

Dated 12 August 2021

**LAI SUN DEVELOPMENT COMPANY LIMITED**

**and**

**HAITONG INTERNATIONAL SECURITIES COMPANY LIMITED**

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**UNDERWRITING AGREEMENT**  
relating to a rights issue in  
**LAI SUN DEVELOPMENT COMPANY LIMITED**

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Robertsons  
57th Floor, The Center  
99 Queen's Road Central  
Hong Kong

**THIS AGREEMENT** is made on the 12<sup>th</sup> day of August 2021

**BETWEEN:**

- (1) **LAI SUN DEVELOPMENT COMPANY LIMITED**, a company incorporated in Hong Kong whose registered office is at 11th Floor, Lai Sun Commercial Centre, 680 Cheung Sha Wan Road, Kowloon, Hong Kong (the “**Company**”); and
- (2) **HAITONG INTERNATIONAL SECURITIES COMPANY LIMITED**, a company incorporated in Hong Kong whose registered office is at 22/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong (the “**Underwriter**”).

**WHEREAS:**

- (A) The Company is a company incorporated in Hong Kong, the shares of which are listed on the main board of the Stock Exchange (stock code: 488). As at the date of this Agreement, the Company has a total number of 612,089,025 ordinary shares in issue (the “**Share(s)**”).
- (B) As at the date of this Agreement, there are 12,327,810 outstanding Share Options to subscribe for an aggregate of 12,327,810 Shares granted pursuant to the Share Option Schemes. Assuming full exercise of the outstanding Share Options, the maximum number of new Shares that would fall to be allotted and issued upon the exercise of the outstanding Share Options under the Share Option Schemes on or before the Record Date would be 12,327,810 Shares.
- (C) The Company proposes to offer, subject to the fulfillment (or waiver) of the conditions in Clause 2, not less than 339,879,412 Rights Shares and not more than 345,834,663 Rights Shares for subscription by way of rights on the basis of one Rights Share for every two existing Shares held on the Record Date, to the Qualifying Holders at the Subscription Price, payable in full on acceptance and otherwise on the terms and subject to the conditions set out in this Agreement and the Prospectus Documents.
- (D) The offer of the Rights Shares for subscription as aforesaid shall be made by the issue of the Prospectus Documents to the Qualifying Holders.
- (E) Application shall be made to the Stock Exchange to grant (subject to allotment) listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms.
- (F) The Underwriter has agreed to underwrite the issue of the Underwritten Shares on the terms and subject to the conditions hereinafter contained, pursuant to which, it has agreed to underwrite the issue of (i) not more than 167,866,034 Underwritten Shares (assuming no Shares being issued or bought back by the Company on or after the date of this Agreement and on or before the Record Date other than the allotment and issue of the Subscription Shares); and (ii) not more than 173,821,285 Underwritten Shares (assuming new Shares are allotted and issued on or before the Record Date pursuant to the Subscription and the full exercise of all vested Share Options (except for Dr. Peter Lam’s Share Options) but otherwise no Shares being issued or bought back by the Company on or after the date of this Agreement and on or before the Record Date).
- (G) As at the date of this Agreement, the Committed Shareholders are the beneficial owners of an aggregate of 344,026,758 Shares, representing in aggregate approximately 56.20% of the total number of Shares in issue.
- (H) The Company has received an irrevocable undertaking from the Committed Shareholders that, among other things, (i) they will subscribe for their respective entitlement of the Rights Shares

in full prior to the Acceptance Date; (ii) they will not dispose of, or agree to dispose of any Shares held by them from the date of the Irrevocable Undertaking to the date of completion of the Rights Issue; and (iii) Dr. Peter Lam will not exercise any of the Share Options he holds as at the date of the Irrevocable Undertaking, comprising a total of 417,308 underlying Shares (“**Dr. Peter Lam’s Share Options**”), from the date of the Irrevocable Undertaking to the Record Date.

