereunder and no further actions or proceedings are necessary on the part of it in connection with the execution, delivery and performance by it of this Agreement.
- 1.9 This Agreement, when executed, constitutes valid and legally binding obligations on the part of each of the Warrantors enforceable in accordance with its terms.

## **2. THE REORGANISATION**

- 2.1 Neither the Reorganisation nor its implementation nor any of the documents signed or executed in connection therewith:-
  - (a) has resulted or may result in a material breach of any applicable Laws and regulations or of the terms or provisions of the constitutive documents and/or business licences, where appropriate, of any Group Company or in the case of the Controlling Shareholder that is a corporation, its constitutive documents;
  - (b) has resulted or may result in a material breach of, or constituted or will constitute a material default under, any other agreements or documents to which any Group Company is a party which will have a material adverse effect to the Group as a whole;
  - (c) has resulted or may result in a material breach of any applicable Laws or Approvals to which any Group Company or the Controlling Shareholders were or is subject or by or on which any Group Company or the Controlling Shareholders or any of their respective businesses or assets was or is bound or dependent which will have a material adverse effect to the Group as a whole; or
  - (d) has resulted in or will render any Group Company liable to any, or any additional, tax, duty, charge, impost or levy (whether by way of actual assessment, loss of allowance, deduction or credit available for relief or otherwise) of any material amount which will have a material adverse effect to the Group as a whole.
- 2.2 All tax, duty (including stamp duty), charge, impost or levy (whether by way of actual assessment, loss of allowance, deduction or credit available for relief or otherwise) payable to effect, or otherwise in connection with, the Reorganisation have been paid or will be paid on the due date.

- 2.3 All necessary Approvals required in connection with the Reorganisation have been obtained in writing and have been duly and validly issued or granted and the Reorganisation was effected in compliance with all applicable Laws and such Approvals.
- 2.4 There are no legal or administrative proceedings in Hong Kong or other relevant jurisdictions in relation to the effectiveness or the validity of the Reorganisation or any part thereof and, to the best knowledge and belief of the Company and the other Warrantors, no such proceedings are pending, threatened or contemplated by any governmental or regulatory authority or by any other person which will have a material adverse effect to the Group as a whole.
- 2.5 The property and other assets injected into the Group pursuant to the Reorganisation comprise all the assets necessary for the carrying on of the business carried on by the Group in the manner it is presently conducted and as described in the Prospectus and the liabilities assumed by the Group pursuant to the Reorganisation represent the only liabilities of the Group other than those in the course of the business of the Group.

**3. GROUP STRUCTURE, ETC.**

- 3.1 As at the date of this Agreement:-
- (a) the beneficial interests of the Controlling Shareholders in the issued Shares are as set forth in the section headed "Substantial Shareholders" of the Prospectus and the paragraph headed "C. Further Information about Substantial Shareholders, Directors and Experts" in Appendix IV to the Prospectus; and
  - (b) the information contained in the section headed "Share capital" in the Prospectus is true and accurate in all material respects.
- 3.2 Except for the Placing and save for any options that may be granted under the Share Option Scheme, there is no outstanding option, warrant, right to acquire or subscribe on, over or affecting any shares or debentures or registered capital in or other securities of any Group Company and there is no agreement or commitment outstanding and no right of any person which calls for the allotment, issue or transfer of, or accords to any person the right to contribute or call for the allotment or issue or transfer of, any shares or debentures or registered capital in or securities of any Group Company.
- 3.3 The Subsidiaries are the only subsidiaries of the Company, the Company does not have any associated company. There is no other company or undertaking in which any Group Company directly or indirectly owns or controls or proposes to own or control a majority interest (whether by way of shareholding or otherwise). No Group Company has entered into any agreement for the establishment of any company or undertaking in which any Group Company shall, or agrees to own or control, a majority interest.
- 3.4 No Group Company:-
- (a) is, where applicable, in material violation of its business licence or any necessary Approvals required for its business or its constitutive documents;
  - (b) has taken any action nor to its directors' knowledge have any steps been taken or legal, legislative, or administrative proceedings been started or threatened (i)

to wind up, dissolve, or eliminate such Group Company or (ii) to withdraw, revoke or cancel such Group Company's business registration or any necessary Approvals required for its business; or

(c) acts or carries on business in partnership with any other person or is a member of any corporate or unincorporated association or holds or is liable on any share or security which is not fully paid up.

3.5 No Group Company has any branch, agency, place of business or permanent establishment outside Hong Kong except in the BVI and Cayman Islands.

#### **4. APPROVALS**

4.1 Each Group Company has and is maintaining all valid Approvals properly issued by the appropriate and authorised national, provincial, municipal, local or foreign governmental or regulatory bodies or agencies necessary for its establishment and operation and to enable it to carry on all parts of its businesses, activities and owning of its assets as contemplated and as described in the sections headed "Business" in the Prospectus in the manner presently conducted and is not in material breach of any provisions of any applicable Laws or any of such Approvals or terms and conditions thereof.

4.2 All such Approvals are in full force and effect and none is subject to revocation or withdrawal or amendment and, the Warrantors are not aware of any reason or circumstances which indicate that any such Approval may be revoked, withdrawn or amended, in whole or in part in any material respect.

4.3 Each Group Company has complied in all material respects with all Approvals and has complied with (and is not in breach of) all legal and regulatory requirements applicable to it and its business and activities and the ownership of its assets in all material respects and no event has occurred which, with the giving of notice or the lapse of time, would result in a breach of any Approvals or such legal, regulatory or other requirements which will have a material adverse effect to the Group as a whole.

4.4 There are no circumstances which shall or is reasonably likely to result in the necessary Approvals which shall be reasonably required in Hong Kong by the Group to carry on the businesses and/or activities contemplated and as described in the sections headed "Business" and "Future plans and use of proceeds" in the Prospectus not being granted.

4.5 Except for the approval from the Stock Exchange for listing of, and permission to deal in, the Shares on GEM, the confirmation and authorization from the Stock Exchange and the Companies Registry in Hong Kong for registration of prospectus, the confirmation from HKSCC to accept the Shares as Eligible Securities and associated transactions disclosed in the Prospectus, to the best of the knowledge and belief of the Warrantors, all necessary authorizations to be obtained by the Company and/or the Selling Shareholder have been obtained from the holders of the existing issued shares in the capital of the Company and others in Hong Kong to enable the Placing Shares to be issued and/or transferred to the applicants and/or placees therefor under the Placing and the Company has power under the Memorandum and Articles of Association to issue the Placing Shares pursuant to the Placing without any further authorisation. Subject only to the satisfaction of the conditions set forth in this Agreement and the conditions stated in the section headed "Structure and conditions of the Placing – Conditions of the Placing" in the Prospectus, to the best of the knowledge and belief of the Warrantors, all necessary Approvals required for the

issuance of the Placing Shares under the Placing and the listing of the Placing Shares on the GEM have been obtained and are in full force and effect.

