

DATED 2nd June 2015

NEW CITY DEVELOPMENT GROUP LIMITED

and

MR. HAN JUNRAN

and

JUNYI INVESTMENTS LIMITED

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**UNDERWRITING AGREEMENT**  
relating to a proposed open offer of shares in  
**NEW CITY DEVELOPMENT GROUP LIMITED**

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**Keith Lam Lau & Chan**

Solicitors & Notaries,

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Ref: 12497/15/LL/MC

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THIS AGREEMENT is made on 3<sup>rd</sup> day of June 2015

BETWEEN: -

1. **New City Development Group Limited**, a company incorporated in the Cayman Islands with limited liability and whose principal place of business is at Flat D, 17/F., MG Tower, 133 Hoi Bun Road, Kowloon, Hong Kong (the "**Company**");
2. **Mr. Han Junran** (Holder of Hong Kong Identity Card No.: R260215(5)) of Flat D, 17/F., MG Tower, 133 Hoi Bun Road, Kowloon, Hong Kong ("**Mr. Han**"); and
3. **Junyi Investments Limited**, a company incorporated in the British Virgin Islands with limited liability and whose registered office is at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands ("**Underwriter**").

WHEREAS: -

(A) The Company proposes, by way of open offer, subject to the terms and conditions of this Agreement, to offer for subscription 636,196,999 Offer Shares, on the basis of one (1) Offer Share for every four (4) Shares held on the Record Date.

(B) As at the date hereof, the Company has an authorised share capital of HK\$40,000,000 divided into 10,000,000,000 shares of HK\$0.004 each, of which 2,544,787,999 Shares have been issued.

(C) The Underwriter has agreed to underwrite the Underwritten Offer Shares on and subject to the terms and conditions of this Agreement.

IT IS AGREED as follows:-

## 1. Interpretation

(A) In this Agreement and the recitals and the schedules: -

"Accounts Date" means 31 December 2014;

"Announcement" means the announcement containing details of the Open Offer to be released by the Company;

"Application Form" means the form of application for use by the Qualified Shareholders to apply for the Offer Shares;

"Business Day" means any day (excluding Saturday, Sunday and public holiday in Hong Kong) on which licensed banks generally are open for business in Hong Kong;

"Committed Shares" means 259,050,000 Offer Shares which are irrevocably undertaken to be subscribed by the Underwriter pursuant to Clause 11(C);

"Companies Ordinance" means the Companies Ordinance (Cap.622 of the Laws of Hong Kong);

“Companies (WUMP) Ordinance” means the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32 of the Laws of Hong Kong);

“Conditions” means the conditions set out in Clause 3(A);

“Directors” means the directors of the Company and shall, where the context so permits, include their alternate directors;

“EGM” means an extraordinary general meeting of the Shareholders of the Company;

“Executive” means the executive director of the corporate finance division of the SFC or any delegate of the executive director;

“Excluded Shareholders” means shareholders whose names appear on the Register of Members as at the close of business on the Record Date but whose registered addresses in the Company’s Register of Members are in a place outside Hong Kong where, the Directors, after making enquires, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant overseas places or the requirements of the relevant regulatory bodies or stock exchanges in those places not to offer the Offer Shares to them;

“Excluded Shareholders Entitlements” means the Offer Shares which represent the entitlements of the Excluded Shareholders;

“Group” means the Company and its Subsidiaries;

“HK\$” or “Hong Kong dollars” means the lawful currency of Hong Kong;

“Hong Kong” means the Hong Kong Special Administration Region of the People’s Republic of China;

“Independent Shareholders” means Shareholders other than any controlling shareholders (as defined in the Listing Rules) of the Company and their associates or, where there are no controlling shareholders of the Company, directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates;

“Irrevocable Undertakings” means the irrevocable undertakings given by Mr. Han and the Underwriter under Clauses 11(C) and (D);

“Latest Time for Termination” means the latest time for termination set out in the Appendix or such later time or date as may be agreed between the Company and the Underwriter;

“Listing Rules” means The Rules Governing the Listing of Securities on the Stock Exchange;

“Offer Shares” means 636,196,999 Shares to be issued and allotted under the Open Offer, and a “Offer Share” shall be construed accordingly;

“Open Offer” means the proposed issue of the Offer Shares at the Subscription Price on the basis of one (1) Offer Share for every four (4) Shares held as at the close of business on the Record Date and on the terms and subject to the conditions set out herein, all as more particularly described in this Agreement;

