

Dated the 19th day of December 2021

KNT HOLDINGS LIMITED
(嘉藝控股有限公司)

and

ARTA GLOBAL MARKETS LIMITED
(裕承環球市場有限公司)

PLACING AGREEMENT
relating to the placing of shares of
KNT HOLDINGS LIMITED
(嘉藝控股有限公司)

THIS AGREEMENT is dated 19th December 2021 and is made between:

- (1) **KNT Holdings Limited** (嘉藝控股有限公司), a company incorporated in the Cayman Islands with limited liability whose registered office is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and principal office is situated at 30th Floor, EW International Tower, No. 120 Texaco Road, Tsuen Wan, New Territories, Hong Kong (the “**Company**”); and
- (2) **Arta Global Markets Limited** (裕承環球市場有限公司), a company incorporated in Hong Kong with limited liability whose registered office is situated at 13/F, Fortis Tower, 77-79 Gloucester Road, Wan Chai, Hong Kong (the “**Placing Agent**”).

WHEREAS

- (A) As at the date of this Agreement, the Company has an authorised share capital of HK\$100,000,000 divided into 10,000,000,000 ordinary shares of HK\$0.01 each, of which 624,000,000 ordinary shares have been issued and fully paid.
- (B) The Company proposes to raise gross proceeds of up to approximately HK\$85.80 million, before expenses (assuming no further issue or repurchase of Shares on or before the Record Date), by way of the Rights Issue of 312,000,000 Rights Shares at the Subscription Price of HK\$0.275 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date and payable in full on acceptance.
- (C) The Placing Agent, a licensed corporation permitted by the SFC to carry out Types 1, 4 and 9 regulated activities under Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), in reliance upon the representations, warranties and undertakings of the Company contained herein, has agreed, as agent of the Company, to procure subscribers for the subscription of the Placing Shares upon the terms and subject to the conditions as contained in this Agreement.

NOW THIS AGREEMENT WITNESSETH as follows:

1. INTERPRETATION

In this Agreement, in addition to the above definitions and except where the context otherwise requires, the following expressions have the meanings set out below:.

“Agreement”	this Agreement dated 19 th December 2021 entered into between the Company and the Placing Agent regarding the Placing of the Placing Shares by the Placing Agent
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, a Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	has the meaning as defined in Clause 7
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended from time to time)
“Director(s)”	directors of the Company
“Encumbrance(s)”	any interest or equity of any person (including any right to acquire, option or right of pre-emption), voting arrangement, mortgage, charge, pledge, bill of sale, lien, claims, deposit, hypothecation, assignment or any other encumbrance, priority or security interest or arrangement or interest under any contract or trust or any other third party interest of whatsoever nature over or in the relevant shares, assets or property
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 27 January 2022 (or such other time or date as may be determined by the Company), being the latest time for acceptance of the offer of and payment for, the Rights Shares
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the long stop date for the fulfilment of conditions of the Placing Agreement which shall be 6:00 p.m. on the first Business Day after the last day of the Placing Period (subject to change)
“Minimum Proceeds Condition”	the gross proceeds from the Rights Issue (or, if the Rights Shares are not fully taken up under the Rights Issue, in aggregate with the Placing) being not less than 50.00% of the maximum gross proceeds raised (i.e. HK\$42.90 million)
“NQS Unsold Rights Shares”	the Rights Shares which would otherwise have been provisionally allotted to the Prohibited Shareholders in nil-paid form that have not been sold by the Company
“PAL(s)”	the provisional allotment letter(s) for the Rights Issue
“Placees”	any person or entity whom the Placing Agent or its agent(s) has procured to subscribe for any of the Placing Shares
“Placing”	the best effort placing of the Placing Shares by the Placing Agent on the terms and subject to the conditions referred to