## **5. THE PLACING**

- 5.1 The performance by the Company obligations under the terms of the Placing as set forth out in the Placing Documents and this Agreement; the allotment, issue, sale or transfer of the Placing Shares; the issue, publication, distribution or making available of each of the Placing Documents and the listing of the Shares on the GEM have been duly authorized (as required by applicable Laws) and do not and will not:-
- (a) result in a material violation or breach of any provision of the Memorandum and Articles of Association or the constitutive documents of the Company; or
  - (b) result in a material breach of, or constitute a material default under, or result in the creation or imposition of any lien, charge, Encumbrance or claim pursuant to, any instrument or agreement or arrangement to which the Group Company is a party or by which the Group Company or any of its assets are bound which will have a material adverse effect to the Group as a whole; or
  - (c) result in a material breach of any Laws to which the Group Company is subject or by which the Group Company or any of its assets are bound which will have a material adverse effect to the Group as a whole; or
  - (d) require any necessary Approval from any relevant governmental or other authority or any other person or, in the case of the Group Company, the sanction or consent of its shareholders which has not been obtained as at the date hereof which will have a material adverse effect to the Group as a whole.
- 5.2 Except for the approval from the Stock Exchange for listing of, and permission to deal in, the Shares on GEM, to the best of the knowledge and belief of the Warrantors, the confirmation and authorization from the Stock Exchange and the Companies Registry in Hong Kong for registration of prospectus, the confirmation from HKSCC to accept the Shares as Eligible Securities and associated transactions disclosed in the Prospectus, all Approvals required for the Placing, the performance by the Company or any of the other Warrantors of their respective obligations under the terms of the Placing, the allotment, issue, sale and transfer of the Placing Shares, the creation, publication, distribution and making available of each of the Placing Documents have been or will (prior to the commencement of the Placing) be validly obtained. The formal approval for the Placing will be obtained from the Stock Exchange before the Listing Date.
- 5.3 The Placing Shares will, when allotted, issued, sold or transferred pursuant to the Placing, be properly allotted, issued, sold or transferred in accordance with the terms and conditions of the Placing as set forth out in the Placing Documents in all material respects and will conform, in all material respects, to all statements relating thereto contained in the Placing Documents .
- 5.4 All of the Placing Shares will, when allotted, issued, sold or transferred, be properly allotted, issued, sold or transferred in accordance with the Placing Documents and:-
- (a) will be duly and validly authorised and issued and will be fully paid up;
  - (b) will have attached to them the rights and benefits specified in the Memorandum and Articles of Association and as described in the Placing Documents and in

particular, will rank pari passu in all respects with the Shares in issue as at the date of this Agreement (save as otherwise described in the Memorandum and Articles of Association or pursuant to any requirements under the applicable Laws and/or entitlement to the Capitalisation Issue);

- (c) will not be subject to any pre-emptive or other similar rights in relation to the transfer thereof,
  - (d) will be free from any Encumbrances whatsoever; and
  - (e) will be evidenced by Share certificates which will be in a form which complies with all applicable Laws and which certificates will constitute good evidence of title in respect of the Placing Shares.
- 5.5 No holder of the Placing Shares is or will be subject to any liability of or to the Company arising out of his holding of Placing Shares (except to the extent of the amount payable in respect of such Placing Shares on subscription or otherwise as described in the Placing Documents).
- 5.6 Except as set forth out in the Placing Documents and the Memorandum and Articles of Association, there are no limitations under the Laws of Hong Kong on the rights of holders of Placing Shares to hold or vote or transfer their Placing Shares.
- 5.7 None of the Warrantors nor any of their respective Affiliates and any person acting on its or their behalf has engaged or will engage in any direct selling efforts with respect to the Placing Shares.
- 5.8 Within the six months preceding the date of this Agreement, none of the Warrantors, any of their Affiliates and any person acting on its or their behalf has offered or sold to any person any Placing Shares, or any securities of the same or a similar class as the Placing Shares, other than as offered or sold hereunder or pursuant to the Reorganisation and the pre-listing investment as described in the Prospectus.
- 5.9 The application of the net proceeds from the Placing, as set forth in and contemplated by the Placing Documents, will not (i) contravene any provision of applicable Law or the constitutive documents of the Company, or (ii) contravene the terms or provisions of, or constitute a default under, any indenture, mortgage, charge, deed of trust, loan agreement, note, lease or other agreement or instrument binding upon the Company or any of the Subsidiaries that, singly or in the aggregate, is material to the Group taken as a whole, or (iii) contravene any judgement, order or decree of any government body, agency or court having jurisdiction over the Company or any of the Subsidiaries which would have a material adverse effect on the Group as a whole.
- 5.10 Save as contemplated in the provisions of this Agreement and the Prospectus, none of the Company, any of the Subsidiaries nor any of their senior management (as listed in the Prospectus), respective officers or directors has taken, or will take, directly or indirectly, any action designed to stabilise or manipulate the price of the Placing Shares or which has constituted or which in the future might reasonably be expected to cause or result in stabilisation or manipulation of the price of the Placing Shares under the Placing.

**6. ARRANGEMENTS WITH THE CONTROLLING SHAREHOLDERS AND THE DIRECTORS ETC.**

- 6.1 No material indebtedness (actual or contingent) and no contract or arrangement (other than transactions set forth in the Operative Documents or otherwise relating to the Placing and those set out in the Prospectus under the section headed "Connected Transactions") is outstanding between any Group Company and any of the Warrantors (excluding the Company) or any enterprise or undertaking which either of them owns or controls (whether by way of shareholding or otherwise) which is not connected transaction fully exempt under the GEM Listing Rules.
- 6.2 No material indebtedness (actual or contingent) and no contract or arrangement (other than transactions set forth in the Operative Documents or otherwise relating to the Placing and those set out in the Prospectus under the section headed "Connected Transactions") is outstanding between the Company, or any Group Company, and any director of any Group Company or any person connected with such director (including his spouse, infant children, any company or undertaking in which he holds a controlling interest and his close associates) which is not connected transaction fully exempt under the GEM Listing Rules.
- 6.3 None of the directors of the Company, any of the other Warrantors (excluding the Company) and any of their respective close associates is, directly or indirectly, engaged, involved or interested in any business or undertaking which competes or is likely to compete with the business of the Group and which is required under Rule 11.04 of the GEM Listing Rules.

**7. ACCURACY AND ADEQUACY OF INFORMATION**

- 7.1 The Recitals to this Agreement (other than paragraph (H)) are true and accurate in all material respects.
- 7.2 All information supplied or disclosed by or on behalf of any Group Company or any director of any Group Company to the Underwriters, the Reporting Accountants, the Legal Counsel, Litigation Company Lawyer, Internal Control Advisers, the Underwriters' Solicitors or other legal and professional advisers to the Underwriters for the purposes of the Placing (save as subsequently amended or corrected prior to the date hereof) and incorporated in any of the Placing Documents are, at the time when they were given and as of the date hereof, true and accurate in all material respects and not misleading in any material respects and all projections and estimates so supplied or disclosed have been made after due and proper consideration, and represent fair and reasonable expectations honestly held, based on facts known to such Group Company and/or such director and, where appropriate, are based on the assumptions referred to in the Prospectus or the Placing Documents.
- 7.3 The replies to the questions set forth in the Verification Notes (other than those for which the Underwriters, the Reporting Accountants, the Legal Counsel, the Litigation Company Lawyer, Internal Control Advisers, the Underwriters' Solicitors or other legal and professional advisers to the Underwriters are therein stated to be solely responsible) were supplied or disclosed by or on behalf of the Company to the Underwriters, the Reporting Accountants, the Legal Counsel, the Litigation Company Lawyer, the Underwriters' Solicitors or other legal and professional advisers to the Underwriters and contain all material information and particulars with regard to the subject matter thereof and were, and remain, true and accurate in all material respects and not misleading in any material respect.