**NOW IT IS AGREED** as follows:

**1. INTERPRETATION**

(A) In this Agreement and the recitals hereto, unless the context otherwise requires, the following expressions have the following meanings:

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| “ <b>Acceptance Date</b> ”           | 16 September 2021 or such later date as the Underwriter may agree in writing with the Company as the date for acceptance of, and payment of, the Rights Shares and application for the excess Rights Shares;   |
| “ <b>Announcement</b> ”              | the joint announcement to be made by the Company and LSG concerning, inter alia, the Rights Issue substantially in the form of the draft annexed hereto marked “ <b>A</b> ”;   |
| “ <b>Application</b> ”               | the application to be made to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms;  |
| “ <b>associate</b> ”                 | shall have the meaning ascribed thereto under the Listing Rules;   |
| “ <b>Audited Accounts</b> ”          | has the meaning ascribed thereto under Clause 9(A)(xiv) of this Agreement;   |
| “ <b>Board</b> ”                     | the board of Directors;  |
| “ <b>Business Day</b> ”              | a day on which banks in Hong Kong are generally open for business (other than a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which “extreme conditions” caused by a super typhoon or a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon); |
| “ <b>CCASS</b> ”                     | the Central Clearing and Settlement System established and adopted by Hong Kong Securities Clearing Company Limited;   |
| “ <b>CCASS Underwritten Shares</b> ” | shall have the meaning ascribed thereto in Clause 4(J)(ii) of this Agreement;  |

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| <b>“Committed Shareholders”</b>        | Dr. Peter Lam and LSG;  |
| <b>“Companies Ordinance”</b>           | the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);   |
| <b>“Companies (WUMP) Ordinance”</b>    | the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);  |
| <b>“Complying Applications”</b>        | the valid acceptances of provisional allotments under the Provisional Allotment Letters and the valid applications under the Excess Application Forms, in both cases made in accordance with the terms of the Prospectus Documents together with cheques/banker’s cashier order for the full amount payable in respect of such Rights Shares being accepted or being applied for under such Excess Application Forms, which are honoured on first presentation; |
| <b>“connected person(s)”</b>           | shall have the meaning ascribed thereto under the Listing Rules;  |
| <b>“controlling shareholder(s)”</b>    | shall have the meaning ascribed thereto under the Listing Rules;  |
| <b>“Directors”</b>                     | the directors of the Company from time to time;   |
| <b>“Disclosed”</b>                     | disclosed in a full, fair and accurate manner in this Agreement, the Prospectus Documents, the Audited Accounts, the Unaudited Accounts, due diligence interviews in relation to the Group with the Underwriter and its legal advisers and publicly available information including all announcements and documents published by the Company on the Stock Exchange website;   |
| <b>“Dr. Peter Lam”</b>                 | Dr. Lam Kin Ngok, Peter, an executive Director and the chairman of the Board together with LSG, are controlling shareholders of the Company;  |
| <b>“Dr. Peter Lam’s Share Options”</b> | shall have the meaning ascribed thereto in Recital (H) to this Agreement;   |
| <b>“Excess Application Form(s)”</b>    | the form(s) of application for use by the Qualifying Holders who wish to apply for excess Rights Shares, being in such usual form as may be agreed between the Company and the Underwriter;   |
| <b>“Excluded Shareholders”</b>         | those persons whose registered addresses (as shown in the register of members of the Company on the Record Date) are outside Hong Kong, in respect of whom the Directors consider the exclusion from the Rights Issue to be necessary or expedient on account of either the legal restrictions under the laws of the relevant place or the  |