in this Agreement

“Placing Completion”	the completion of the Placing in accordance with the terms and conditions of this Agreement
“Placing Period”	the period commencing from the third Business Day after the Latest Time for Acceptance and ending at 4:00 p.m. on the fifth Business Day after the Latest Time for Acceptance
“Placing Price”	the placing price of the Placing Shares which shall be not less than the Subscription Price and the final price determination will be depended on the demand for and the market conditions of the Placing Shares
“Placing Share(s)”	Untaken Shares and/or NQS Unsold Rights Shares
“Prohibited Shareholder(s)”	those Overseas Shareholder(s) to whom the Board, after making enquires, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Rights Shares to them
“Overseas Shareholder(s)”	those Overseas Shareholder(s) to whom the Board, after making enquires, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Rights Shares to them
“Qualifying Shareholders”	the Shareholders, other than the Prohibited Shareholders, whose names appear on the register of members of the Company as at the close of business on the Record Date
“Record Date”	Wednesday, 12 January 2022, (or such other date as may be determined by the Company), being the date for determining entitlements of Shareholders to participate in the Rights Issue
“Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	proposed offer for subscription of up to 312,000,000 Rights Shares by way of rights issue at the Subscription Price to be made by the Company to the Qualifying Shareholders on the basis of one (1) Rights Share for every two (2) existing Shares in issue and held on the Record Date
“Rights Issue Announcement”	the announcement of the Company in respect of the Rights Issue and the Placing dated 20 December 2021
“Rights Share(s)”	up to 312,000,000 Shares to be allotted and issued pursuant to the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.275 per Rights Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Untaken Share(s)”	the number of unsubscribed Rights Shares not taken up by Qualifying Shareholders under PAL(s) during the Rights Issue
“%”	per cent.
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

2. PLACING OBLIGATIONS

2.1 Placing Shares

The Company agrees to appoint the Placing Agent, and the Placing Agent agrees to accept such appointment, as the exclusive placing agent of the Company to effect the Placing by procuring Placees to subscribe for such number of Placing Shares on a best effort basis.

If the Rights Issue does not achieve the Minimum Proceeds Condition (i.e. HK\$42.90 million) on a standalone basis, the Placing will have to raise the minimum gross proceeds to make up the amount for satisfying the Minimum Proceeds Condition under the Rights Issue and the Placing in aggregate. Therefore, assuming nil acceptance of the Rights Shares by the Qualifying Shareholders under the Rights Issue, the completion of the Placing is subject to, amongst other things, the successful placing of a minimum of 156,000,000 Placing Shares raising gross proceeds of at least HK\$42.90 million in order for the Rights Issue and the Placing to become unconditional and thereby proceed to completion. The maximum number of Shares subject to the Placing is 312,000,000 Placing Shares assuming nil acceptance of the Rights Shares by the Qualifying Shareholders under the Rights Issue.

For the avoidance of doubt, in the event that the Placing Agent is not able to procure Placees to subscribe for all the Placing Shares, the Placing Agent shall not be required to subscribe for any of the Placing Shares.

3. THE PLACING AND APPOINTMENT OF THE PLACING AGENT

3.1 Appointment of Placing Agent

The appointment of the Placing Agent hereunder shall be to the exclusion of all others as the Company’s agent to procure the Placees to subscribe for the Placing Shares. Subject as specifically provided in this Agreement, any transaction properly carried out by the Placing Agent pursuant to this Agreement shall constitute a transaction carried out at the request of the Company and as its agent and not on account of or for the Placing Agent. The Placing Agent shall not be responsible for any loss or damage (except for any loss or damage arising out of any fraud, wilful default or negligence on the part of the Placing Agent or as a result, directly or

indirectly, from a breach by the Placing Agent of its obligations under this Agreement) to the Company arising from any such transaction.

3.2 **Authorisation and delegation**

The Placing Agent may appoint its delegate(s), or employees or agents to procure purchasers for the Placing Shares. The Company hereby confirms that the foregoing appointment confers on the Placing Agent (and/or its delegate(s), employees or agents) in accordance with the provisions hereof all powers, authorities and discretions on its behalf which are necessary for the Placing and hereby agrees to ratify and confirm everything which the Placing Agent (and/or its delegate(s), employees or agents) shall lawfully and reasonably do or have done pursuant to the terms of this Agreement.

3.3 **Placing**

The Placing Shares shall be offered by the Placing Agent as placing agent for the Company at the Placing Price (together with such brokerage, SFC transaction levies, Stock Exchange trading fees and stamp duty (if any) as may be payable by the Placees) during the Placing Period.

