

Dated the 23 day of February 2024

**(1) BASETROPHY GROUP HOLDINGS LIMITED(基地錦標集團)**

**AND**

**(2) RUIBANG SECURITIES LIMITED**  
**(瑞邦證券有限公司)**

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**PLACING AGREEMENT**  
**relating to a rights issue of up to 345,000,000 Rights Shares in**  
**BASETROPHY GROUP HOLDINGS LIMITED(基地錦標集團)**  
**(HKEx: 8460)**

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**THIS AGREEMENT** is dated the 23 day of February 2024 and is made

**BETWEEN :-**

1. **BASETROPHY GROUP HOLDINGS LIMITED( 基地錦標集團)**, an exempted company incorporated in the Cayman Islands with limited liability whose registered office is situated at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108 (the “**Company**”); and
2. **RUIBANG SECURITIES LIMITED (瑞邦證券有限公司)**, a company incorporated in Hong Kong with limited liability and whose registered office is situated at 9/F Sang Woo Building, 227-228 Gloucester Road, Wanchai, Hong Kong, a licensed corporation permitted to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) with SFC CE No. BIJ312 (the “**Placing Agent**”).

**WHEREAS :-**

- (A) The Company is authorised to issue up to a maximum of 345,000,000 Existing Shares, of which, as at the date hereof, 115,000,000 Existing Shares have been issued.
- (B) The Board proposes to implement the Increase in Authorised Share Capital of the Company from HK\$30,000,000.00 divided into 300,000,000 Existing Shares to HK\$300,000,000.00 divided into 3,000,000,000 Existing Shares. The Increase in Authorised Share Capital is conditional upon, among other things, the approval by the Shareholders by way of poll at the EGM.
- (C) The Company has no outstanding options, warrants or other securities convertible into or giving rights to subscribe for Shares on or before the Record Date.
- (D) Pursuant to a resolution of the Board of the Company passed on **23<sup>rd</sup> February 2024**, the Company will offer the Rights Shares for subscription by way of rights issue to the Qualifying Holders at the Subscription Price, payable in full on acceptance on the basis of three Rights Share for every one Shares then held by the Qualifying Holders on the Record Date.
- (E) The offer of the Rights Shares for subscription as aforesaid will be made by the issue to the Qualifying Holders of the Prospectus Documents.
- (F) Application shall be made to the Stock Exchange to grant (subject to allotment) for listing of and permission to deal in the Rights Shares in both nil-paid and fully-paid forms.
- (G) The Placing Agent has agreed to place the issue by the Company of the Rights Shares on the terms and subject to the conditions contained in this Agreement.

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

## 1. Definitions

1.1 In this Agreement and the Recitals hereto unless the context otherwise requires the following expressions have the following meanings :-

<u>Expressions</u>	<u>Meanings</u>
“Acceptance Date”	<b>17<sup>th</sup> May 2024</b> or such later date (if any) as the Placing Agent may agree in writing with the Company as the last date for acceptance of, and payment of, Rights Shares;
“Allotment Letter”	the renounceable provisional allotment letter representing the Rights Shares proposed to be issued as mentioned herein, being in the final form to be approved by the Company;
“Announcement”	the announcement relating to, inter alia, the Rights Issue, proposed to be published on the website of the Stock Exchange, being in the agreed form marked “A”;
“Articles”	the articles of association of the Company;
“associates”	has the same meaning ascribed to it in the GEM Listing Rules;
“Auditors”	HLB Hodgson Impey Cheng Limited;
“Board”	means the board of directors of the Company or a duly authorised committee thereof;
“Business day”	a day (other than a Saturday, a Sunday, a public holiday and a day on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are open for general banking business in Hong Kong throughout their normal business hours;
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;
“Company”	<b>BASETROPHY GROUP HOLDINGS LIMITED(基地錦標集團)</b> ;
“Companies Ordinance”	Companies Ordinance, Cap. 622 of the Laws of Hong Kong;



“Companies (WUMP) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance, Cap. 32 of the Laws of Hong Kong;
“Company’s Solicitors”	Messrs. Tam, Pun & Yipp;
“controlling shareholder”	has the same meaning ascribed to it in the GEM Listing Rules;
“Director(s)”	the director(s) of the Company from time to time;
“Excluded Holders”	the Overseas Holders in respect of whom the Board, based on opinions provided by legal advisers, considers it necessary or expedient not to offer the Rights Shares to such Overseas Holders on account either of legal restrictions under the laws of the relevant place of registered address or the requirements of the relevant regulatory body or stock exchange in that place;
“Existing Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company;
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve, among other matters, the Increase in Authorise Share Capital;
“Group”	the Company and its Subsidiaries;
“Increase in Authorise Share Capital”	the proposed increase in the authorised share capital of the Company from HK\$30,000,000.00 divided into 300,000,000 Existing Shares to HK\$300,000,000 divided into 3,000,000,000 Existing Shares
“Issuer Information”	the Company’s annual reports or any public information releases (including but not limited to those information such as announcements, circulars and interim report available on the website of the Stock Exchange);
“Latest Time for Acceptance”	4:00 p.m. on the Acceptance Date;
“Latest Time for Termination”	4:00 p.m. on the first Business day following the Acceptance Date;
“GEM Listing Committee”	has the meaning ascribed thereto in the GEM Listing Rules;