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|                                       | requirements of the relevant regulatory body or stock exchange in that place;   |
| <b>“Existing Share Option Scheme”</b> | the existing share option scheme adopted by the Company on 11 December 2015;  |
| <b>“Former Share Option Scheme”</b>   | the former share option scheme adopted by the Company on 22 December 2006 and terminated on 23 December 2015;   |
| <b>“GO Obligation”</b>                | the obligation to make a general offer under Rule 26 of the Takeovers Code;   |
| <b>“Group”</b>                        | the Company and its subsidiaries;   |
| <b>“HK\$”</b>                         | Hong Kong dollar, the lawful currency of Hong Kong;   |
| <b>“Hong Kong”</b>                    | the Hong Kong Special Administrative Region of the People’s Republic of China;  |
| <b>“Irrevocable Undertaking”</b>      | the irrevocable undertaking dated 12 August 2021 from the Committed Shareholders in favour of the Company and the Underwriter in respect of the taking up by the Committed Shareholders of their entitlements under the Rights Issue and not disposing of their Shares or exercising any Share Options (where applicable) held as at the date of the Irrevocable Undertaking;                               |
| <b>“Listing Rules”</b>                | the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time;  |
| <b>“Long Stop Date”</b>               | 4:00 p.m. on 17 September 2021 (or such later date as the Underwriter and the Company may agree in writing);  |
| <b>“LSG”</b>                          | Lai Sun Garment (International) Limited (麗新製衣國際有限公司), a company incorporated in Hong Kong with limited liability under the Companies Ordinance, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 191) which was held as to approximately 41.89% by Dr. Peter Lam as at the date of this Agreement, and is the ultimate holding company of the Company; |
| <b>“Manager”</b>                      | Argyle Street Management Limited, a company incorporated in the British Virgin Islands and a registered non-Hong Kong company under the Companies Ordinance, being the fund manager of funds that own the Subscriber;   |
| <b>“Material Adverse Change”</b>      | means any circumstance, development or event that has or is likely to have a Material Adverse Effect;   |

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| <b>“Material Adverse Effect”</b>         | means a material adverse effect on the financial condition, prospects, assets, business, results of operations or liabilities of the Group, taken as a whole, whether or not arising in the ordinary course of business;   |
| <b>“non-CCASS Underwritten Shares”</b>   | shall have the meaning ascribed thereto in Clause 4(J)(ii) of this Agreement;  |
| <b>“Posting Date”</b>                    | 2 September 2021 or such other date as the Underwriter may agree in writing with the Company for the despatch of the Prospectus Documents;   |
| <b>“Prospectus”</b>                      | the prospectus to be despatched to the Qualifying Holders in connection with the Rights Issue in such usual form as may be agreed between the Company and the Underwriter;   |
| <b>“Prospectus Documents”</b>            | the Prospectus, the Provisional Allotment Letter and the Excess Application Form;  |
| <b>“Provisional Allotment Letter(s)”</b> | the provisional allotment letter(s) in respect of the Rights Issue proposed to be issued to the Qualifying Holders as mentioned herein, being in such usual form as may be agreed between the Company and the Underwriter;   |
| <b>“Public Float Requirement”</b>        | the public float requirement under Rules 8.08(1)(a) and 13.32(1) of the Listing Rules;   |
| <b>“Qualifying Holders”</b>              | the persons shown on the register of members of the Company on the Record Date, other than the Excluded Shareholders;  |
| <b>“Record Date”</b>                     | 30 August 2021 or such other date as the Underwriter may agree in writing with the Company for the determination of the entitlements under the Rights Issue;   |
| <b>“Registrar”</b>                       | the share registrar of the Company, being Tricor Tengis Limited;   |
| <b>“Rights Issue”</b>                    | the proposed offer of the Rights Shares at the Subscription Price on the terms and subject to the conditions to be set out in the Prospectus Documents and as briefly described in the Announcement;   |
| <b>“Rights Shares”</b>                   | not less than 339,879,412 new Shares (assuming no new Share being issued and no Share being bought back by the Company on or after the date of this Agreement and on or before the Record Date other than the allotment and issue of the Subscription Shares) and not more than 345,834,663 new Shares (assuming new Shares are allotted and issued on or before the Record Date pursuant to the Subscription and full exercise of all vested Share Options (except for Dr. Peter Lam’s Share Options) but otherwise no new Share being issued |