3.4 **Clear title of shares**

The Placing Shares, when allotted and issued by the Company hereunder, shall be free and clear from all Encumbrances and with all rights attaching thereto as at the date of Placing Completion.

3.5 **Stock Exchange**

The Placing Agent shall as soon as practicable provide the Stock Exchange and the relevant regulatory authorities written confirmations (as prescribed by the Stock Exchange) of the independence of the Placees and particulars of the Placees in accordance with the procedures and timeframe required by the Stock Exchange. The particulars of the Placees to be so provided shall include without limitation the names, addresses, number of Placing Shares acquired and such other information as required by the Stock Exchange and/or the relevant regulatory authorities. The Placing Agent shall procure that not less than six Placees will take up the Placing Shares.

3.6 **Issuance of Placing Shares**

The Placing Shares shall be allotted and issued by the Company pursuant to the Rights Issue.

4. **COMMISSION AND EXPENSES**

4.1 **Commission**

Upon Placing Completion, subject to Clause 4.2, the Company will pay to the Placing Agent a placing commission equal to 2.5% (the “**Commission**”) of the Placing Price multiplied by the number of Placing Shares successfully placed by the Placing Agent.

For the avoidance of doubt, the Placees shall, on top of the Placing Price, pay all such brokerage fees, SFC transaction levy, Stock Exchange trading fee and stamp duty (if any) as may be notified by the Placing Agent in relation to each such Placing Share.

4.2 **Commitment Fee**

The Placing Agent shall be entitled to a commitment fee (the “**Commitment Fee**”) equal to 0.1% of the maximum potential gross proceeds raised by the Rights Issue before expenses, and payable by the Company upon the signing of this Agreement.

The Commitment Fee shall offset against the Commission payable under this Agreement (if applicable). For the avoidance of doubt, if the amount of Commission payable by the Company under Clause 4.1 is less than the amount of Commitment Fee payable by the Company under this Clause 4.2, no Commitment Fee shall be refunded to the Company.

4.3 **Placing Expenses**

The Company shall pay all charges, fees and expenses (including but not limited to SFC transaction levies of the aggregate Placing Price and Stock Exchange trading fees of the aggregate Placing Price, CCASS fees and stamp duty (if any)) as may be payable by the Company in respect of the Placing.

4.4 **Other Expenses**

The Company shall be liable for the costs and expenses of its own legal and other professional advisers and its own out-of-pocket expenses incurred in connection with the Placing. These include but not limited to all reasonable printing and/or advertising costs relating to the Placing and all costs incurred in connection with the depositing of the Placing Shares into CCASS in accordance with Appendix 1. To the extent (if any) that any such costs for which the Company is responsible are paid by the Placing Agent on behalf of the Company with prior approval from the Company, the Company will reimburse the Placing Agent for the same as demand by the Placing Agent.

5. **WARRANTIES AND INDEMNITY**

5.1 **Warranties**

The Company represents, warrants and undertakes to the Placing Agent as set out in Appendix 2. Such representations, warranties and undertakings shall be deemed to be repeated by the Company on the date of Placing Completion with reference to the facts then subsisting. The Company undertakes and agrees that up to and until Closing it will notify the Placing Agent as soon as practicable if at any time during the Placing Period anything has occurred which would or would be likely to render untrue, incorrect, misleading or breached in any material respect any of the representations, warranties and undertakings in Appendix 2 if such representations, warranties and undertakings were to be given and made at such time.

5.2 **Indemnity**

- (A) The Company undertakes to indemnify the Placing Agent and any person appointed as delegates or agent or employees pursuant to Clause 3.2 and each of their respective associates, directors and employees who shall have been involved in the Placing (the “**Indemnified Parties**”) against all or any claims, actions, liabilities, demands, proceedings or judgments (the “**Proceedings**”) brought or established against any of the Indemnified Parties by any subscriber or purchaser of any of the Placing Shares or by the Stock Exchange, any governmental agency, regulatory body or other person, directly or indirectly arising out of or in connection with the Placing or in the course of performance or purported performance of any of the provisions of this Agreement and against all losses and all costs, charges and expenses (including legal fees as they are incurred) which any of the Indemnified Parties may suffer or incur (except for any loss, costs, charge or expense suffered or incurred directly or indirectly as a result of or in connection with any fraud, wilful default, breach of this

Agreement or negligence on the part of the Indemnified Parties), including, but not limited to, all such losses, costs charge or expenses suffered or incurred in disputing or defending any proceedings and/or in establishing its right to be indemnified pursuant to this Clause 5 and/or in seeking advice in relation to any Proceedings.