“Overseas Letter” means the letter from the Company to the Excluded Shareholders explaining the circumstances in which the Excluded Shareholders are not permitted to participate in the Open Offer;

“Posting Date” means a date expected not later than the posting date set out in the Appendix or such other date as the Company and the Underwriter may agree;

“Proceedings” means any proceeding, suit or action arising out of or in connection with this Agreement;

“Prospectus” means the document containing details of the Open Offer to be despatched to Shareholders in accordance with the provisions of Clauses 4(ii) and 4(iii);

“Prospectus Documents” means the Prospectus and the Application Form;

“Qualified Shareholders” means Shareholders whose names appear on the Register of Members as at the close of business on the Record Date, other than Excluded Shareholders;

“Record Date” means a date expected not later than the record date set out in the Appendix (or such other date as the Company may agree with the Underwriter (subject, if required, to the approval of the Stock Exchange and taking into account any other timetable adjustments) as the record date for determining entitlements to participate in the Open Offer);

“Register of Members” means the register of members of the Company;

“Registrars of Companies” means the Registrar of Companies in Hong Kong;

“Registrar” means Union Registrars Limited of A18/F, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong;

“Settlement Date” means a date expected not later than the settlement date set out in the Appendix (as such other time or date as the Underwriter and the Company may agree in writing), being the date for allotment of the Offer Shares;

“SFC” means the Securities and Futures Commission of Hong Kong;

“Shareholders” means persons whose names appear on the Register of Members as registered holders of Shares;

“Shareholding” means in relation to any Shareholder, the number of Shares which is registered in the name of such Shareholder on the Register of Members;

“Share(s)” means ordinary share(s) of HK\$0.004 each in the share capital of the Company;

“Stock Exchange” means The Stock Exchange of Hong Kong Limited;

“Storm Warning” means either a tropical cyclone warning signal Number 8 or above or a “black” rainstorm warning signal;

“Subscription Price” means a price of HK\$0.28 per Offer Share;

"Subsidiary" has the meaning given that term in schedule 1 to the Companies Ordinance;

"Underwritten Offer Shares" means 377,146,999 Offer Shares, being all the Offer Shares other than the Committed Shares (assuming no issue or repurchase of Shares from the date of this Agreement up to the Record Date);

"Underwriting Commitment" means the number of Underwritten Offer Shares set against the name of the Underwriter as set out in Schedule 2;

"Warranties" means the representations, warranties and undertakings set out in Schedule 1; and

"Whitewash Waiver" means a waiver of the obligation of Mr. Han and the Underwriter to make a mandatory general offer as a result of the underwriting of the Open Offer for all the Shares not already owned, controlled or agreed to be acquired by them pursuant to Note 1 on dispensations from Rule 26 of the Code on Takeovers and Mergers by the Executive.

- (B) In this Agreement and the recitals and schedules, unless otherwise specified: -
- (i) references to Clauses, Sub-clauses, Paragraphs, Schedules, Appendix and Recitals are to clauses, sub-clauses and paragraphs of, and schedules, appendix and recitals to, this Agreement or its schedules, as the case may be;
  - (ii) a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted;
  - (iii) references to a "company" shall be construed so as to include any company, corporation or other body corporate, whenever and however incorporated or established;
  - (iv) references to a "person" shall be construed so as to include any individual, firm, company, government, state or agency of a state or any joint venture, association or partnership (whether or not having separate legal personality);
  - (v) references to "indemnifying" any person against any circumstance include indemnifying and keeping him harmless from all actions, claims and proceedings from time to time made against that person and all loss or damage and all payments, costs or expenses made or incurred by that person as a consequence of or which would not have arisen but for that circumstance and references to "indemnify" shall be construed accordingly;
  - (vi) references to writing shall include any modes of reproducing words in a legible and non-transitory form;
  - (vii) references to times of the day are to Hong Kong time;
  - (viii) references to "close of business" on any day shall mean 5:00 p.m. on such day;
  - (ix) references to the "latest time for acceptance" shall mean the latest time for acceptance set out in the Appendix (or such other date as the Underwriter may agree with the Company (subject, if required, to the approval of the Stock Exchange and taking into account any other timetable adjustments) as the latest time for acceptance of, and

payment for, Offer Shares, provided that if on such date a Storm Warning is hoisted in Hong Kong at any time between 9.00 a.m. and 4.00 p.m. then references to the "latest time for acceptance" shall mean 4.00 p.m. on the first Business Day thereafter on which no Storm Warning remains hoisted at any time between 9.00 a.m. and 4.00 p.m.;