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|                                 | and/or bought back by the Company on or after the date of this Agreement and on or before the Record Date) proposed to be offered to the Qualifying Holders for subscription by way of rights on the basis of one new Share for every two existing Shares in issue on the Record Date on the terms and subject to the conditions set out in this Agreement and the Prospectus Documents; |
| <b>“Scaled-down EAF Shares”</b> | such number of Rights Shares applied for as excess application under the Excess Application Form(s) which would, if allotted by the Company, result in either the triggering of a GO Obligation on the part of the applicant or the failure to comply with the Public Float Requirement on the part of the Company;  |
| <b>“Scaled-down PAL Shares”</b> | such number of Rights Shares applied for under the Provisional Allotment Letter(s) which would, if allotted by the Company, result in either the triggering of a GO Obligation on the part of the applicant or the failure to comply with the Public Float Requirement on the part of the Company;   |
| <b>“Scaling-down Mechanism”</b> | has the meaning ascribed thereto under Clause 3(F) of this Agreement;  |
| <b>“Settlement Date”</b>        | the fifth Business Day immediately following the Acceptance Date, or such other date as the Underwriter and the Company may agree in writing;  |
| <b>“Share Option(s)”</b>        | outstanding and vested (or to be vested) share options of the Company issued pursuant to the Share Option Schemes;   |
| <b>“Share Option Schemes”</b>   | collectively, the Existing Share Option Scheme and the Former Share Option Scheme;   |
| <b>“Stock Exchange”</b>         | The Stock Exchange of Hong Kong Limited;   |
| <b>“Subscriber”</b>             | Jinlong Road Limited, a company incorporated in the Cayman Islands;  |
| <b>“Subscription”</b>           | the subscription for the Subscription Shares;  |
| <b>“Subscription Agreement”</b> | the subscription agreement dated 12 August 2021 entered into among the Company, the Subscriber and the Manager in relation to the Subscription;  |
| <b>“Subscription Price”</b>     | HK\$3.43 per Rights Share;   |
| <b>“Subscription Shares”</b>    | 67,669,800 Shares, representing approximately 9.95% of the total issued Shares immediately after the completion of the Subscription and to be issued to the Subscriber by the Company under the Subscription Agreement;  |

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| “subsidiary”          | has the same meaning ascribed thereto in the Listing Rules and “subsidiaries” shall be construed accordingly;   |
| “Takeovers Code”      | the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong;  |
| “Unaudited Accounts”  | has the meaning ascribed thereto under Clause 9(A)(xv) of this Agreement;   |
| “Undertaken Shares”   | 172,013,378 Rights Shares, being the aggregate number of Rights Shares for which the Committed Shareholders have undertaken to subscribe pursuant to the Irrevocable Undertaking;   |
| “Underwritten Shares” | up to 167,866,034 Rights Shares (assuming no Shares being issued or bought back by the Company on or after the date of this Agreement and on or before the Record Date other than the allotment and issue of the Subscription Shares) or up to 173,821,285 Rights Shares (assuming new Shares are allotted and issued on or before the Record Date pursuant to the Subscription and the full exercise of all vested Share Options (except for Dr. Peter Lam’s Share Options) but otherwise no Shares being issued or bought back by the Company on or after the date of this Agreement and on or before the Record Date) to be underwritten by the Underwriter pursuant to the terms and conditions under this Agreement; and |
| “Untaken Shares”      | Rights Shares not taken up (as defined in Clause 3(D)) at or before 4:00 p.m. on the Acceptance Date, including any Rights Shares to which the Excluded Shareholders would otherwise have been entitled under the Rights Issue if they were to be Qualifying Holders, together with the Scaled-down PAL Shares and the Scaled-down EAF Shares not being applied (whether validly or otherwise) and/or fully paid for under the Excess Application Forms, and unsold aggregation of fractions of Right Shares.   |

- (B) References herein to “**Clauses**” and to the “**Schedule**” are to clauses of, and the schedule to, this Agreement.
- (C) In this Agreement, the singular includes the plural and vice versa, words importing gender or the neuter include both genders and the neuter and vice versa and references to persons include bodies corporate or unincorporate. The clause headings and table of contents in this Agreement are for convenience only and have no legal effect.
- (D) In this Agreement, a time of a day is a reference to Hong Kong time.