- (B) No claim shall be made against the Placing Agent or any other Indemnified Parties to recover any damage, cost, charge or expense which the Company may suffer or incur by reason of or arising from the carrying out by any of the Indemnified Parties of any act or omission in connection with the Placing except (a) for any loss or damage arising out of any fraud, willful default, breach of this Agreement or gross negligence on the part of the Placing Agent or its delegate(s) or agents or employees appointed by it pursuant to Clause 3.2 as a result, directly or indirectly, or any non-compliance by the Placing Agent with its obligations under this Agreement.
- (C) Without prejudice to Clause 5(A), the Company shall indemnify and keep effectively indemnified the Placing Agent from and against all losses and damages which it may suffer, sustain or incur in connection with any of the warranties not being correct, complied with, fulfilled or performed in accordance with their terms.

6. CONDITIONS

6.1 The obligations of the Placing Agent and the Company under this Agreement are conditional upon the following conditions being fulfilled:

- a. the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Rights Shares;
- b. all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of this Agreement and the transactions contemplated thereunder having been obtained;
- c. this Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events;
- d. the gross proceeds raised by the Company from the Rights Issue (or, if the Rights Shares are not fully taken up under the Rights Issue, in aggregate with the Placing) being not less than 50.00% of the maximum gross proceeds raised (i.e. HK\$42.90 million).

Conditions to this Agreement may not be waived by the Company or the Placing Agent in any event.

For the avoidance of doubt, if all the Rights Shares are fully subscribed under the Rights Issue, the Placing will not proceed.

6.2 The Company shall use its best endeavour to procure the fulfilment of the conditions set out in Clause 6.1 and undertakes to inform the Placing Agent promptly of any matter or circumstance which comes to the attention of it and indicating that any of such conditions being unable or fail to fulfil. If any of such conditions have not been fulfilled by the Long Stop Date or become incapable of being fulfilled (unless extended by mutual consent of the Company and the Placing Agent), then all respective rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any

accrued rights or obligations under this Agreement and none of the Parties shall have any claim against any other in respect of the Placing.

7. COMPLETION OF PLACING

Subject to fulfilment of the conditions as set out in Clause 6.1 of this Agreement, Placing Completion shall take place on the third Business Day immediately after the satisfaction of all conditions to this Agreement (the “**Closing Date**”) in accordance with the provisions as set out in Appendix 1.

8. PLACEES INDEPENDENCE

The Placees shall be professional, institutional and other investors. The Placing Agent shall use its best efforts and endeavours to ensure that the Placees, and whose ultimate beneficial owner(s), shall be third party(ies) independent of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates and that none of the Placees (whether individually or aggregated with their respective associates) will become a substantial Shareholder as a result of the Placing. Subject to the requirements of the Listing Rules, the Placing Agent shall have absolute choice of selecting and determining Placees in relation to the Placing. In any event, the Company shall notify the Placing Agent if it becomes aware that any person connected with it or any of its connected persons intends to acquire the Placing Shares under the Placing.

9. TERMINATION

- 9.1 If any of the following events occur at any time prior to 6:00 p.m. on the Long Stop Date, the Placing Agent may (after such consultation with the Company and/or its advisers as the circumstances shall admit or be necessary), by giving a written notice to the Company, at any time prior to the date of completion of the Placing provided that such notice is received by the Company prior to 6:00 p.m. on the Long Stop Date, terminate this Agreement without liability to the other party and, subject to clauses in this Agreement which survives termination, this Agreement shall thereupon cease to have effect and none of the parties to this Agreement shall have any rights or claims by reason thereof save for any rights or obligations which may accrue under the Placing Agreement prior to such termination:
- (a) in the reasonable opinion of the Placing Agent there shall have been since the date of this Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or
 - (b) 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 matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (c) any material breach of any of the representations and warranties by the Company comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of this Agreement and prior to the date of completion of the Placing which if it had occurred or arisen before the date of this Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of this Agreement; or
 - (d) any moratorium, suspension or restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances; or

- (e) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

10. ANNOUNCEMENTS

Save as otherwise required by law or by the Stock Exchange or other regulatory authority, the Company hereby undertakes that no public announcement or communication in relation to the Placing shall be made by the Company between the date hereof and the date of the Placing Completion.