- 7.4 All statements of fact contained in the Prospectus (other than those made by the Underwriters, the Reporting Accountants, the Legal Counsel, the Litigation Company Lawyer, the Internal Control Advisers, the Underwriters' Solicitors or other legal and professional advisers to the Underwriters) are and shall (at the Prospectus Date and the other times when the Warranties are repeated pursuant to this Agreement) be accurate and complete in all material respects and not misleading or deceptive in any material respect and there are no facts known or which on reasonable enquiry could have been known to any Group Company and/or any director of any Group Company which are not disclosed in the Prospectus the omission of which would make any statement therein misleading in any material respect or which in the circumstances of the Placing are material and required under applicable Laws for disclosure therein. All forecasts, expressions of opinion, expectation, intention or estimates therein made by the Company and/or the Directors are and shall (at the Prospectus Date and the other times when the Warranties are repeated pursuant to this Agreement) be made on reasonable grounds and are and shall be truly and honestly held by the Company and the Directors of the Company and are and shall be fairly based and there are and shall be no other facts known or which could on reasonable inquiry have been known to the Company and the Directors of the Company the omission of which would make any such statement or expression misleading in any material respect or which shall or might be material in the context of the Placing, and there are no other principal assumptions on which such forecasts or estimates are based other than the assumptions referred to therein.
- 7.5 The Prospectus contains all material information and particulars required to comply with all statutory and other provisions applicable in Hong Kong (including, without limitation, the Companies Ordinance, the Companies Ordinance (Miscellaneous Provisions and the GEM Listing Rules) so far as applicable and the Placing shall comply with all such applicable Laws.
- 7.6 There are no contracts, agreements or understandings between any Group Company and any person that would give rise to a valid claim against any Group Company or any Underwriter for any brokerage, commission, finder's fee or other like payment in connection with the Placing.
- 7.7 The report prepared by the Company in respect of the cash flow and working capital has been properly and carefully compiled by the Company on the basis of the assumptions stated therein and is presented on a basis consistent with the accounting principles and policies adopted by the Reporting Accountants in relation to the preparation of its accountants' report contained in appendix I to the Prospectus after making provision in accordance therewith for all material known liabilities (whether actual, contingent, disputed or otherwise). The assumptions upon which the report is based have been made after diligent enquiry and are fair and reasonable in the context of the Group and there are no material facts known or which could on reasonable enquiry have been known to the Company or the directors of the Company which have not been taken into account in the preparation of the report and which could be expected to have a material and adverse effect thereon.
- 7.8 The cash flow and working capital projections which form the basis of the working capital letter dated on or before the date hereof prepared by the Reporting Accountants have been properly and carefully compiled and there are no facts known or which on reasonable enquiry should have been known to the directors of the Company which have not been taken into account in the preparation of such projections and which may have a material and adverse effect thereon.

- 7.9 All the direct and indirect interests of each of the directors of the Company and their respective close associates in any of the companies which were parties to material transactions entered into or completed within the last two years immediately preceding the Prospectus Date relating to the business of the Group, or loans to or by, or properties or other assets acquired or disposed of by or leased to or proposed to be acquired or disposed of by or leased to, any member of the Group, except for those not expressly required by the GEM Listing Rules and/or the Companies Ordinance to be included in the Prospectus, have been and are accurately disclosed in the Placing Documents in all material respects.
- 7.10 No material information requested from the Company by the Sponsor, the Lead Manager, the Reporting Accountants, the Legal Counsel, the Litigation Company Lawyer, the Internal Control Advisers, the Company's Solicitors, and/or the Underwriters' Solicitors for the purpose of their reports, letters, certificates and/or opinions to the Company and which was then available to the Company was withheld from the Sponsor, the Lead Manager, the Reporting Accountants, the Legal Counsel, the Litigation Company Lawyer, the Internal Control Advisers, the Company's Solicitors, or the Underwriters' Solicitors and none of the directors of the Company, the Company and the Controlling Shareholders disagree with such reports, letters, certificates and opinions, and the opinions attributed to the directors of the Company in such reports, letters or certificates are honestly held by the directors of the Company and are fairly based upon facts within their knowledge.
- 7.11 All statements in respect of the section headed "Risk factors" in the Prospectus are true and accurate in all material respects and so far as the Warrantors are aware, no risk factor relating to and which is material to the business of the Group as described in the Prospectus or any investment in the Shares has been omitted therefrom.
- 7.12 The information set forth in the section headed "Future plans and use of proceeds" in the Prospectus represents the true and honest belief of the directors of the Company and the Company arrived at after due and careful consideration, consultations with relevant advisers, planning and enquiry and is based on the assumptions set forth therein and all such bases and assumptions are reasonable and fair and fully disclosed in the Prospectus.
- 7.13 All statements and information in writing provided by or on behalf of the Company in connection with any application or submission to or correspondence with the Stock Exchange (save as otherwise superseded by subsequent response or submission to the Stock Exchange prior to Listing) are true and accurate in all material respects and are not misleading in any material respect and there are no facts which have not been disclosed to the Stock Exchange in connection with any such application, submission or correspondence which by their omission may make any such statements untrue, inaccurate, incomplete, deceptive or misleading in any material respect or are material for disclosure to the Stock Exchange.
- 7.14 Save as described in the section headed "Connected transactions" in the Prospectus, there are no other connected transactions (as defined in the GEM Listing Rules) which the Company and/or any of the Subsidiaries has entered or is contemplating to enter into which require disclosure in the Prospectus under the GEM Listing Rules.

## **8. FINANCIAL INFORMATION**

- 8.1 The Accounts prepared by the Reporting Accountants and set forth in appendix I to the Prospectus give a true and fair view of the combined state of affairs of the Group



as at the Accounts Date and of the results of the Group for the accounting reference period for the two financial years ended on the Accounts Date and:-

- (a) are accurate in all material respects, make full provision for all bad and doubtful debts and make appropriate provision for all deferred or contingent or disputed liabilities, whether liquidated or unliquidated at the date thereof;
- (b) depreciation of assets has been made at rates sufficient to spread the cost over their respective estimated useful lives to the Group;
- (c) If applicable, stock of unsold goods are stated at the lower of cost and net realisable value, as at the Accounts Date;
- (d) save as disclosed in the Prospectus, the profits and losses referred to therein and the trend of profits thereby shown have not been affected by any unusual or extraordinary item or by any other matter which has rendered such profits or losses unusually high or low; and
- (e) the Accounts:-
  - (i) correctly make or include sufficient provision for all established liabilities, make proper and adequate provision for (or contain a note in accordance with good accounting practice respecting) all capital commitments of the Group as at the Accounts Date in all material respects and the reserves and provisions (if any) made therein for all taxation relating to any period on or before the Accounts Date are proper and adequate in all material respects;
  - (ii) correctly include all the assets of the Group as at the Accounts Date in all material respects;
  - (iii) if applicable, slow-moving stock has been written down appropriately and unrecoverable work in progress and redundant and obsolete stock have been wholly written off and the value attributed to the remaining stock did not exceed the lower of cost and net realisable book value as at the Accounts Date;
  - (iv) are not adversely or materially affected by any unusual, exceptional, extraordinary or non-recurring items which are not disclosed in the Accounts; and
  - (v) contain proper and adequate provision for the diminution in value of the Group's properties.