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange;
“Overseas Holders”	those Shareholders whose addresses as shown in the register of members of the Company as at the close of business on the Record Date are in a place outside Hong Kong;
“Placing Shares”	up to <b>340,000,000</b> Rights Shares, being the maximum total number of Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) to be placed by the Placing Agent in the manner set out in Clause 4.7 below;
“Prospectus”	the prospectus relating to the issue of the Rights Shares to be despatched on the Prospectus Posting Date to the Qualifying Holders and (if and to the extent legally and practically permissible) the Excluded Holders, being in the final form to be approved by the Company, subject to any modifications which are required to be incorporated into the Prospectus by the Stock Exchange;
“Prospectus Documents”	the Prospectus, the Allotment Letter;
“Prospectus Posting Date”	such date as may be designated by the Company for the posting of the Prospectus Documents, which is currently expected to be <b>2<sup>nd</sup> May 2024</b> ;
“Qualifying Holders”	holders of Shares on the register of members of the Company as at the close of business on the Record Date other than the Excluded Holders;
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Board considers necessary or expedient to exclude from the Rights Issue on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place;
“NQS Unsold Rights Share(s)”	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Non-Qualifying Shareholders (if any) in nil-paid form that has/have not been sold by the Company;
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register

	at that time is (are) in (a) place(s) outside Hong Kong
“Record Date”	<b>26<sup>th</sup> April 2024</b> or such other date as the Placing Agent may agree in writing with the Company for purpose of determining entitlements of Shareholders to the Rights Shares;
“Rights Issue”	the proposed offer by way of rights of the Rights Shares at the Subscription Price, payable in full on acceptance, in the proportion referred to in the Announcement;
“Rights Shares”	the new Share(s) to be allotted and issued under the Rights Issue, being up to <b>345,000,000</b> Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date);
“SFC”	Securities and Futures Commission of Hong Kong;
“Shareholders”	registered holder(s) of the Shares of the Company;
“Share(s)”	ordinary share(s) in the issue and unissued share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiaries”	has the meaning ascribed to it under the GEM Listing Rules;
“Subscription Price”	the price of <b>HK\$0.12</b> per Rights Share in the proportion referred to in the Announcement;
“Takeovers Code”	Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC (as amended from time to time);
“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholders
“HK\$”	Hong Kong Dollars; and
“%”	per cent.

1.2 References herein to Clauses and Schedules are (unless the context otherwise requires) to Clauses of and Schedules to this Agreement.



- 1.3 Words importing the singular include the plural and vice versa, words importing one gender include every gender and references to persons include bodies corporate or unincorporate.
- 1.4 The headings to Clauses are for convenience only and have no legal effect.
- 1.5 In this Agreement, a reference to a document “in the agreed form” means a document in a form of the draft or proof of the document approved by the Company and the Placing Agent (with such modifications (if any) as may be subsequently agreed between the Company and the Placing Agent from time to time).

## **2. Conditions Precedent and Delivery of Documents**

- 2.1 This Agreement (other than Clause 1, this Clause 2 and Clauses 6, 7.1, 7.2, 8 to 17) is conditional on :-
- (a) the Increase in Authorise Share Capital becoming effective;
  - (b) the obligations of the Placing Agent under this Agreement not being terminated in accordance with the terms hereof;
  - (c) the delivery to the Stock Exchange, and filing and registration with the Registrar of Companies in Hong Kong of 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 a resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and in compliance with the GEM Listing Rules, the Companies (WUMP) Ordinance and the Companies Ordinance;
  - (d) the posting of the Prospectus Documents to the Qualifying Holders on the Prospectus Posting Date;
  - (e) (i) the Shares remaining listed on the Stock Exchange at all times prior to the Latest Time for Termination and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 10 trading days (other than any suspension pending clearance of the Announcement) and (ii) no indication being received on the Latest Time for Termination from the Stock Exchange to the effect that such listing may be withdrawn or objected to including but not limited to as a result of the Rights Issue or in connection with the terms of this Agreement or for any other reason;
  - (f) there being no breach of any provision of this Agreement by the Company at all times prior to the Latest Time for Termination;
  - (g) the representations and warranties of the Company referred to in Clause 8.1 remaining true and accurate and not misleading in all material respects at all times prior to the Latest Time for Termination;
  - (h) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) listing of and permission to deal in all the Rights Shares

either unconditionally or subject to such conditions which the Company (with the approval of the Placing Agent) accepts, in both nil-paid and fully-paid forms and such listing not being withdrawn or revoked.

- (i) the passing by the Shareholders or Independent Shareholders (as the case may be) at the EGM of the necessary resolution(s) to approve the Rights Issue, this Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares);
- (j) the GEM Listing Committee having granted the approval for the listing of, and the permission to deal in, the Rights Shares, including the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares;
- (k) none of the representations, warranties or undertakings contained in this Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion of this Agreement; and
- (l) this Agreement not having been terminated in accordance with Clause 11 of this Agreement, including provisions regarding the termination events.