11. MISCELLANEOUS

- 11.1 Time shall be of the essence of this Agreement.
- 11.2 This Agreement constitutes the entire agreement and understanding between the parties hereto in connection with the issue of the Placing Shares. This Agreement supersedes all previous agreements which shall cease to have any further force or effect and no party hereto has entered into this Agreement in reliance upon any representation, warranty or undertaking which is not set out or referred to in this Agreement.
- 11.3 No variation of this Agreement or any part thereof shall be valid unless it is in writing and signed by or on behalf of each of the parties hereto.
- 11.4 Unless expressly agreed by the parties hereto, no variation of this Agreement shall constitute a general waiver of any provisions of this Agreement, nor shall it affect any rights, obligations or liabilities of the parties hereto under this Agreement which have already accrued up to the date of variation, and the rights or obligations of the parties hereto under this Agreement shall remain in full force and effect, except and only to the extent that they are so varied.
- 11.5 If any provision as contained in this Agreement is held to be invalid or unenforceable, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in this Agreement but without invalidating any of the remaining provisions of this Agreement. The parties hereto shall then use all reasonable endeavours to replace the invalid or unenforceable provisions by a valid and enforceable substitute provision the effect of which is as close as possible to the intended effect of the invalid or unenforceable provision.
- 11.6 This Agreement may be executed in any number of counterparts and by the parties to it, each of which is an original but all of which together constitute one and the same instrument.
- 11.7 The parties hereto do not intend any term of this Agreement to be enforceable pursuant to the Contracts (Rights of Third Parties) Ordinance (Cap 623), save that:
 - (a) Indemnified Persons may enforce and rely on Clause 5.2 to the same extent as if they were a party to this Agreement; and
 - (b) this Agreement may be terminated or varied without the consent of any of the Indemnified Persons.

12. COSTS

Subject as specifically provided herein, each of the parties to this Agreement will bear their own costs and expenses incurred in connection with the Placing.

13. NOTICES

13.1 Any notice or other communication which are required to be given by one party to the other party under this Agreement shall be in writing and signed by or on behalf of the party giving it. It shall be served by sending it by fax to the number set out in Clause 13.2, or delivering it by hand, or sending it by pre-paid recorded delivery or registered post, to the respective addresses set out in Clause 13.2 and in each case marked for the attention of the relevant party set out in Clause 13.2. Any notice so served by hand, fax, post or email shall be deemed to have been duly given:

- (a) in the case of delivery by hand, upon receipt by the recipient;
- (b) in the case of fax, upon confirmation of transmission;
- © in the case of prepaid recorded delivery or registered post, at 10.00 a.m. on the second Business Day following the date of posting;
- (d) in the case of email, upon receipt by the recipient,

References to time in this clause are to local time in the country of the addressee.

13.2 The addresses and fax numbers of the parties for the purpose of Clause 13.1 are as follows:

The Company

Address: 30th Floor EW International Tower, No.120 Texaco Road,
Tsuen Wan, New Territories, Hong Kong
Fax: (852) 3655-9693
For the attention of: The Board of Directors

The Placing Agent

Address: 13/F, Fortis Tower, 77-79 Gloucester Road, Wan Chai, Hong
Kong
Fax: (852) 2815-6728
For the attention of: Leveraged & Acquisition Finance Department

13.3 A party should notify the other party to this Agreement upon a change to its name, relevant addressee, address or fax number. Notice shall only be effective on the date specified in the notice as the date of which the change is to take place.

13.4 All notices under or in connection with this Agreement shall be in the English language or, any other language, accompanied by a translation in English. In the event of any conflict between the English text and the text in any other language, the English text shall prevail.