8.2 The accounting and other books and records of each Group Company are in its possession where required by applicable Laws, have been properly written up and accurately present and reflect in accordance with generally accepted accounting principles and standards of the applicable jurisdictions all the transactions entered into by each such Group Company or to which each such Group Company has been a party in all material respects and there are at the date hereof no material inaccuracies or discrepancies of any kind contained or reflected in any of the said books and records, and that at the date hereof they give and reflect a true and fair view of the financial, trading and contractual position of each such Group Company and of its fixed and current and contingent assets and liabilities and debtors and creditors in all material respects.

- 8.3 In relation to all financing arrangements (including all mortgages, overdrafts and other loan or financial facilities) to which any Group Company is a party:-
- (a) there has been no contravention of or non-compliance with any provision of any such document in any material respects;
  - (b) to the best of the knowledge and belief of the Warrantors, no steps for the enforcement of any Encumbrances or the early repayment of the indebtedness have been taken or threatened;
  - (c) there has not been any material alteration in the terms and conditions of any of the said arrangements or facilities all of which are in full force and effect;
  - (d) to the best of the knowledge and belief of the Warrantors, nothing has been done or omitted to be done whereby the continuance of the said arrangements and facilities in full force and effect might be affected or prejudiced in any material respects;
  - (e) none of the arrangements is dependent on the guarantee of or on any security provided by a third party;
  - (f) sufficient and materially accurate details of which, if required by the GEM Listing Rules have been disclosed in the Prospectus; and
  - (g) none of the facilities may be terminated, or mature prior to its stated maturity as a result of the issue, allotment, sale or transfer of the Placing Shares.
- 8.4 A consistent accounting policy has been adopted by each of the Group Company over the Track Record Period and there has been no material change thereof since the Accounts Date.
- 8.5 No transaction of any material importance to which any Group Company is a party has taken place which would have been required to be disclosed or reflected in the Accounts but was not.
- 8.6 Adequate provisions have been made in the Accounts for all dividends (if any) or other distributions (if any) to shareholders declared and remaining unpaid as at the date hereof.
- 8.7 All dividends or distributions declared, made or paid by each Group Company during the Track Record Period have been declared, made or paid in accordance with its articles of association (or equivalent documents) and the applicable statutory provisions.
- 8.8 Since the Accounts Date and except as disclosed in the Prospectus, no dividend has been declared or paid or other distributions of capital made in respect of any share capital of each Group Company, and no loans or loan capital have been repaid by each Group Company in whole or in part save for those repaid pursuant to any contractual arrangement then in place or in the ordinary course of business of the relevant Group Company.
- 8.9 So far as the Warrantors are aware, the Group has no present intention to discontinue or write down investments in any other businesses other than those

disclosed in the Accounts, nor is any such write down, in the reasonable opinion of the directors of the Company, required.

- 8.10 Having regard to the existing facilities available to it and taking into account the proceeds from the Placing and cashflow from its ordinary course of business, the Group has sufficient working capital with which to carry on its business, in its present form and at its present level of turnover, for the period of twelve months following the date of this Agreement and for the purposes of performing all orders and obligations placed with or undertaken by it before the date of this Agreement.
- 8.11 No Group Company has any material capital commitment or is engaged in any scheme or project requiring the expenditure of capital of a significant amount.
- 8.12 The unaudited pro forma financial information prepared by the Reporting Accountants and set forth in appendix II to the Prospectus give a true and fair view of the impact of the Placing on the Group's combined net tangible assets as of the Accounts Date as if the Placing had taken place on the Accounts Date.

## **9. EVENTS SINCE THE ACCOUNTS DATE**

- 9.1 Since the Accounts Date save as disclosed in the Prospectus, pursuant to the Placing or the Reorganisation or contemplated under this Agreement:-
- (a) each Group Company has carried on business and will carry on business in the ordinary and usual course so as to maintain it as a going concern and in the same manner as previously carried on and since such date has not entered into any material contract, transaction or commitment outside the ordinary course of business or of an unusual or onerous nature;
  - (b) there has been no material adverse change in the financial condition of the business of the Group taken as a whole or of the earnings, business affairs, position, prospects, assets or liabilities of its business as compared with the position disclosed by the Accounts and there has been no material damage, destruction or loss (whether or not covered by insurance) affecting such business or assets. No Group Company has sustained any material loss or interference with its business from any labour dispute or court or governmental or administrative action, order or decree; and there has not been any material adverse change in the long term debt, short term debt, net assets or net current assets of or any material adverse change, or any development involving a prospective material adverse change, in or affecting the general affairs, management, financial position, prospects, shareholders' equity or results of operations of the Group taken as a whole;
  - (c) each Group Company has continued to pay its creditors when due in the ordinary course of business and no trade discounts or other special terms (not being in the ordinary course of business, and accordingly excluding other seasonal or campaigns and initiatives) have been incorporated into any contract entered into by such Group Company;
  - (d) no Group Company has to any material extent acquired, sold, transferred or otherwise disposed of any assets of whatsoever nature or cancelled or waived or released or discounted in whole or in part any debts or claims, except in each case in the ordinary course of business;

- (e) no Group Company has declared, paid or made any dividend or distribution of any kind on any class of shares; and
- (f) no Group Company has taken on or become subject to any material contingent liability.

9.2 Since the Accounts Date, there has not been save as disclosed in the Prospectus, pursuant to the Placing or the Reorganisation or contemplated under this Agreement:-

- (a) any damage, destruction, or loss, whether covered by insurance or not, materially adversely affecting the business of the Group as a whole;
- (b) any sale or transfer by any Group Company of any material tangible or intangible asset other than in the ordinary course of business, any Encumbrance on any such asset, or any lease of property, including equipment, other than in the ordinary course of business or tax liens with respect to taxes not yet due and statutory rights of customers in inventory and other assets, materially and adversely affecting the Group as a whole;
- (c) any material transaction not in the ordinary course of business of any Group Company, materially and adversely affecting the Group as a whole;
- (d) the lapse of any patent, utility models, design, trademark, trade name, service mark, copyright, or licence or any application with respect to the foregoing by any Group Company which is material and adverse in the context of the business of the Group as a whole;
- (e) the making of any material loan, advance, indemnity or guarantee by any Group Company to or for the benefit of any person (other than a member of the Group) except the creation of accounts receivable in the ordinary course of business, materially and adversely affecting the Group as a whole; or
- (f) an agreement to do any of the foregoing, materially and adversely affecting the Group as a whole.

## **10. CAPITAL COMMITMENTS**

No Group Company has any capital commitment which is material to the Group as a whole as at the Latest Practicable Date (as defined in the Prospectus).

## **11. TAX, RETURNS, ETC.**

11.1 All returns, reports or filings which ought to have been made by or in respect of each Group Company for Taxation purposes under applicable Laws have been made or filed (as the case may be) and all such returns are up to date, correct and on a proper basis at the relevant time of filing and are not the subject of any material dispute with the relevant revenue or other appropriate authorities and so far as the Warrantors are aware, there are no present circumstances likely to give rise to any such material dispute and the provisions included in the Accounts were sufficient to cover all Taxation (if any) in respect of all accounting periods ended on or before the Accounts Date for which the Group was then liable. There is no Taxation underpayment that has been asserted against any Group Company so far as the Warrantors are aware.