2.2 If any of the conditions set out in Clause 2.1 have not been fulfilled (or in respect of Clause 2.1(f) or Clause 2.1(g) waived by the Placing Agent at its sole discretion) in all respects by or at the time and/or date specified therefor (or if no time or date is specified 4<sup>th</sup> June 2024), or such later time as the Placing Agent may agree with the Company, or if this Agreement shall be terminated pursuant to Clause 8.5, the obligations of the Placing Agent and (save as hereinafter referred to) the Company under this Agreement shall ipso facto cease and determine and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with this Agreement save in respect of :-

- (a) any antecedent breach of any obligation under this Agreement; and
- (b) liabilities under Clauses 7.1, 7.2 and 8.4.

2.3 The Company shall use its reasonable endeavours to procure the fulfilment of each of the conditions set out in Clause 2.1 by the due time and/or date referred to in each case (or if no time or date is specified 4<sup>th</sup> June 2024), or such later time(s) as the Placing Agent may agree with the Company and, without prejudice to the generality of the foregoing, the Company shall procure that the Announcement is published on the websites of the Stock Exchange and the Company will provide all such information and any documents and execute and do all such applications, documents and other things which may be reasonably required by the Stock Exchange in connection with the Rights Issue.

2.4 Subject to the fulfilment of the conditions as set out in Clause 2.1, on or prior to the Prospectus Posting Date, the Company shall deliver to the Placing Agent :-



- (a) one copy of a signed letter from the Auditors addressed to the Company and the Placing Agent confirming the indebtedness statement and other financial information contained in the Prospectus and reporting on the working capital statement contained in the Prospectus;
- (b) certified copies of the minutes of meetings of the Board and/or the committee of the Board approving, inter alia, the Announcement, the Prospectus Documents (and the release or despatch thereof) and the execution of this Agreement;
- (c) a copy of a certificate issued by the Stock Exchange authorising registration of the Prospectus with the Hong Kong Companies Registry; and
- (d) a copy of the letter from the Hong Kong Companies Registry confirming the registration of the Prospectus.

2.5 The Placing Agent may, in its sole and absolute discretion, waive the requirement that the Company deliver to them any of the documents listed in Clause 2.4 or may extend the time for delivery of any of such documents.

### **3. Provisional Allotment and Offer of the Rights Shares**

3.1 Subject to fulfilment of the conditions stated in Clause 2.1 :-

- (a) the Company shall, not later than the Prospectus Posting Date, pursuant to a resolution of the Board and/or the committee of the Board, provisionally allot the nil-paid Rights Shares to the Qualifying Holders in the proportion of three Rights Share for every one Shares held on the Record Date provided however that no Rights Shares shall be provisionally allotted to the Excluded Holders (the Rights Shares which, but for this proviso, would be provisionally allotted to them being dealt with as provided in Clauses 3.1(d) and (f)) and fractional entitlements shall be aggregated together and dealt with as provided in Clause 3.1(e);
- (b) the Company shall offer the Rights Shares to the Qualifying Holders at the Subscription Price payable in full on acceptance not later than the Latest Time for Acceptance by posting the Prospectus Documents to the Qualifying Holders not later than the Prospectus Posting Date;
- (c) the Company shall on (or within 2 Business days after) the Prospectus Posting Date post copies of a letter to the Excluded Holders in a form as may be agreed between the Company and the Placing Agent (where necessary);
- (d) the Company shall provisionally allot the Rights Shares which would have been provisionally allotted to the Excluded Holders but for the proviso to Clause 3.1(a) to a nominee of the Company (nil paid) and the Company shall procure that such nominee will endeavour to sell the rights to such Rights Shares for the benefit of the Excluded Holders subject to Clause 3.1(f) as soon as practicable after dealings in the nil-paid Rights Shares commence and, if and to the extent that such rights (nil paid) can be sold before such dealings cease and if a premium

(after deducting the expenses of sale) can be obtained, the nominee will account to the Company for the net proceeds of sale (after deducting the expenses of sale if any). Any of such Rights Shares which are not sold as aforesaid shall be dealt with pursuant to Clause 3.1(g);

- (e) the Company shall provisionally allot any fractions of the Rights Shares to a nominee of the Company (nil paid) and the Company shall procure that such nominee will endeavour to sell the rights of the aggregation of such fractions of the Rights Shares for the benefit of the Company if a premium (net of expenses of sale) can be achieved. Any of such fractions of the Rights Shares which are not sold as herein mentioned shall be dealt with pursuant to Clause 3.1(g);
- (f) the aggregate net proceeds of sale of the nil-paid Rights Shares sold pursuant to Clause 3.1(d) shall be distributed by the Company to the Excluded Holders pro rata to their shareholdings on the Record Date provided that if any of such persons would thereby be entitled to a sum of HK\$100 or less, such sum shall be retained for the benefit of the Company and not distributed to the relevant person(s);
- (g) Rights Shares representing fractional entitlements cannot be sold as mentioned in Clause 3.1(e) together with any Rights Shares provisionally allotted but not accepted and any Rights Shares representing entitlements of the Excluded Holders, the rights to which cannot be sold as mentioned in Clause 3.1(d) above, shall be allocated to the Qualifying Holders; and
- (h) the Company shall, not later than close of business on the Record Date, inform the Placing Agent of the number of Placed Shares.