- (x) references to "accepted" in relation to any Offer Shares shall mean Offer Shares in respect of which the Application Form relating thereto has been lodged for acceptance in accordance with the terms of the Prospectus Documents together with cheques/banker's cashier orders for the full amount payable in respect of such Offer Shares which are honoured on first presentation and references to "accept" shall be construed accordingly;
- (xi) references to "taken up" in relation to any Offer Shares shall mean Offer Shares which have been accepted and references to "take up" shall be construed accordingly;
- (xii) headings to clauses, sections and schedules are for convenience only and do not affect the interpretation of this Agreement; and
- (xiii) the schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement, and any reference to this Agreement shall include the Schedules.

## **2. Listing**

The Company shall, (i) after the signing of this Agreement, on behalf of the Company, make an application to the Stock Exchange for the granting of listing of, and permission to deal in, all the Offer Shares; and (ii) to provide all such information, give all such undertakings, execute all such documents, pay all such fees and do or procure to be done all such acts and things as may be necessary or required by the Stock Exchange for the purpose of obtaining such listing and permission.

## **3. Conditions**

- (A) The obligations of the Underwriter under Clause 7 of this Agreement are conditional upon:-
  - (i) the passing by the Independent Shareholders by way of poll at the EGM of ordinary resolutions to approve the Open Offer, the absence of excess application arrangement and the Whitewash Waiver by no later than the Posting Date;
  - (ii) the Executive having granted, and not having withdrawn or revoked such grant, the Whitewash Waiver, and the fulfilment of all conditions (if any) attached to the Whitewash Waiver;
  - (iii) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (WUMP) Ordinance not later than the Posting Date;



- (iv) the posting of the Prospectus Documents to the Qualified Shareholders and the posting of the Overseas Letter and the Prospectus to the Excluded Shareholders, if any, for information purpose only on the Posting Date;
  - (v) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listings of and permission to deal in all the Offer Shares or subject to such conditions as the Company may accept, in all cases prior to 18 August 2015, being the expected date of commencement of dealings in the Offer Shares (or such other date as may be agreed between the Company and the Underwriter);
  - (vi) all requirements and conditions imposed by the Stock Exchange or the SFC or under the Listing Rules, the Takeovers Code or otherwise in connection with the Open Offer and the transactions contemplated thereunder (if any) having been fulfilled or complied with;
  - (vii) compliance by the Company with all of its obligations under this Agreement;
  - (viii) compliance with and performance of the Irrevocable Undertakings by Mr. Han and the Underwriter; and
  - (ix) the Underwriter has not terminated this Agreement in accordance with its terms.
- (B) If any of the Conditions have not been fulfilled on or before the Latest Time for Termination (or such later date as the Underwriter and the Company may agree in writing), this Agreement, save in respect of the provisions of this sub-clause and Clauses 14, 15(B) and 21 to 26, shall terminate and the obligations of the parties shall forthwith cease and be null and void and none of the parties shall, save in respect of the provisions of this sub-clause and Clauses 14, 15(B) and 21 to 26 and any right or liability accrued before such termination, have any right against or liability towards any of the other parties arising out of or in connection with this Agreement.
- (C) None of the conditions set out in Clause 3(A) can be waived by the Company or the Underwriter.

#### **4. Offering of Offer Shares**

Subject to the fulfilment and/or waiver of the Conditions, the Company shall procure that: -

- (i) the Offer Shares will be offered to all Qualified Shareholders in the proportion of one (1) Offer Share for every four (4) Share held on the Record Date, but the Offer Shares which, but for this Clause 4, would have been offered to the Excluded Shareholders will be dealt with in accordance with Clauses 4(iv) and (v);
- (ii) the Company will offer the Offer Shares to the Qualified Shareholders at the Subscription Price by posting the Prospectus Documents to such holders, on the basis that payment for each Offer Share will be made in full on acceptance not later than 4:00 p.m. on the latest date for acceptance of the Offer Shares;
- (iii) the Company will post the Overseas Letter and a copy of the Prospectus stamped "For Information Only" to the Excluded Shareholders for their information only;
- (iv) the Company will not offer any of the Offer Shares to the Excluded Shareholders;

- (v) all the Excluded Shareholders Entitlements will be taken up by the Underwriter; and
- (vi) the Company will allot the Offer Shares upon the terms and subject to the conditions set out in the memorandum and articles of association of the Company and in accordance with the Prospectus.