- 11.2 The Group has duly made up all requisite books of account (reflecting in accordance with generally accepted accounting practice for all the financial transactions of the Group), statutory books and minutes books, registers and records and these and all other deeds and documents (properly stamped where necessary) belonging to or which ought to be in its possession under applicable Laws and its seal is in its possession.
- 11.3 All the accounts, books, ledgers, financial records of whatsoever kind, of the Group required under applicable Laws are in its possession or access, have been fully, properly and accurately kept and completed, do not contain any material inaccuracies or discrepancies of any kind and give and reflect a true and fair view of its trading transactions, and its financial, contractual and trading position.
- 11.4 All charges against the Group have been registered in accordance with all applicable Laws.
- 11.5 Each Group Company has:-
- (a) paid or accounted for in the Accounts in all material respects, as the case may be all taxation (if any) due to be paid or accounted for by it before the Accounts Date and none of the Group Company is or is likely to be subject to any tax penalties so far as the Warrantors are aware; and
  - (b) taken all necessary steps to obtain any repayment of or relief from taxation available to it.
- 11.6 The provisions (if any) included in the Accounts, as the case may be are sufficient to cover all Taxation in respect of all periods ended on or before the Accounts Date for which each Group Company was then or might at any time thereafter become or have become liable under applicable Laws.

## **12. INSURANCE**

- 12.1 Each Group Company has taken out valid insurances over all of its major assets and against all material risks and losses of the business carried on by it which are in the reasonable opinion of the Executive Directors normal, usual, prudent and proper for companies carrying on similar businesses to take and each Group Company is entitled to the full benefits of such relevant insurances. So far as the Warrantors are aware, nothing has been done or has been omitted to be done in any material respect whereby any of the said policies has or would void or voidable.
- 12.2 None of the insurance policies in respect of the major assets of each Group Company is subject to any special or unusual terms or restrictions or to the payment of any premium in excess of the normal rate.
- 12.3 So far as the Warrantors are aware, no material claim is outstanding, or may be made, under any of the insurance policies in respect of the major assets of each Group Company and so far as the Warrantors are aware, no circumstances exist which are likely to give rise to such a claim.
- 12.4 All premiums or other amounts payable in respect of the insurance policies in respect of the major assets of each Group Company have been paid.

**13. LITIGATION ETC.**

No Group Company nor any director of any Group Company is engaged or involved directly or indirectly in any litigation, arbitration, governmental or administrative proceeding or investigation, claim or dispute which individually or collectively is or may have a material adverse effect on the Company or any other Group Company or is or may otherwise be of material importance in the context of the Placing and so far as the Warrantors are aware, having made all due and reasonable enquiries, no such litigation, arbitration, proceeding, investigation, claim or dispute is threatened or pending nor are there any circumstances which are likely to give rise to any such litigation, arbitration, governmental or administrative proceeding, investigation, claim or dispute.

**14. TITLE AND INTERESTS**

14.1 With respect to the rights and interests in real properties, if any, and other assets owned by the Group, the relevant Group Company has good title or has the right by Law to good legal title to such properties and other assets or any rights or interests thereto and there are no Encumbrances of whatever nature or interests, conditions, planning consents, orders, regulations or other restrictions affecting any of such properties and other assets which materially and adversely limit, restrict or otherwise affect the ability of the relevant Group Company to utilise or develop or enjoy any such properties or other assets and, where any such properties and assets are held under lease or licence by the relevant Group Company, save as aforesaid each lease or licence is a legal, valid, subsisting and enforceable lease or licence, as the case may be, which is not and has not been subject to any material breach or any material dispute or claim.

14.2 *[Deleted]*

14.3 The assets included in the Accounts, as the case may be or acquired since the Accounts Date and all assets used or owned by or in the possession of each Group Company:-

(a) are legally and beneficially owned by that Group Company free from any Encumbrance, any hire-purchase agreement or agreement for payment on deferred terms or bills of sale or lien, charge or other Encumbrance;

(b) are in the possession or under the control of that Group Company;

(c) where purchased on terms that property does not pass until full payment has been made, have been paid for in full by that Group Company;

(d) are not subject to any hire purchase, leasing arrangements or other arrangements of a similar nature; and

(e) comprise all the assets, property and rights which that Group Company owns or which it uses or requires for the purpose of carrying on its business.

14.4 Each Group Company has done everything (whether by way of giving notice, registration, filing or otherwise), reasonably required or permitted to be done by it for the protection of its title to, or for the enforcement or the preservation of any order of priority of its title to, any property or rights (including the benefit of any debt, mortgage or charge) owned by it.

- 14.5 All records or other documents recording or evidencing any contract, licence, consent or other right of each Group Company or required for the exercise of any such right are in the possession or under the exclusive control of that Group Company.
- 14.6 Save as disclosed in the Accounts, each Group Company has not created, or granted, or agreed to create or grant, any security interest or other Encumbrance in respect of any of the assets included in the Accounts, or acquired or agreed to be acquired since the Accounts Date, otherwise than in the ordinary course of business.
- 14.7 Save as disclosed in the Accounts, none of the property, assets or undertakings of any Group Company is subject to, and the relevant Group Company has not agreed to grant in respect of the same, any Encumbrance.
- 14.8 The plant, machinery, vehicles and other equipment used in connection with the business of the Group:-
- (a) are subject to normal wear and tear in a good and safe state of repair and satisfactory working order and have been properly serviced and maintained; and
  - (b) are not to any extent dangerous, inefficient, out of date, unsuitable, in need of renewal or replacement, or surplus to requirements.
- 14.9 Maintenance contracts are in full force and effect in respect of all major assets of the Group in connection with its business which it is normal or prudent to have maintained by independent or specialist contractors, and in respect of all assets which the Group is obliged to maintain or repair under any leasing or similar agreement; and all those assets have been regularly maintained to a good technical standard, and in accordance with safety regulations usually observed in relation to assets of that description, and in accordance with the terms and conditions of any applicable leasing or similar agreement.

## **15. CONTRACTS**

- 15.1 All subsisting material contracts entered into within two years before the Prospectus Date (other than contracts entered into in the ordinary course of business) by any Group Company have been disclosed in the Prospectus and no material contracts (other than those so disclosed and those entered into in the ordinary course of business) shall, without the written consent of the Underwriters, be entered into prior to or on the Listing Date nor shall the terms of any subsisting material contracts be varied (other than as aforesaid) prior to or on the Listing Date.
- 15.2 Each of the Warrantors has no knowledge of the invalidity of or grounds for rescission, avoidance or repudiation of any material contract, agreement or other transaction to which any Group Company is a party and which is material to the business and/or financial position of the Group taken as a whole and no Group Company has received notice of any intention to terminate any such contract or agreement or repudiate or disclaim any such transaction.
- 15.3 No Group Company is a party to a contract or commitment of an unusual or onerous nature (or which involves or could involve an obligation of a material nature or magnitude), and there are no agreements in force substantially restricting the freedom of any Group Company to provide and take goods and services by such means and from and to such persons as it may from time to time think fit.

15.4 There are no transactions, agreements or documents of any kind (whether legally binding or not) the effect of which shall have a material adverse effect or impact on the financial condition, business or prospects of the Group.

**16. BORROWINGS, DEFAULT AND INSOLVENCY**

16.1 No circumstances have arisen or are likely to arise such that any person is entitled or would, with the giving of notice and/or lapse of time, be entitled to require repayment of any material indebtedness of any Group Company before its stated maturity and no Group Company has received notice to repay under any agreement relating to any indebtedness on the part of any Group Company which is repayable on demand, or to perform any guarantee given by any of them in respect of the material indebtedness of any party and there are no circumstances known to any of the Warrantors which might lead to such circumstances arising, which would have a material adverse effect to the Group as a whole.