3.2 The allotment and issue of the Rights Shares will be made on and subject to the Articles and to the terms and conditions and on the basis of the information set out in the Prospectus Documents.

#### **4. Obligations of the Placing Agent**

4.1 The Placing Agent's obligations under this Clause 4 shall terminate if by the Latest Time for Acceptance either:-

- (a) Allotment Letters in respect of all the Placed Shares have been lodged for acceptance (whether by the persons to whom the Placed Shares were provisionally allotted or by renounees of the right to accept allotment) in accordance with the terms of the Prospectus Documents, together with cheques, banker's cashier orders or other remittances for the full amount payable in respect thereof which are accepted by the drawee and honoured on first or, at the option of the Placing Agent in its capacity as the agent of the Company, subsequent presentation (together hereinafter referred to as "valid payments") (the Placed Shares comprised in Allotment Letters which are so lodged together with valid payments in respect thereof (provided as aforesaid) are hereinafter referred to as having been "accepted"); or



- (b) Allotment Letters in respect of part of the Placed Shares have been lodged for acceptance in the manner set out in Clause 4.1(a) above are, in aggregate, equal to or greater than the aggregate of the number of Placed Shares which shall not have been accepted.
- 4.2 The Company will keep the Placing Agent regularly informed of any Shares issued prior to the Record Date and the number of Rights Shares accepted during the period up to the Latest Time for Acceptance subject to the relevant cheques, banker's cashier orders or other remittances not being refused on first or, at the option of the Placing Agent in its capacity as the agent of the Company, subsequent presentation. If, however, by the Latest Time for Acceptance any of the Placed Shares have not been accepted the provisional allotment shall be deemed to have been declined and will lapse. The Company will as soon as possible thereafter and in any event not later than the Latest Time for Termination notify the Placing Agent in writing of the total number of the Placed Shares not taken up and the Placing Agent shall subscribe or procure subscribers to subscribe for, on a best effort basis, on the terms and conditions and on the basis of the information contained in the Prospectus Documents (so far as the same are applicable) for the Placed Shares not taken up by not later than the Latest Time for Termination in the proportion set out in Clause 4.7 and will not later than noon on the Business day after the Latest Time for Termination pay or procure payment by cheques or bankers' cashier orders to the Company of the Subscription Price for such Placed Shares not taken up (the "Settlement Date"). Following payment as aforesaid all obligations and liabilities of the Placing Agent under this Agreement will cease.
- 4.4 The Placing Agent hereby declares that it has no intention of becoming, whether by itself or together with the parties acting in concert with it (if any), the controlling shareholder of the Company as a result of performance of its obligations under this Agreement. Accordingly, the Placing Agent hereby:
- (i) confirms that, without prejudice in any event to the Placing Agent's obligations to procure subscription for the Placed Shares not taken up under Clause 4.3 or otherwise under this Agreement, it shall, whether by itself or together with the parties acting in concert with it (if any), be under no circumstances hold more than 30% of the issued share capital of the Company immediately after completion of the Rights Issue; and
  - (ii) agrees that it shall, in fulfilment of the Placing Agent's obligations under Clause 4.3 to subscribe for (or procure subscribers for) any Placed Shares and this Clause 4.4, take appropriate steps such as sub-Placing all or part of the Placed Shares hereunder (sub-Placing Agent(s) not being party(ies) acting in concert with the Placing Agent) to ensure that it, together with the sub-Placing Agents or the parties acting in concert with it (if any), will not trigger any general offer obligations under the Takeovers Code as a result of the Rights Issue.
- 4.5 The Placing Agent further undertakes to the Company that, without prejudice in any event to its obligations to procure subscription for the Placed Shares not taken up under Clause 4.3 or otherwise under this Agreement, it shall ensure (i) that the subscribers for any Placed Shares (collectively the "Relevant Subscribers") are independent of and not connected or acting in concert with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates and (ii) that no such Relevant Subscriber shall be procured if allotment and



issue of any Rights Shares to it would result in it and its associates or persons acting in concert with any of them, when aggregated with the total number of Shares (if any) already held by them, holding more than 30% of the enlarged issued share capital of the Company immediately after completion of the Rights Issue.