#### **5. Excluded Shareholders**

- (A) The Company shall procure that the Prospectus Documents will not be posted to Excluded Shareholders, although the Overseas Letter and the Prospectus marked "for information only" shall be posted to all Excluded Shareholders.
- (B) The Company shall arrange for the Registrar to give notice to the Underwriter not later than the close of business on or before the Posting Date of the number of Offer Shares which but for the proviso to Clause 4(i) would have been offered to Excluded Shareholders pursuant to Clause 4(i).

#### **6. Excess Applications**

- (A) The Company will not provide for any excess application arrangement in respect of the Open Offer.

#### **7. Underwriting**

- (A) If, by the latest time for acceptance, all Underwritten Offer Shares have been accepted and there exists no Excluded Shareholders Entitlements, the Underwriter's obligations under this Clause shall cease.
- (B) If, by the latest time for acceptance, any of the Underwritten Offer Shares have not been taken up and/or there exist any Excluded Shareholders Entitlements: -
  - (i) the Company shall, as soon as practicable after the latest time for acceptance (and, in any event, not later than the close of business on the second Business Day following the last time for acceptance), notify the Underwriter of the aggregate number of Underwritten Offer Shares which have not been taken up and the number of Excluded Shareholders Entitlements (if any);
  - (ii) the Underwriter shall, not later than 12:00 noon on the first Business Day after being notified by the Company pursuant to paragraph (i), inform the Company of the identities of the persons to whom the Underwritten Offer Shares which have not been taken up and the Excluded Shareholders Entitlements should be issued and the number of such Shares to be issued to each of them; and
  - (iii) the Underwriter shall: -
    - (a) in accordance with its Underwriting Commitment, subscribe or procure subscribers to subscribe, on and subject to the terms and conditions and on the basis of the information contained in the Prospectus Documents (other than as to the time and method of acceptance and payment) for any of the Underwritten Offer Shares which have not been taken up and

the Excluded Shareholders Entitlements not later than the close of business on the first Business Day after being notified by the Company pursuant to paragraph (i) above;

- (b) (subject to Clause 15) not later than the close of business on the second Business Day after being notified by the Company pursuant to paragraph (i) above pay or procure to be paid to the Company the full amount payable in respect of the Underwritten Offer Shares which have not been taken up and the Excluded Shareholders Entitlements against delivery by the Company to the Underwriter of definitive share certificates in respect of such Underwritten Offer Shares and such Excluded Shareholders Entitlements.
- (iv) The Company undertakes to procure the Registrar to keep the Underwriter regularly informed of the number of Offer Shares validly accepted during the period from the Posting Date up to the latest time for acceptance of the Offer Shares and shall procure the Registrar to notify the Underwriter in writing the total number of Underwritten Offer Shares which have been accepted or taken up and the total number of Excluded Shareholders Entitlements.
- (v) The Underwritten Offer Shares and the Excluded Shareholders Entitlements dealt with as provided in Clause 7(B) shall be duly allotted and issued on the basis that the allottees thereof shall be duly entered on the Register of Members in respect of the Offer Shares so allotted and certificates in respect thereof shall be issued in such names and in such denominations as the Underwriter may require and the same shall be delivered to the Underwriter or as it may direct as soon as practicable upon receipt by the Company of payment as aforesaid. Following payment as aforesaid, all obligations and liabilities of the Underwriter under this Agreement shall cease.
- (vi) If the Underwriter shall default in complying with its obligations under Clause 7(B)(iii), the Company is hereby irrevocably authorised to treat this Agreement as an application by the Underwriter on and subject to the terms and conditions and on the basis of the information contained in the Prospectus Documents (other than as to the time and method of acceptance and payment) for the Underwritten Offer Shares and the Excluded Shareholders Entitlements which have not been taken up due to the default of that Underwriter and to allot and issue the same to the Underwriter upon such terms and conditions. The Underwriter shall pay to the Company the full amount in respect of the Underwritten Offer Shares and the Excluded Shareholders Entitlements which have not been taken up by it as aforesaid against delivery by the Company to the Underwriter of definitive share certificates in respect of such Underwritten Offer Shares and such Excluded Shareholders Entitlements.
- (vii) Without prejudice to the Underwriter's obligations under Clause 7 above, the Underwriter may make arrangements with sub-underwriters for sub-underwriting of all or any part of the Underwritten Offer Shares and the Excluded Shareholders Entitlements provided that the Underwriter undertakes to the Company to ensure that (a) the subscribers procured by it or by sub-underwriters to subscribe for the Underwritten Offer Shares and the Excluded Shareholders