16.2 No Group Company is in material breach of or in material default (nor has any event occurred which, with the giving of notice or the lapse of time or both would result in a default) under any Law, agreement, covenant or condition contained in any undertaking, indenture, mortgage, deed of trust, loan agreement, lease, licence, certificate or authorisation or other agreement, arrangement or instrument to which it is a party or which is binding upon or affects it or any of its assets or revenues or the operation of its business, which would have a material adverse effect to the Group as a whole, or is in material breach or violation of its business licence, memorandum and articles of association, bye laws or other constitutive documents, to an extent which is material and adverse in the context of the Group as a whole.

16.3 No Group Company has taken any action, nor to the best knowledge and belief of any of the Warrantors have any other steps been taken, or any legal proceedings been started or threatened, against any Group Company, for its winding up or dissolution, or for it to enter into any arrangement or composition for the benefit of creditors as a whole, or for the appointment of a receiver, trustee, administrator or similar officer of any of them, in respect of their respective properties, revenues or assets as a whole, and each Group Company can pay its debts as and when they fall due for payment.

**17. INTELLECTUAL PROPERTY, LICENCES, DOMAIN NAMES, ETC.**

17.1 Save as disclosed in the Prospectus, there are no patents, trademarks, designs, domain names, business names or other registrable Intellectual Property rights used or registered by any Group Company in connection with the Group's business which are material in the context of such business.

17.2 No Group Company has received any notice or is otherwise aware of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property rights used or registered by any Group Company, or of any facts which would render any such rights invalid or inadequate to protect the interests of the Group Company.

17.3 Each Group Company has not carried, and does not carry, on its business in such a way as to infringe any Intellectual Property right of any person.

17.4 All information in the Prospectus regarding the Intellectual Property rights owned or used by the Group is true and accurate in all material respects, and no material information regarding the same has been omitted therefrom. So far as is required in



the reasonable opinion of the Warrantors, all Intellectual Property rights used or required by any Group Company in connection with its business are in full force and effect and are vested in and beneficially owned by or licensed to the relevant Group Company free from any Encumbrances. Where registration of those Intellectual Property rights owned by the Group Company in the name of a Group Company is practicable and necessary, such registration has been effected, the relevant Group Company is the registered proprietor thereof and no Group Company has done or omitted to do anything which may impair that registration or render it open to challenge. No person has made any valid and material claim adverse to the continuing enjoyment by the Group of such Intellectual Property rights.

- 17.5 So far as the Warrantors are aware, the operation of the Websites has not infringed and shall not infringe the rights of any third party which includes the functional aspect of the Websites, and computer programmes in support, in so far as they are not already validly licensed from a third party, do not infringe the right of any third parties.
- 17.6 So far as the Warrantors are aware, the Group shall either be the lawful owner of all the information and content which is available through the Websites or possesses a valid subsisting and defensible legal right or licence to use and make such information and content available through the Websites.
- 17.7 No Group Company has received any notice or is otherwise aware of any unauthorised use by it of any confidential information of any third party.
- 17.8 The Company has the right or is applying for the right to use the logo appearing on the front page of the Prospectus.

## **18. LABOUR DISPUTES AND PENSIONS**

- 18.1 Each Group Company has complied in all material respects with all employment, labour and similar laws which are applicable to it and its businesses and employees.
- 18.2 No Group Company is currently engaged in any material labour dispute with its employees nor, to the best knowledge and belief of the Warrantors, is any such dispute threatened or likely to arise, nor do any circumstances exist which may give rise to the foregoing.
- 18.3 Each of the Warrantors is not aware of any existing or imminent labour disturbance by the employees of any of the principal suppliers, manufacturers or contractors of any Group Company which might reasonably be expected to result in any material adverse change in the financial condition, or in the earnings, business affairs or business prospects of the Group taken as a whole.
- 18.4 Save as required by applicable Laws or disclosed in the Prospectus or the Accounts, no Group Company has established or incurred an obligation to establish or has given any undertaking in respect of any retirement, death or disability scheme or arrangement relating to any present or past employee or any present or past director or any other person under which any obligation or liabilities have arisen or might reasonably be expected to arise which are material. All the benefits which any Group Company is required by applicable Laws to provide have been and are provided in accordance with the Law.
- 18.5 All contracts of services in relation to the employment of the Group's employees are on usual and normal terms which do not and shall not in any way whatsoever impose any unusual or material onerous obligation on the relevant Group Company and the

subsisting contracts of service to which any Group Company is a party are legal, valid and enforceable (except for provisions in restraint of trade which may be subject to unfavourable judicial interpretation) and are determinable at any time on reasonable notice without compensation (except statutory compensation) and there are no material claims pending or threatened or capable of arising against the relevant Group Company, by any employee or third party, in respect of any accident or injury not fully covered by insurance save as disclosed in the Prospectus or the Litigation Company Lawyer's Opinion.

- 18.6 The social welfare scheme described in Appendix I in the Prospectus ("**Scheme**") have been and are conducted in accordance with the Laws and there are no contributions by any Group Company to the Scheme which have fallen due but are unpaid.

**19. TAX**

No tax or duty (including any stamp or issuance or transfer tax or duty and any tax or duty on capital gains or income, whether chargeable on a withholding basis or otherwise) is payable by any Group Company to any governmental or regulatory body in Hong Kong, the BVI, Cayman Islands or elsewhere or any taxing authority thereof or therein in connection with:-

- (a) the creation, issue and allotment of the Placing Shares;
- (b) the payment by the Company to, and the receipt by shareholders of, any dividend in respect of the Placing Shares; and
- (c) the sale, transfer or other disposition or delivery of any Placing Shares under the Placing, including any realised or unrealised capital gains arising in connection with such sale, transfer or other disposition or delivery.

**20. PROPERTIES**

- 20.1 The properties referred to in the section headed "Business – Properties" of the Prospectus comprise all real properties owned (if any) or occupied (whether or not under licence or any other arrangements or otherwise) by or leased to the Group or in respect of which the Group or any member of it has any interest whatsoever.

- 20.2 With respect to each of properties situated in Hong Kong owned by the Group, if any:-

- (a) all the sale/transfer procedures as regards the property have been completed and (where applicable) the sale/transfer has been validly registered in the relevant department;
- (b) the relevant Group Company can legally transfer, mortgage, or sell the property to local or foreign corporations or individuals;
- (c) all land premiums payable in respect of the property have been paid in full and no further premiums are payable under relevant documents of title or otherwise under the laws of Hong Kong;
- (d) the property is not currently subject to any sale or transfer or mortgage procedures and it is not leased or transferred or given to others as a gift, and the

relevant company has not entered into any agreement to do any of the foregoing; the property is not involved in any litigation or subject to any court order for attachment, possession, etc.;

- (e) the property is not used by the Group for any unlawful purposes and has not violated any relevant land or construction regulations;
- (f) the relevant Group Company has not received from the Hong Kong government nor any competent authority any notice or order which may adversely affect its right to use the property for the purpose for which it is presently being used to own the property;
- (g) all requisite consents necessary for the user of the property as it is presently being used by the relevant company have been duly obtained and are in full force, validity and effect;
- (h) all the land user's covenants contained in the relevant documents of title and/or other documents applicable to the property have been duly performed and observed to the extent that such obligations have fallen due;
- (i) as at the date hereof there has been no change in the terms and conditions of the relevant documents of title and/or other documents applicable to the property, which are all in full force, validity and effect in favour of the relevant Group Company;
- (j) no default (or event which with notice or lapse of time or both shall constitute a default) by the relevant Group Company has occurred or is continuing under the relevant documents of title and/or other documents applicable to the property and it is not in breach of any Hong Kong Laws in respect of the use occupation and enjoyment of the property; and
- (k) all requisite licences, certificates and authorities necessary for the existing use of the property by the relevant company have been duly obtained and are in full force, validity and effect.