- 4.6 The Placing Agent further undertakes to the Company that, without prejudice in any event to its obligations to procure subscription for the Placed Shares not taken up under Clause 4.3 or otherwise under this Agreement, it shall procure and shall cause the sub-Placing Agents (if any) to procure independent placees to take up such number of Rights Shares required by the Placing Agent.
- 4.7 The Placing Agent shall take up, or procure subscribers to take up, the Placed Shares not taken up on a best effort basis.
- 4.8 In acting as agent of the Company hereunder, the Placing Agent shall comply fully with all relevant laws and shall not do or omit anything the doing or omission of which will or might cause the Company or any of the Directors to be in breach of any relevant laws and in particular, but without prejudice to the generality of the foregoing, shall ensure that all offers made by it of the Placed Shares are made only in compliance with the Companies Ordinance and the relevant securities legislation and do not require the registration of the Prospectus Documents or any of them or any other documents as a prospectus or otherwise in any jurisdiction other than Hong Kong. The Placing Agent shall not make or purport to make on behalf of the Company 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 as agent of the Company.

## **5. Allotment and Issue of the Rights Shares**

- 5.1 The Company shall, by 5:00 p.m. on the Business day after the Latest Time for Termination, duly allot and issue (or confirm the allotment and issue of) the Rights Shares validly accepted or validly applied for (including any such Rights Shares as the Placing Agent shall procure to be subscribed for or which it may itself subscribe pursuant to Clause 4.3) and will, on or prior to the fifth Business day following the Latest Time for Termination, issue certificates for the Rights Shares to the respective subscribers in accordance with the terms of the Prospectus Documents.
- 5.2 The Placed Shares as provided in Clauses 4.7 shall be duly allotted and issued and either:-
  - (a) certificates in respect thereof shall be issued in such names and in such denominations as the Placing Agent may reasonably require and the same shall be delivered to the Placing Agent; or
  - (b) in respect of those Placed Shares which the Placing Agent request the Company to deposit into CCASS (the "CCASS Placed Shares"), the Company shall credit to the relevant Placing Agent's account with CCASS or such other account with CCASS as the relevant Placing Agent may direct and provide sufficient evidence or confirmation of the same to the relevant Placing Agent. If any of the CCASS Placed Shares are not accepted into CCASS ("non-CCASS Placed



Shares”) on the Settlement Date, certificates shall be issued in respect of the non-CCASS Placed Shares on the basis of (a),

at the same time as share certificates are despatched generally to persons who have taken up Rights Shares.

## **6. Stock Exchange and Announcements**

- 6.1 In relation to the issue of the Rights Shares and/or the grant of listing of and permission to deal in the Rights Shares, the Company shall pay all such fees, supply all such information, give all such undertakings, execute all such documents and do all such things as may reasonably be required by the GEM Listing Committee of the Stock Exchange.
- 6.2 The Company undertakes to provide all such information known to it and relating to the Group or otherwise as the Placing Agent may reasonably require for the purpose of complying with any requirements of laws or of the Stock Exchange.

## **7. Remuneration, Fees and Expenses**

- 7.1 In consideration of the Placing Agent’s obligations under this Agreement to place the Placed Shares and their services in connection with the issue of the Rights Shares, the Company shall by not later than the date of despatch of share certificates in respect of the Rights Shares pay to the Placing Agent a commission of 3.5% of the sum resulting from multiplying the placing price by the number of Placed Shares procured to be subscribed by the Placing Agent or its sub-Placing Agents (such commission shall include sub-Placing commission and expenses relating to sub-Placing (if any) which shall be borne by the Placing Agent).
- 7.2 The Company will pay all other costs, charges and expenses howsoever incurred by it for or incidental to the issue of the Rights Shares and the arrangements hereby contemplated (including, but not limited to, printing and translation charges, capital duty, the fees and disbursements of the Company's auditors, solicitors and registrars and the fees payable to the Stock Exchange but excluding sub-Placing fees and expenses relating to sub-Placing (if any) which shall be borne by the Placing Agent).
- 7.3 The amount referred to in Clause 7.1 shall not be payable if this Agreement does not become unconditional or if it is terminated pursuant to Clause 8.5. Payment of the amounts referred to in the Clause 7.2 shall be made whether or not the Placing Agent’s obligations under this Agreement become unconditional or are terminated pursuant to Clause 8.5.

## **8. Representations, Undertakings, Warranties and Indemnities**

- 8.1 The Company represents, warrants and undertakes to the Placing Agent that, subject as provided herein :-
- (a) Recitals (A) to (E) to this Agreement are true and accurate in all material respects and that the Company will not issue any Shares other than the Shares

to be issued as a result of the exercise of the subscription rights under the Rights Shares prior to the Acceptance Date;