Entitlements are or the sub-underwriters themselves are third parties independent of and not acting in concert with and shall not be connected with any of the directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates; and (b) no such subscriber or purchaser of the Underwritten Offer Shares and the Excluded Shareholders Entitlements shall be procured by its or by sub-underwriters if allotment and issue of any Offer Shares to it would result in it and its associate and concert parties, when aggregated with the Shares (if any) already held by them, holding 30% or more of the enlarged issued share capital of the Company immediately after completion of the Open Offer.

## **8. Allotment and Issue**

- (A) Upon performance by the Underwriter of its obligations under Clause 7 (if called upon to do so), the Company will duly allot and issue the Offer Shares validly applied for as soon as practicable after the latest date for acceptance of the Offer Shares and will issue certificates for the Offer Shares to the respective subscribers in accordance with the terms of the Prospectus Documents.
- (B) The Offer Shares taken up by the Underwriter as provided in Clause 7 will be duly allotted and issued and certificates in respect thereof will be issued in such names and in such denominations as the Underwriter may require and the same will be delivered to the Underwriter or as it may direct, as soon as is reasonably practicable following receipt by the Company of payment as aforesaid.

## **9. Representations and warranties**

The Company represents, warrants and undertakes to the Underwriter in the terms set out in Schedule 1 and accepts that the Underwriter is entering into this Agreement in reliance upon each such representation and warranty.

## **10. Rights in relation to the Warranties**

- (A) Each Warranty given by the Company shall be construed separately and shall not be limited or restricted by reference to or inference from the terms of any other of the Warranties or any other term of this Agreement.
- (B) The Warranties given by the Company shall remain in full force and effect notwithstanding completion of the subscription of the Offer Shares pursuant to the Open Offer and this Agreement.
- (C) The Warranties are given on and as at the date of this Agreement with respect to the facts and circumstances subsisting at the date of this Agreement. In addition, the Warranties shall be deemed to be given on and as at the Posting Date with respect to the Prospectus Documents in their final form and the second Business Day after the latest time for acceptance in each case with reference to the facts and circumstances then subsisting. The Company undertakes to notify the Underwriter forthwith of any matter or event coming to its attention prior to the latest time for acceptance which shows any Warranty to be or to have been untrue, inaccurate, incorrect or misleading or breached.

- (D) If at any time, by reference to the facts and circumstances then subsisting, prior to the Settlement Date, any matter or event comes to the attention of the Company as a result of which any Warranty, if repeated immediately after the occurrence of such matter or event, would be untrue or misleading or breached or which would or might render untrue or misleading any statement, whether of fact or opinion, contained in the Announcement or any of the Prospectus Documents if the same were issued immediately after the occurrence of such matter or event, the Company shall as soon as practicable notify the Underwriter thereof and, but without prejudice to any other rights of the Underwriter, the Company and the Underwriter shall forthwith consult with a view to agreeing, if the Prospectus Documents have already been despatched, what announcement or circular, if any, should be made or despatched. The Company agrees not to make any such announcements or to despatch any such circular without the prior written consent of the Underwriter, which consent shall not be unreasonably withheld or delayed.

## **11. Undertakings**

- (A) The Company undertakes to the Underwriter that it will: -
- (i) comply in all material respects with the terms and conditions of the Open Offer contained in the Announcement and the Prospectus Documents including, without limitation to the generality of the foregoing, by ensuring that the proceeds arising from the Open Offer are used in the manner described in the Announcement and the Prospectus Documents;
  - (ii) procure that such resolution as may be necessary to confirm the allotment and/or to provide for new allotment of Offer Shares are passed as soon as practicable after the latest time for acceptance but in any event not later than the close of business on the Settlement Date (or such other date as the Company and the Underwriter may agree) and that relevant certificates are issued and despatched as soon as practicable thereafter and that the Offer Shares, when fully paid, will rank *pari passu* in all respects with the existing Shares; and
  - (iii) not issue any Shares or options or other securities which carry rights to acquire or convert into Shares from the date hereof until after the latest time for acceptance.
- (B) The Company hereby irrevocably undertakes to the Underwriter that, in the event that at any time the prescribed percentage (for the purposes of rule 8.08 of the Listing Rules) of the Company's Shares is less than 25 per cent., the Company will procure that a placing of further shares in the capital of the Company is made as soon as practicable and that any requirements of the Stock Exchange in this regard are complied with.
- (C) The Underwriter hereby irrevocably undertakes to the Company that:
- (i) it shall accept and pay for the Committed Shares and shall lodge or procure to be lodged with the Company, acceptance in respect of the Committed Shares, with payment in full therefor in cash by no later than the latest time for acceptance; and