14. GOVERNING LAW

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

14.2 The parties hereto irrevocably agree that the courts of Hong Kong shall have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement. The parties to this Agreement hereby submit irrevocably to the non-exclusive jurisdiction of the courts of Hong Kong.

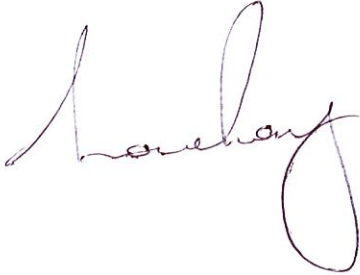
IN WITNESS whereof this Agreement has been entered into the day and year first above written.

THE COMPANY

SIGNED by)
MR. CHONG SIK)
for and on behalf of)
KNT HOLDINGS LIMITED)
(嘉藝控股有限公司))
in the presence of:)

CHAN NGA CHUN

Chan Nga Chun



THE PLACING AGENT

SIGNED by WONG Chi-kit)

for and on behalf of)

ARTA GLOBAL MARKETS LIMITED)

(裕承環球市場有限公司))

in the presence of: MAO Lei)



APPENDIX 1

CLOSING

Subject to the fulfillment of all the conditions precedent in Clause 6.1, Placing Completion shall take place at or before 4:00 p.m. on the Closing Date (or such other time and date as may be agreed by the parties hereto) at the office of the Placing Agent (or such other place in Hong Kong as may be agreed by the parties hereto). On Closing, all (but not part only) of the following businesses shall be transacted:

- (i) the Placing Agent shall pay, or procure the Placees to pay, the aggregate Placing Price of the Placing Shares to the Company in respect of which the Placing Agent has successfully procured Placees, the payment of which shall constitute a complete discharge of the obligations of the Placing Agent hereunder. Such payment shall be made in clear fund by telegraphic transfer to a bank account designated by the Company in Hong Kong or other settlement method as agreed between the Company and the Placing Agent in writing at least three (3) Business Days prior to the Closing Date; and
- (ii) the Company shall allot and issue the Placing Shares to the Placees in accordance with the details delivered by the Placing Agent and shall procure registration of all such allottees as members of the Company and deliver or cause to be delivered to the Placing Agent:
 - (a) definitive documents of title in respect of the Placing Shares in favour of the persons so registered and in accordance with their respective entitlements hereto and deposit the same in CCASS in accordance with the instructions of the Placing Agent, provided that such instructions are given to the Company not less than three (3) Business Days prior to the Closing Date; and
 - (b) a certified true copy of board resolutions of the Company approving and authorising the execution and completion of this Agreement, the allotment and issue of the Placing Shares to the Placees and other transactions as contemplated under this Agreement.

APPENDIX 2

REPRESENTATIONS AND WARRANTIES

The Company represents, warrants and undertakes to the Placing Agent that:

(a) **Right Issue Announcement**

All statements of fact contained in the Rights Issue Announcement are true and accurate in all material respects and not misleading in any material respect in the form and context in which they appear, all expressions of opinion, intention or expectation contained therein are made on reasonable grounds and are truly and honestly held by the directors of the Company and are fairly based, all forecasts, and estimates therein are honest and fair and there are no other material facts omitted the omission of which makes any such statement or expression in the Placing Announcement misleading in any material respect or which are material in the context of the Placing.

(b) **No material adverse change**

Save as disclosed in the Right Issue Announcement or otherwise publicly disclosed by the Company: (i) the business of the Group has been carried on in the ordinary and normal course and no contracts or commitments of an unusual or materially onerous nature have been entered into by any member of the Group; (ii) there has been no material depletion in the net assets of the Group taken as a whole; and (iii) there has been no material adverse change, nor any development reasonably likely to involve a prospective material adverse change, in the condition, financial or otherwise, or trading position or prospects of the Group taken as a whole.

(c) **No litigation**

Save as disclosed in the Rights Issue Announcement or otherwise publicly disclosed by the Company, neither the Company nor any of its Subsidiaries is engaged in any litigation, arbitration or governmental proceeding which (individually or in aggregate) may have or have had during the twelve (12) months preceding the date hereof a significant adverse effect on the financial or trading position or prospects of the Group or which individually or collectively are material for disclosure in the context of the Placing and no such litigation, arbitration or Proceeding is threatened or pending; nor, to the best of the knowledge, information and belief of the directors of the Company are there any circumstances which may give rise to any such litigation, arbitration or Proceeding.