- (b) all statements of fact to be contained in the Announcement and the Prospectus Documents will when made be true, complete and accurate in all material respects and will not be misleading in any respect and there are no facts known or which on reasonable enquiry could have been known to the Company or the Directors which have not yet been disclosed to the Placing Agent which in the context of the Rights Issue are material for disclosure therein;
- (c) the statements and the expressions of opinion, intention and expectation of the Directors and of the Company to be contained in the Prospectus Documents or in the documents referred to therein will be, made after due and proper consideration, will be fair and reasonable and based on facts known, or should have been known having made reasonable enquiries to the Directors or the Company;
- (d) the Prospectus Documents will contain all material particulars required to comply with all Hong Kong statutory and other provisions so far as applicable and the requirements of the Stock Exchange and the issue of the Rights Shares in accordance with the Prospectus Documents will comply with the Companies (WUMP) Ordinance, Companies Ordinance and the requirements of the Stock Exchange and all other relevant regulations in Hong Kong and will not involve any breach of or default under any agreement, trust deed or instrument to which the Company is a party;
- (e) subject to fulfilment of the conditions contained in Clause 2.1, the Company has power under its Articles to, and has taken all necessary corporate or other action necessary to enable it to, and no other consents, actions, authorisations or approvals are necessary to enable or authorise it to, enter into and perform its obligations under this Agreement and to make the Rights Issue, to allot and issue the Rights Shares and to deal with the Rights Shares attributable to the Excluded Holders as may be specified in the Prospectus Documents;
- (f) the obligations of the Company contained in this Agreement constitute the legal, valid and binding obligations of the Company enforceable in accordance with their terms;
- (g) all of the currently outstanding Shares have been, and all of the Rights Shares will be, when issued, duly listed and admitted for trading on the Stock Exchange;
- (h) the Rights Shares will be issued fully paid up, will be free from all liens, charges, encumbrances and third party rights, interests or claims of any nature whatsoever and ranking pari passu in all respects with the Shares then in issue, including the right to receive all dividends and distributions which may be declared made or paid after the date of issue;
- (i) the Company is duly incorporated, validly existing and in good standing under the laws of the Cayman Islands, is not in liquidation or receivership and has full power and authority to own its properties and to conduct its business;



- (j) the Company has full power and authority to enter into and perform its obligations under this Agreement, and is lawfully qualified to do business in those jurisdictions in which business is conducted by it and is in compliance with all laws and regulations relating to the conduct of its business;
- (k) the Company has sufficient authorised shares to satisfy the issue of such number of Shares as would be required to be issued under the Rights Issue;
- (l) the issue of the Rights Shares will not be subject to any pre-emptive or similar rights;
- (m) the Company will comply with all applicable requirements, including but not limited to, the GEM Listing Rules in connection with the Rights Issue;
- (n) the Group has carried on its business in the ordinary and usual course and save as disclosed in the Issuer Information, there has been no material adverse change or any development in the financial condition (including but not limited to any default of existing indebtedness or any other indebtedness created by the Group prior to the date of this Agreement), or operations of any company in the Group or any litigations or proceedings pending against any company in the Group or any winding-up petition filed against any company in the Group since 31 December 2022 which are material in the context of the Rights Issue;
- (o) save as disclosed in the Issuer Information, (i) there are no police, governmental or regulatory enquiries or investigation nor any pending actions, suits or proceedings against or affecting the Company or any of its Subsidiaries or any of their respect directors, officers, employees or properties which if determined adversely to the Company or any of its Subsidiaries or any of their respective directors, officers or employers would individually or in the aggregate have a material adverse effect on the reputation, financial condition, operations, business or properties of the Company and its Subsidiaries taken as a whole, or would materially and adversely affect the ability of the Company to perform its obligations under this Agreement, or which are otherwise material in the context of the Rights Issue and (ii) to the best knowledge of the Company, no such investigation, actions, suits or proceedings are threatened or contemplated;
- (p) the use by the Company of the proceeds from the Rights Issue as stated in the Announcement will not violate any existing laws or regulations of any relevant jurisdiction to which the Company is subject;
- (q) the Company shall not, from the date hereof until completion of the Rights Issue, issue or agree to issue any Shares or preference shares or issue or grant or agree to issue or grant any share options or other securities convertible into, exchangeable for or which carry rights to acquire Shares or preference shares or repurchase any Shares; and
- (r) there are no outstanding guarantees or contingent payment obligations of the Company nor any of the Subsidiaries in respect of indebtedness of third parties except as disclosed in the Issuer Information and other than those incurred in the ordinary course of business of the Group, which are material to the condition (financial or otherwise), prospects, results of operations, shareholders' equity, business, properties or general affairs of the Company or the Group; each of the



Company and the Subsidiaries is in compliance with all of its obligations under any outstanding guarantees or contingent payment obligations as described in such financial statements except for such breaches that would not result in a material adverse change in the financial condition or operations of any company in the Group.