- (ii) the 1,036,200,000 Shares as at the date hereof beneficially owned by the Underwriter will remain beneficially owned by it at the close of business on the Record Date and that it will not change its registered address in the register of members of the Company.
- (D) Mr. Han hereby irrevocably undertakes to the Company that within the period commencing from the date hereof and ending on the Settlement Date:
  - (i) he will not transfer or otherwise dispose of, or create any right in respect of, any of his shareholding in the Underwriter; and
  - (ii) he will procure the Underwriter not to transfer or otherwise dispose of, or create any right in respect of, any Shares held by the Underwriter.

## **12. Transactions carried out by the Underwriter**

- (A) Any transaction carried out by the Underwriter pursuant to Clause 7 (other than the obligation to procure subscribers to subscribe, or failing which itself subscribe, for the Offer Shares) shall constitute a transaction carried out at the request of the Company and as the Company's agent and not in respect of its own account. The Underwriter shall, however, be entitled to receive and/or retain any commission or brokerage paid to it or its agents in connection with the implementation of such transactions. The Underwriter shall not be responsible for any loss or damage to any persons arising from any such transaction or for any insufficiency or alleged insufficiency of any dealing price at which any of the Offer Shares may be sold by any such person or subscribers for Offer Shares may be procured by any such person or for the timing of any such transaction, except where such loss or damage arises from the gross negligence, fraud or wilful default of the relevant Underwriter, its directors, officers or employees or any agent appointed by it for such purpose.
- (B) The Underwriter undertakes with the Company that, in relation to any matter or transaction contemplated in this Agreement or otherwise relates to the Open Offer, it shall comply fully with all applicable laws and regulations and shall not do or omit to do anything the doing or omission of which shall or might cause the Company or other members of the Group or any of the directors or officers of the Company or other members of the Group to be in breach of any applicable laws or regulations and in particular, but without prejudice to the generality of the foregoing, the Underwriter shall ensure that all offers or subscriptions or acceptances made by it of the Offer Shares or any of them are made in compliance with all applicable laws and regulations and shall not directly or indirectly lead to or result in the Prospectus Documents or any of them or any other documents being required to be registered as a prospectus or otherwise in any jurisdiction other than Hong Kong.
- (C) The Underwriter shall not make or purport to make on behalf of the Company or any other member of the Group any representation or warranty not contained in the Prospectus Documents and shall at all times comply with all reasonable instructions of the Company in relation to its activities in procuring subscribers for the Offer Shares or any of them.

### 13. Termination

- (A) The Underwriter may terminate the arrangements set out in this Agreement by notice in writing issued to the Company at any time prior to the Latest Time for Termination if there occurs:-
- (i) in the reasonable opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
    - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
    - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
  - (ii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Underwriter is likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
  - (iii) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
  - (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
  - (v) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or

(vi) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus Documents, would have constituted, in the reasonable opinion of the Underwriter, a material omission in the context of the Open Offer.

(B) Upon the giving of notice in accordance with sub-clause (A), this Agreement, save in respect of the provisions of this sub-clause and Clauses 14, 15(B) and 22, shall terminate and the obligations of the parties shall forthwith cease and be null and void and none of the parties shall, save in respect of the provisions of this sub-clause and Clauses 14, 15(B) and 22 and any right or liability accrued before such termination, have any right against or liability towards any of the other parties arising out of or in connection with this Agreement and save and except that the Company shall remain liable to pay the costs, charges and expenses related or incidental to the Open Offer.