## 21. ENVIRONMENTAL

Each member of the Group (i) has been and is in compliance with any and all published applicable national, provincial, municipal, local and foreign Laws relating to the protection of human health and safety, the environment or hazardous or toxic substances or waters, pollutants, noise, air or contaminants ("**Environmental Laws**") in all material respects and (ii) has obtained all necessary permits, licenses or other approvals required of them under applicable Environmental Laws in all material respects to conduct their respective businesses and (iii) are in compliance with all material terms and conditions of any such permit, license or approval except where, in respect of (i), (ii) and (iii), such non-compliance with Environmental Laws, failure to obtain required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, singly or in the aggregate, have a material adverse effect on the Company and the Subsidiaries, taken as a whole.

## Part B: Selling Shareholder's Warranties given by the Selling Shareholder

Subject to matters disclosed in the Prospectus, this Agreement, the Conditions Precedent Documents, submissions and subsequent replies and responses made on behalf of the Company to the Stock Exchange, the SFC or other regulatory bodies in respect of the Listing Application prior to Listing, the Selling Shareholder represents, warrants and undertakes to the Sponsor, the Lead Manager, the Underwriters and each of them as follows:

**1. CAPACITY**

- 1.1 It has the requisite power and authority to enter into and perform its obligations under this Agreement and each of the Operative Documents to which it is a party.
- 1.2 This Agreement and each of the Operative Documents to which it is a party constitutes or shall, when executed and delivered, constitute, and any other document required to be executed by it pursuant to the provisions of this Agreement or any of the Operative Documents shall, when executed and delivered, constitute, valid and binding obligations of the Selling Shareholder enforceable in accordance with their respective terms.
- 1.3 The execution and delivery of, and the performance by the Selling Shareholder of its obligations under, this Agreement or any of the Operative Documents to which it is a party do not and shall not, and each such document does not and shall not:-
  - (a) if the Selling Shareholder is a company, result in a material breach of any provision of the memorandum of association, bye-laws and articles of association or other equivalent constitutional documents of Selling Shareholder (as the case may be);
  - (b) result in a material breach of, or constitute a material default under, any instrument to which Selling Shareholder is a party or by which it or any of his/her/ its properties is bound;
  - (c) result in a material breach of any Laws to which Selling Shareholder are subject or by which it or any of its respective assets is bound; or
  - (d) require any material Approval from the relevant governmental or regulatory body or the material sanction or material consent of its shareholders (as the case may be) which has not been obtained as of the date hereof.
- 1.4 All of the Sale Shares held by the Selling Shareholder will be legally and beneficially owned by the Selling Shareholder in its own right and immediately upon Placing becoming unconditional, by the Selling Shareholder shall be entitled to sell and transfer such Sale Shares (and the full and beneficial ownership therein) free from all charges, liens, encumbrances and other third-party rights.

**SCHEDULE 4**  
**SELLING RESTRICTIONS**

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

**SCHEDULE 5**  
**CONDITIONS PRECEDENT DOCUMENTS**  
**PART A**

- (1) One original or certified copy of the resolutions of the board of directors or board committee (as the case may be) of the Controlling Shareholders (where it is a company) approving and authorising the execution of this Agreement and any of the Operative Documents (save for the documents in relation to the Reorganisation) to which it is a party and such documents as may be required to be executed by it pursuant thereto and the execution on its behalf, and the performance by it of its obligations thereunder.
- (2) One original or certified copy of the minute(s) of the meeting of the Board approving, inter alia:-
  - (a) the execution of this Agreement, each of the Operative Documents (save for the documents in relation to the Reorganisation) to which the Company is a party and such other documents as may be required to be executed by the Company, and the performance by the Company of its obligations under, each such document;
  - (b) approving the Placing;
  - (c) approving and authorising the issue of the Prospectus; and
  - (d) approving and authorising the issue of and the registration of the Prospectus with the Registrar of Companies in Hong Kong.
- (3) One original or certified copy of the resolutions passed by the shareholders of the Company on 15 October 2015 referred to in paragraph headed "A. Further information about our Company — 3. Written resolutions of our sole Shareholder passed on 15 October 2015" of appendix IV to the Prospectus.
- (4) Three printed copies of each of the Prospectus in English and Chinese each duly signed by either all of the Directors or at least any two of the executive Directors or their respective duly authorised attorney and, if signed by their respective duly authorised attorney, certified copies of the relevant authorisation document.
- (5) One signed original of the accountants' report dated the Prospectus Date from the Reporting Accountants, the text of which is contained in appendix I to the Prospectus.
- (6) One signed original of the comfort letters dated the Prospectus Date issued by the Reporting Accountants:-
  - (a) confirming, inter alia, the accuracy of certain information (including financial information) in the Prospectus;
  - (b) confirming the statement of indebtedness contained in the Prospectus;
  - (c) commenting on the unaudited pro forma financial information set forth in appendix II to the Prospectus; and

- (d) commenting on the statement contained in the Prospectus on the adequacy of the working capital of the Group.
- (7) One signed original of the certificate dated the Prospectus Date to the Registrar of Companies in Hong Kong relating to the translation of the Prospectus.
- (8) One signed original of each of following legal opinions or letters (as applicable) dated the Prospectus Date:
  - (a) Cayman Islands Law Letters;
  - (b) Legal Counsel's Opinion with respect to his views and opinions as set out in the Prospectus;
  - (c) Litigation Company Lawyer's Opinion with respect to its views and opinions as set out in the Prospectus;
  - (d) Hong Kong Tenancy Reports; and
  - (e) the report on internal control review prepared by the Internal Control Adviser in relation to the non-compliance incidents.
- (9) One signed original of the internal control report on the Group issued by the Internal Control Adviser dated the Prospectus Date.
- (10) One signed original of the letter from each of the following parties consenting to the issue of the Prospectus with the inclusion of references to them and of their report and letter(s) in the form and context in which they are included:
  - (a) the Reporting Accountant;
  - (b) the Cayman Islands Legal Advisers;
  - (c) the Legal Counsel;
  - (d) the Litigation Company Lawyer; and
  - (e) the Internal Control Adviser.
- (11) One certified copy of the letter from the Companies Registry in Hong Kong confirming the registration of the Prospectus.
- (12) One signed original or certified copy of each of the executed responsibility letter, power of attorney (if applicable) and statements of interests, and, from each of the directors of the Company confirming, inter alia, his/her responsibility for the contents of the Prospectus in the terms of the responsibility statement contained in the Prospectus and his/her interests relating to the Company disclosed in the Prospectus.
- (13) ***[Deleted]***
- (14) One certified copy of each of the Registrar Agreements.