- (s) Unsubscribed Rights Shares and the NQS Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank pari passu in all respects among themselves and with the Shares then in issue.
- 8.2 The representations and warranties contained in Clause 8.1 are given as at the date hereof. In addition, the said representations and warranties will be deemed to be repeated on the Prospectus Posting Date with respect (where relevant) to the Prospectus Documents in their final form and on the Acceptance Date, in each case with reference to the facts and circumstances then subsisting. The Company shall not do or omit to do (and shall procure that no subsidiary of the Company shall do or omit to do) any act or thing whereby any of the representations or warranties in Clause 8.1 would not be true in any respect on the Prospectus Posting Date or on the Acceptance Date and undertakes to notify the Placing Agent of any matter or event coming to its attention or the attention of the Directors prior to the despatch of the Prospectus Documents or prior to the Acceptance Date which shows any representation or warranty to be or to have at any relevant time been untrue or inaccurate in any respect or which, had the representations and warranties contained in Clause 8.1 been repeated on each day prior to the Acceptance Date, would have shown any representation or warranty to be or to have at any relevant time been untrue or inaccurate in any respect.
- 8.3 If, prior to the despatch of the Prospectus Documents or on or prior to the Latest Time for Acceptance, any matter or event comes to the attention of the Company or the Board, as a result of which any representation or warranty, if repeated immediately after the occurrence thereof, would be untrue or inaccurate in any respect or which would or might render untrue, inaccurate or misleading in any respect any statement, whether of fact or opinion, contained in the Prospectus Documents if the same were issued immediately after such occurrence, the Company shall forthwith notify the Placing Agent thereof, but without prejudice to the rights of the Placing Agent pursuant to Clause 8.5, the Company and the Placing Agent shall forthwith consult with a view to agreeing what steps should be taken (including without limitation notifying the Stock Exchange and taking any steps necessary to avoid a false market in the Rights Shares agreeing what changes, if any, should be made to the Prospectus Documents or, 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 changes or announcements or despatch any such circular without the prior consent of the Placing Agent such consent not to be unreasonably withheld and to be signified by the verbal confirmation of any of those persons notified by the Placing Agent to the Company for this purpose.
- 8.4 The undertakings, representations, warranties and indemnities given and made by the Company in this Agreement shall remain in full force and effect until completion of the Rights Issue.
- 8.5 If at any time at or prior to the Latest Time for Termination :-



- (a) there occurs any new regulation or any change in the existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Placing Agent materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (b) there occurs any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, or after the date hereof, of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), 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 Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (c) any material adverse change in the business or in the financial or trading position of the Group as a whole; or
- (d) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities) which, in the reasonable opinion of the Placing Agent, makes it inexpedient or inadvisable to proceed with the Rights Issue ;

then in any such case the Placing Agent may, after consultation with the Company or its advisers as the circumstances shall admit, by notice in writing to the Company on its own behalf (which may be given at any time up to the Latest Time for Termination) rescind this Agreement.

8.6 Upon rescission of this Agreement pursuant to Clause 8.5, all liabilities of the parties hereunder will cease and determine and no party will have any claim against any other party in respect of any matter or thing arising out of or in connection with this Agreement save in respect of :-

- (a) any antecedent breach of any obligation under this Agreement; and
- (b) liabilities under Clauses 7.1 and 7.2.

8.7 The provisions of this Clause 8 shall continue in full force and effect notwithstanding this Agreement becoming unconditional.

## **9. Indemnification**

9.1 The Company undertakes to pay the Placing Agent on demand, an amount on an after-tax basis equal to any liability, damages, cost, loss or expense (including, without limitation, legal fees incurred in connection with investigating, disputing or defending any action, claim or demand) (together, "Losses") incurred by the Placing Agent arising out of, in connection with or based on any claims, actions, proceedings, investigations, demands, judgements and awards (together, "Claims") which may be instituted, made or threatened against or otherwise involve the Placing Agent in relation to, in connection with or arising out of:-

- (i) the issue and publication of any announcement, circular, prospectus and/or any other documents relating to the Rights Issue (or any supplement to it);
- (ii) any untrue statement of a material fact contained in any announcement, circular, prospectus and/or any other documents relating to the Rights Issue (or any supplement to it), or any omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading;
- (iii) any breach of any of the representations, warranties, undertakings, agreements or covenants contained in this Agreement;
- (iv) the services rendered or duties performed by the Placing Agent under this Agreement (provided that such Losses are not connected with any failure by the Placing Agent to comply with its obligations under this Agreement including, without limitation, Clause 4); and
- (v) the failure by the Company or its Subsidiaries or any of the respective directors or officers to comply with any statutory or regulatory requirements in relation to the Rights Issue,

provided that this indemnity shall not relate to any Losses arise from any negligence, fraud, breach or default on the part of the Placing Agent.

#### **10. Representations and Undertakings**

The Placing Agent hereby irrevocably represents and undertakes to the Company that :-

- (a) it has power under its constitutional documents to, and has taken all necessary corporate or other action necessary to enable it to, and no other consents, actions, authorisations or approvals are necessary to enable or authorise it to, enter into and perform its obligations under this Agreement;
- (b) the obligations of the Placing Agent contained in this Agreement constitute the legal, valid and binding obligations of the Placing Agent enforceable in accordance with its terms respectively; and it will perform its obligations contained in this Agreement in compliance with the applicable laws and regulations;
- (c) it is independent of and not connected or acting in concert with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates and that the Placing of the Placed Shares would not result in it and its associates or persons acting in concert with any of them, when aggregated with the total number of Shares (if any) already held by them, holding more than 30% of the enlarged issued share capital of the Company immediately after completion of the Rights Issue;
- (d) the entry into and performance of this Agreement do not and will not contravene, conflict with or otherwise violate (i) any law or regulation to which it is subject



or (ii) any agreement to which it is a party or which is binding on it or any of its assets;