#### **14. Indemnities**

(A) The Company shall indemnify and hold harmless, the Underwriter for itself and as trustee for each of its directors, officers and employees from and against any and all losses, liabilities, costs, claims, actions, demands, damages or expenses ("**losses**") (including, but not limited to, all reasonable costs, charges and expenses properly paid or properly incurred by the Underwriter or any such director, officer or employee in connection with disputing, defending or investigating any of the foregoing) which any of them may incur or which may be made against any of them directly or indirectly arising out of or in relation to or in connection with (and will reimburse each of the foregoing indemnified persons for all losses):

- (i) any material breach by the Company of any of its agreements, warranties or undertakings in this Agreement; or
- (ii) the issue, circulation or distribution of the Announcement and each of the Prospectus Documents and/or any other announcements made by the Company in connection with the Open Offer provided that the Underwriter shall not have been in breach of its undertaking under Clause 12(B); or
- (iii) the allotment and issue of the Offer Shares pursuant to the Open Offer; or
- (iv) any statement, estimate or forecast contained in the Prospectus, Announcement or other Prospectus Documents being untrue, inaccurate, incomplete or misleading in any material respect; or
- (v) the fact that the Prospectus did not contain all material information in the context of the Open Offer required to be stated therein under the Listing Rules;

provided always that no claim shall be made by any of the foregoing indemnified persons in respect of any Loss suffered or incurred by such indemnified person due to any fraud, negligence, bad faith or wilful default on its part or from any wilful breach of its obligations under this Agreement.

(B) The Underwriter undertakes to indemnify and to keep indemnified the Company (for itself and on behalf of other members of the Group or any director or officer of the Company or



other members of the Group) from and against all or any costs, expenses, losses, damages and other liabilities whatsoever for which the Company or any such person may suffer, sustain or incur or may otherwise become liable as a result of or arising from or attributable to the Underwriter's negligence, wilful default or fraud or any breach by the Underwriter of any of its obligations under this Agreement. The provisions contained in this Clause 14(B) shall continue in full force and effect notwithstanding the termination of this Agreement or the Open Offer having been completed.

**15. Fees and expenses**

- (A) No underwriting commission is payable by the Company to the Underwriter.
- (B) The Company shall be responsible for all reasonable costs, charges and expenses which may be incurred in connection with the Open Offer including, without limitation, all fees, costs, charges, expenses, levies and duties payable to the Stock Exchange, the Registrars of Companies, the Registrar, the documentation fee payable to the auditors, legal advisers, and all printing, advertising and brokerage costs.

**16. Release**

The Underwriter may release, or compromise the liability of, the Company or grant time or other indulgence to the Company.

**17. Remedies and waivers**

- (A) No delay or omission on the part of any party to this Agreement in exercising any right, power or remedy under this Agreement shall: -
  - (i) impair such right, power or remedy; or
  - (ii) operate as a waiver thereof.
- (B) 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.
- (C) The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by law.

**18. Assignment**

- (A) This Agreement shall be binding on and enure to the benefit of the parties hereto and their respective successors.
- (B) In connection with the compromise or settlement of any claim relating to or in connection with this Agreement or the Open Offer, the Underwriter may subject to the consent of the Company (such consent not to be unreasonably withheld or delayed where the assignee is a sub-underwriter) assign the benefit of the Warranties and undertakings contained herein (including the indemnities set out in Clause 14) whether in whole or in part. Save

as aforesaid, no party may assign or otherwise transfer any of his or its rights, benefits or obligations under this Agreement.

#### **19. Further assurance**

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

#### **20. Entire agreement**

- (A) For the purposes of this clause, "**Pre-contractual Statement**" means a draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to this Agreement made or given by a party to this Agreement or any other person at any time prior to the date of this Agreement.
- (B) This Agreement constitutes the whole and only agreement between the parties relating to the Open Offer.
- (C) Except to the extent repeated in this Agreement, this Agreement supersedes and extinguishes any Pre-contractual Statement.
- (D) Each party acknowledges that in entering into this Agreement it is not relying upon any Pre-contractual Statement which is not set out in this Agreement.
- (E) No party shall have any right of action against any other party to this Agreement arising out of or in connection with any Pre-contractual Statement (except in the case of fraud) except to the extent repeated in this Agreement.
- (F) This Agreement may only be varied in writing signed by each of the parties.