(d) **Indebtedness and obligations**

Save as disclosed in the Right Issue Announcement or otherwise publicly disclosed by the Company, no circumstances or events have arisen or occurred or are likely to arise or occur such that any person is (or could, with the giving of notice and/or lapse of time and/or fulfilment of any condition and/or the making of any determination, become) entitled to repayment of any material indebtedness prior to its due date for payment by any member of the Group or to take any step to enforce any security for any such indebtedness of any member of the Group and no person to whom any indebtedness for borrowed money of any member of the Group which is repayable on demand is owed has demanded or threatened to demand repayment of the same; neither this Agreement nor the Placing nor the subscription will constitute or give rise to a material breach of or default under any agreement or other arrangement to which the Company or any other member of the Group is a party thereof or give rise to any rights of any third party in respect of any assets of the Group.

(e) **Corporate power and consents**

The Company has power under its constitutional documents to permit its entry into this Agreement and the Placing in the manner set out herein and this Agreement (and its performance) has been duly authorised (such authorisation remaining in full force and effect) and executed by, and constitutes legally binding obligations of the Company; save as contemplated under this Agreement, there is no authorisation, consent, approval or notification required for the purposes of or as a consequence of the Placing or the subscription either from governmental, regulatory or other public bodies (including, without limitation, the Stock Exchange and the SFC) or authorities or courts or from any third party pursuant to any contractual or other arrangement to which the Company or any other member of the Group is a party thereof.

The issue of the Placing Shares and the compliance by the Company with all of the provisions of this Agreement, as well as the consummation of the transactions herein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company is a party or by which the Company is bound, or any statute or any rule or regulation, including, without limitation, to the extent applicable, the Listing Rules or, to the knowledge of the Company, any order of any court or governmental agency or body having jurisdiction over the Company or the property or assets of the Company.

(f) **Taxation**

No Taxation (whether chargeable on a withholding basis or otherwise) is and remains payable in connection with the creation, allotment, issue and delivery of the Placing Shares.

(g) **Stock Exchange and general compliance**

The Company is not in material breach of any rules, regulations or requirements of the Stock Exchange (and, without limiting the foregoing, all announcements required to be made by the Company under or in accordance with any such rules, regulations or requirements, or pursuant to such listing agreement, have been duly made); the Company has complied and will comply with all other applicable rules, regulations and other requirements material or relevant to the transactions contemplated by this Agreement (including rules governing restrictions on and/or disclosure of dealings) and is not aware of any breach of any such rule, regulation or other requirement by any person.

(h) **Dealings in and in relation to securities**

The Company has not been and is not at any time engaged in any form of “market misconduct” (as defined in the SFO) in connection with the Placing and the related transactions entered into or to be entered into pursuant to this Agreement; the Company has not taken and will not take, directly or indirectly, any action designed or which was designed, or which constitutes or has constituted or might reasonably be or have been expected to cause or result in, stabilisation or manipulation of the price of any shares or other securities of the Company.

(i) **Disclosures**

The Company will make all appropriate disclosures pursuant to, and will comply in all respects with, the Listing Rules, the Takeovers Code (if applicable) in connection with the Placing.

(j) **Incorporation and share capital**

Each of the Company and its Subsidiaries which are material to the assets, liabilities, revenues, earnings, business or operations of the Group has been duly incorporated and is validly existing under the laws of the jurisdiction of its incorporation and the information contained in the recital (A) to this Agreement is true and accurate; without limiting the foregoing, except for the subscription of the Placing Shares or as disclosed in the Rights Issue Announcement or otherwise publicly disclosed by the Company, no person has any outstanding warrant, option, pre-emptive right or any other right of any description to require Shares to be allotted or issued by the Company.

(k) **Repetition**

All the aforesaid representations, undertakings and warranties shall be true also as at, and as if repeated at the Closing Date (as if made with reference to the facts and circumstances existing on the Closing Date).