- (e) it will not, directly or indirectly, (i) offer any Rights Shares or distribute or publish any documents in relation to the Rights Issue (including without limitation to the foregoing, any prospectus, form of application, offering circular, advertisement or other offering material) in any country or jurisdiction except under circumstances that will not result in the breach of any applicable laws and regulations; or (ii) enter into any agreements, contracts or arrangements in relation to the Rights Issue in breach of any applicable laws and regulations;
- (f) it acknowledges and agrees that it has entered into this Agreement after satisfactory inspection and investigation of the affairs of the Group and the entering into of this Agreement is based on its own independent judgment and evaluation of the Company (including but not limited to the financial position of the Company);
- (g) it will not, pending the release of the Announcement, disclose to any person (other than to a person whose province it is to know the same) any information whatsoever with respect to the Rights Issue; and
- (h) it and its associates are not interested in any Shares as at the date hereof.

## **11. Termination**

The Placing Agent shall be entitled, without any liability to the Company, by notice in writing to the Company served prior to the **4:00 p.m. on 3<sup>rd</sup> June 2024** (the "**Latest Placing Time**"), to terminate this Agreement, if, prior to the Latest Placing Time:

- (a.) in the reasonable opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by:
  - i. 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 Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
  - ii. the introduction of any new 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 Placing Agent 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 Placing; or
  - iii. there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares (for more than

ten (10) consecutive trading days) generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or

- iv. any adverse change in the business or in the financial or trading position of any members of the Group, which in the reasonable opinion of the Placing Agent, is material in the context of the Placing; or
- (b.) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions which includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs in Hong Kong, the United States of America or the PRC which in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable to proceed with the Placing; or
- (c.) any material breach of any of the representations and warranties by the Company that 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 Latest Placing Time 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.
- (d.) Upon the giving of such notice as referred to above by the Placing Agent, all obligations of the Placing Agent under the Placing Agreement shall cease and determine and no party shall have any claim against any other party, save for any prior breaches of this Agreement.

## **12. Application of Net Proceeds**

The Company shall utilise the proceeds of the issue of the Rights Shares in the manner set out in the Prospectus Documents (with such amendments, variations or modifications as may be publicly announced by the Company subsequently).

## **13. Successors and Assigns**

This Agreement will be binding on and will enure for the benefit of each party's respective personal representatives, successors and assigns provided that no party hereto may assign or transfer any of its rights or obligations under this Agreement.

## **14. Notices**

Any notice required to be given under this Agreement will be deemed duly served if left at or sent by personal delivery or by registered post or by telex (provided that an answerback confirmation shall be obtained) or facsimile transmission (provided that a transmission report of good despatch shall be obtained) to the party concerned at the respective address stated in this Agreement or to such other address(es) in Hong Kong as may have been previously notified in writing by or on behalf of the relevant party to the other parties hereto. Any such notice shall be deemed to be served at the time when



the same is left at the relevant address of the party to be served, or if served by post on the business day next following the date of posting, or if served by telex or facsimile transmission, on transmission.

## **15. Time**

Any time, date or period mentioned in this Agreement may be extended by agreement between the Company and the Placing Agent or otherwise as provided herein but as regards any time, date or period originally fixed or extended as aforesaid, time will be of the essence.

## **16. Governing Law and Dispute Resolutions**

- 16.1 This Agreement will be governed by and construed in accordance with the laws of Hong Kong.
- 16.2 The parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong but this Agreement may be enforced in any other court of competent jurisdiction.

## **17. Third Party Rights**

- 17.1 Except as expressly provided hereunder, a person who is not a party to this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Ordinance (Chapter 623, the Laws of Hong Kong) to enforce any term of this Agreement.
- 17.2 The rights of the parties to this Agreement to terminate, rescind or agree any variation, waiver or settlement under this Agreement are not subject to the consent of any other person.

## **18. Counterparts**

This Agreement may be entered into in any number of counterparts and by the parties to it on separate counterparts, each of which when executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument.

*[The remainder of this page is intentionally left blank]*

IN WITNESS WHEREOF, the Parties hereto have executed or caused their respective duly authorised representatives to execute this Agreement as of the date and year first above written.

SIGNED by )  
for and on behalf of )  
BASETROPHY GROUP HOLDINGS LIMITED )  
(基地錦標集團) )  
in the presence of :- )



SIGNED by )  
for and on behalf of )  
RUIBANG SECURITIES LIMITED )  
in the presence of :- )



IN WITNESS WHEREOF, the Parties hereto have executed or caused their respective duly authorised representatives to execute this Agreement as of the date and year first above written.

SIGNED by )  
for and on behalf of )  
BASETROPHY GROUP HOLDINGS LIMITED )  
(基地錦標集團) )  
in the presence of :- )

SIGNED by Wong Nelson Yeung Cheong )  
for and on behalf of )  
RUIBANG SECURITIES LIMITED )  
in the presence of :- *LEUNG KA MING* )



*For and on behalf of*  
Ruibang Securities Limited  
瑞邦證券有限公司  
  
.....  
*Authorized Signature(s)*