#### **21. Notices**

- (A) Any notice or other communication given or made under or in connection with the matters contemplated by this Agreement shall be in writing.
- (B) Any such notice or other communication shall be addressed as provided in sub-clause (C) and, if so addressed, shall be deemed to have been duly given or made as follows: -
  - (i) if sent by personal delivery, upon delivery at the address of the relevant party;
  - (ii) if sent by post, two Business Days after the date of posting;
  - (iii) if sent by facsimile, when despatched;
- (C) The relevant addressee, address and facsimile number of each party for the purposes of this Agreement, subject to sub-clause (D), are: -

<u>Name of party</u>	<u>Address</u>	<u>Facsimile No:</u>
The Company	Flat D, 17/F., MG Tower, 133 Hoi Bun Road, Kowloon, Hong Kong	(852) 2527 3222
Junyi Investments Limited	Flat D, 17/F., MG Tower, 133 Hoi Bun Road, Kowloon, Hong Kong	(852) 2527 3222

(D) A party may notify the other parties to this Agreement of a change to its name, relevant addressee, address or facsimile number for the purposes of sub-clause (C) Provided That such notification shall only be effective on: -

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

## **22. Announcements**

(A) Subject to sub-clause (B), no announcement concerning the Open Offer or any ancillary matter shall be made by the Company without the prior written approval of the Underwriter during the period from the date of this Agreement and, if all the Underwritten Offer Shares are taken up, the latest time for acceptance or, in any other case, the time at which the Underwriter is obliged to make payment under Clause 7, save that the Company may make an announcement concerning the Open Offer or any ancillary matter if required by: -

- (i) law; or
- (ii) 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,

provided that any such announcement shall be made only after consultation with the Underwriter.

(B) No announcement concerning the Open Offer or any ancillary matter shall be made by the Underwriter without the prior written approval of the Company.

## **23. Time of Essence**

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

**24. Invalidity**

If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair: -

- (A) the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or
- (B) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Agreement.

**25. Choice of governing law**

This Agreement shall be governed by and construed in accordance with Hong Kong law.

**26. Jurisdiction**

- (A) This Agreement shall be governed by and construed in accordance with the laws of Hong Kong.
- (B) The parties irrevocably agree that the courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with this Agreement. The parties irrevocably submit to the exclusive jurisdiction of such courts and waive any objection to proceedings in any such courts on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum, provided that this clause shall be without prejudice to the right to bring proceedings in any other jurisdiction for the purpose of enforcement or execution of any judgment or other settlement in any other court.

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

## Schedule 1

### Representations and Warranties

The Company represents, warrants to the Underwriter that:-

- (A) Incorporation: the Company is duly incorporated in the Cayman Islands, and each of its Subsidiaries is duly incorporated and validly existing under the laws of its jurisdiction of incorporation with full power and authority to conduct its businesses as currently conducted;
- (B) Validity of this Agreement: this Agreement has been duly authorised, executed and delivered by the Company and will constitute valid and legally binding obligations of the Company enforceable in accordance with their respective terms;
- (C) Offer Shares: the Offer Shares to be issued pursuant to the Open Offer will be duly authorised and are available for issue and, when so issued pursuant to a resolution of the directors of the Company will be duly and validly issued, fully-paid, freely transferable, free and clear of all liens, encumbrances, security interests or claims of third parties and will not be subject to calls for further funds and will conform to the description therefore in the Prospectus and no person has or will have any pre-emptive or other rights with respect to such Offer Shares and such issue will not infringe the terms of, or constitute a default under, any instrument or agreement to which the Company is a party or by which it or its property is bound and will rank pari passu in all respects with all other existing shares of the Company;
- (D) Consents: no action, condition or thing is required to be taken, fulfilled or done (including without limitation the obtaining of any consent, authorisation, clearance, approval, order or licence or the making of any filing or registration) for the issue, publication and distribution of the Prospectus, the execution, delivery and performance of this Agreement, the issue of the Offer Shares, and the consummation of the other transactions contemplated by this Agreement or the Open Offer or the application by the Company of the proceeds from the issue of the Offer Shares in the manner contemplated by the Prospectus, except for those which have been, or will prior to the second Business Day following the latest time for acceptance be, obtained or done and are, or will on the second Business Day following the latest time for acceptance be, in full force and effect;
- (E) Constitutional and Other Documents: the execution, delivery and performance of this Agreement, the issue of the Offer Shares and the consummation of the Open Offer and compliance with the terms hereof and the application by the Company of the proceeds from the consummation of the Open Offer in the manner to be stated in the Prospectus do not and will not (a) conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, the constitutional documents of the Company or any indenture, trust deed, mortgage, contract or other agreement or instrument to which the Company or any of its Subsidiaries is a party or by which any of them is bound or (b) infringe any existing applicable law, rule, regulation, judgment, order or decree of any government, governmental body or court or regulatory body, domestic or foreign, having jurisdiction over the Company or any member of the Group or any of their properties or assets or infringe the rules or requirements of any stock exchange on which securities of the Company are listed;