- (15) One certified copy of each of the Material Contracts (other than this Agreement) as mentioned in the paragraph headed "1. Summary of material contracts" in appendix IV to the Prospectus.
- (16) Five sets of the signing pages of the Verification Notes duly signed by or on behalf of the Company, the Directors, Company's Solicitors, Cayman Islands Legal Advisers, the Legal Counsel and the Litigation Company Lawyer.
- (17) One certified copy of the Memorandum and Articles of Association.
- (18) *[Deleted]*
- (19) One signed original of the memorandum on profit forecast and the working capital for the period ending 31 October 2016 dated the Prospectus Date signed by at least one Director.
- (20) One original or certified copy of each of the undertaking dated on or before the Prospectus Date and given by each of the Controlling Shareholders to the Stock Exchange pursuant to Rule 13.16A of the GEM Listing Rules in the terms set out in the Prospectus.
- (21) One signed original of the letter signed by all the Executive Directors (or their respective lawful attorneys) confirming that, save to the extent superseded by subsequent disclosures to the Stock Exchange in writing or in the Prospectus, all written replies to queries from the Stock Exchange and the Securities and Futures Commission of Hong Kong in connection with the application for the Placing given by the Sponsor and all the parties involved in the Placing remain true and accurate in all material respects and not misleading in any material respects as a whole as at the Prospectus Date.



**SCHEDULE 5**  
**CONDITIONS PRECEDENT DOCUMENTS**  
**PART B**

- (1) *[Deleted]*
- (2) One signed original of the certificate dated the Listing Date and signed by a director of the Company (or his/ her lawful attorney) to the effect that the representations and warranties given by the Company herein are true and correct in all material respects as of the Listing Date and that the Company has complied with all of the terms in all material respects and satisfied all of the Conditions on its part to be performed or satisfied hereunder on or before the Listing Date.
- (3) Where the Controlling Shareholder is a company, one signed original of the certificate dated the Listing Date and signed by a director of such Controlling Shareholder (or its lawful attorney) to the effect that the representations and warranties given by such Controlling Shareholder herein contained are true and correct in all material respects as of the Listing Date and that such Controlling Shareholder has complied with all of the terms in all material respects and satisfied all of the conditions of its part to be performed or satisfied hereunder on or before the Listing Date.
- (4) Where the Selling Shareholder is a company, one signed original of the certificate dated the Listing Date and signed by a director of the Selling Shareholder (or its lawful attorney) to the effect that the representations and warranties given by the Selling Shareholder herein contained are true and correct in all material respects as of the Listing Date and that the Selling Shareholder has complied with all of the terms in all material respects and satisfied all of the conditions of its part to be performed or satisfied hereunder on or before the Listing Date.
- (5) One original or certified copy of the minutes of the meeting of the Board or resolutions of the Directors (or a committee thereof relating to the Placing) approving, among other things, the basis of allotment and allotment of Shares to allottees.
- (6) One copy of the written notifications issued by HKSCC stating that the Shares will be Eligible Securities (as defined under the GEM Listing Rules).
- (7) Each of the following:-
  - (a) one copy of the Form 6A signed by each director of the Company;
  - (b) one certified true copy by Company's Solicitors or the Cayman Islands Legal Advisers of the certificate of incorporation of the Company; and
  - (c) one certified true copy by the Company's Solicitors of the certificate of registration of the Company under Part 16 of the Companies Ordinance.
- (8) One signed original or certified copy of the confirmation letter from each director of the Company confirming that he/ she has read and understand the memorandum on Directors' responsibilities prepared by the Company's Solicitors.

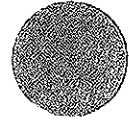


**THE CONTROLLING SHAREHOLDERS:-**

**SIGNED, SEALED AND DELIVERED**  
by **YU SHEK MAN RINGO**  
in the presence of:-

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)  
)

*Ringo Ym*



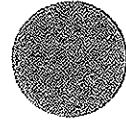
姚俊榮

Yiu Chun Wing

**SIGNED, SEALED AND DELIVERED**  
by **WONG SO WAH**  
in the presence of:-

)  
)  
)

*Wong So Wah*



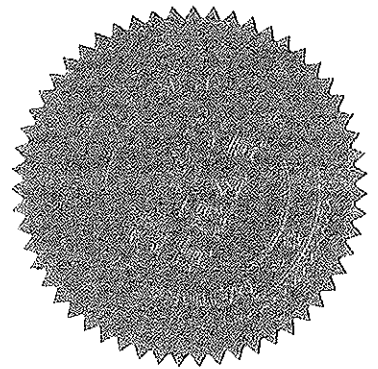
姚俊榮

Yiu Chun Wing

**SIGNED** for and on behalf of  
**NATIONAL HONOUR INVESTMENTS**  
**LIMITED**  
by  
its director  
in the presence of:-

)  
)  
)  
)  
)

*Ringo Ym*



姚俊榮

Yiu Chun Wing

**SELLING SHAREHOLDER:-**

**SIGNED** for and on behalf of  
**NATIONAL HONOUR INVESTMENTS  
LIMITED**

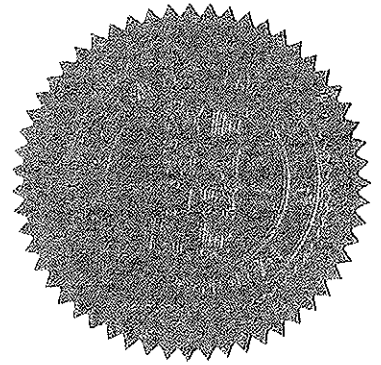
by  
its director  
in the presence of:-

Yiu Chun Wing

姚俊榮

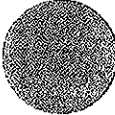
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*Yiu Chun Wing*



**THE EXECUTIVE DIRECTORS:-**

**SIGNED, SEALED AND DELIVERED**  
by **YU SHEK MAN RINGO**  
in the presence of:-

)  
)  
) *Ringo Yu* 

劉俊榮 Yiu Chun Wing

**SIGNED, SEALED AND DELIVERED**  
by **WONG SO WAH**  
in the presence of:-

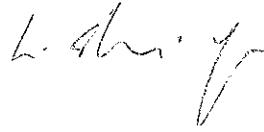
)  
)  
) *Wong So Wah* 

黃素華 Yiu Chun Wing

**SPONSOR:-**

**SIGNED** by LI SHU YAN  
duly authorised for and on behalf of  
**MESSIS CAPITAL LIMITED**  
in the presence of:-

)  
)  
)  
)



LAW ARTHUR HO YAN  
Solicitor, Hong Kong SAR

**BOOKRUNNER, LEAD MANAGER AND UNDERWRITER:-**

SIGNED by CHIU HIN FUNG SHERMAN  
duly authorised for and on behalf of  
QUAM SECURITIES COMPANY  
LIMITED  
in the presence of:-

LAU WA CHUNG



**UNDERWRITER:-**

SIGNED by CHIU HIN FUNG SHERMAN  
duly authorised for and on behalf of  
QUAM SECURITIES COMPANY  
LIMITED  
in the presence of:-

LAU WA CHUNG



**UNDERWRITER:-**

**SIGNED** by CHIU HIN FUNG SHERMAN  
duly authorised for and on behalf of  
**SUPREME CHINA SECURITIES**  
**LIMITED**  
in the presence of:-

)  
)  
)  
)

LAU WA CHING