## 2. CONDITIONS PRECEDENT



- (A) The obligations of the Underwriter under this Agreement are conditional on:
- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject only to allotment and despatch of the appropriate documents of title) and not having withdrawn or revoked the listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms);
  - (ii) the Rights Shares (in nil-paid form) having been provisionally allotted by a resolution of the Board (or a committee thereof) on the terms set out in the Prospectus Documents;
  - (iii) each condition to enable the nil-paid Rights Shares and the fully-paid Rights Shares to be admitted as eligible securities for deposit, clearance and settlement in CCASS (other than the listing approval of the Rights Shares under the Rights Issue) having been satisfied not later than two business days after the Record Date/ prior to the first day of dealings in the nil-paid Rights Shares as set out in the Prospectus and no notification having been received by the Company from HKSCC by such date that such admission or facility for holding and settlement has been or is to be refused;
  - (iv) delivery of the duly executed counterparts of the Irrevocable Undertaking (in such form and substance to the reasonable satisfaction of the Underwriter) by the Committed Shareholders on the date of this Agreement to the Company and the Underwriter;
  - (v) compliance by the Committed Shareholders with all of their respective obligations under the Irrevocable Undertaking and the Irrevocable Undertaking not being terminated;
  - (vi) receipt by the Underwriter of all relevant documents specified in Schedule 1 (in the form and substance to the reasonable satisfaction of the Underwriter) to be provided by the Company by the times specified in this Agreement;
  - (vii) compliance by the Company with all of its obligations under this Agreement or in relation to the publication of the Announcement;
  - (viii) the representations and warranties of the Company, referred to in Clause 9 remaining true and accurate in all material respects and none of the undertakings of the Company, referred to in Clause 9 having been breached;
  - (ix) the delivery to the Stock Exchange and filing and registration with the Registrar of Companies in Hong Kong no later than the Posting Date of each of the Prospectus Documents and (where necessary) other documents in compliance with the Companies (WUMP) Ordinance and otherwise complying with the requirements of the Companies (WUMP) Ordinance, the Companies Ordinance and the Listing Rules;
  - (x) the posting of the Prospectus Documents to Qualifying Holders on the Posting Date; and
  - (xi) this Agreement not having been terminated in accordance with its terms on or before the Long Stop Date.

- (B) Other than conditions (vi) and (viii) which can be waived in whole or in part by the Underwriter by notice in writing to the Company prior to the Long Stop Date, all other conditions in Clause 2(A) cannot be waived. In the event that the conditions in Clause 2(A) have not been satisfied or waived on or before the Long Stop Date, all liabilities of the parties hereto shall cease and determine and no party shall have any claim against the other party save for any antecedent breach of this Agreement.
- (C) The Company shall use its reasonable endeavours to procure the fulfilment of the conditions in Clause 2(A) (to the extent it is within its power to do so), and shall do all the things required to be done by it pursuant to the Prospectus Documents or otherwise reasonably necessary to give effect to the Rights Issue and the arrangements contemplated by this Agreement.
- (D) The Company shall make the Application to the Stock Exchange and shall do or procure to be done all such acts or things as may be reasonably necessary as required by the Stock Exchange or the Registrar of Companies in Hong Kong for the purpose of obtaining such listing and permission.

### **3. THE RIGHTS SHARES**

- (A) Subject to fulfillment (or waiver) of the conditions set out in Clause 2(A):
  - (i) the Company shall, on or before the Posting Date, by resolution of the Directors (or a duly established and authorised committee thereof) provisionally allot (on and subject to the terms and conditions contained in the Prospectus Documents) the Rights Shares to the Qualifying Holders in the proportion of one Rights Share for every two Shares held on the Record Date and the Company shall offer the Rights Shares to the Qualifying Holders at the Subscription Price by posting the Prospectus Documents (with the Provisional Allotment Letters) to such holders by no later than the Posting Date, on the basis that payment for the Rights Shares shall be made in full on acceptance no later than 4:00 p.m. on the Acceptance Date provided that fractional entitlements shall not be issued to Qualifying Holders but shall be aggregated and sold as provided in Clause 3(A)(ii);
  - (ii) the Company shall provisionally allot the Rights Shares which would be provisionally allotted to the Excluded Shareholders had they been Qualifying Holders and which arise from the aggregation of fractional entitlements which would otherwise have been issued to the Qualifying Holders and to the Excluded Shareholders had they been Qualifying Holders to a person nominated by the Company in nil-paid form and shall by no later than the close of business on the Posting Date advise the Underwriter of the number of Rights Shares which would have been so allotted. The Company shall use its reasonable endeavours and procure that the person so nominated by the Company shall use its reasonable endeavours to sell the rights on the Stock Exchange as soon as practicable after dealings in nil-paid rights commence and in any event before the last day for dealing in the nil-paid Rights Shares at a net premium (nil-paid) in excess of all expenses of sale, and if and to the extent that such rights can be so sold, that person shall account to the Company for the net proceeds of such sale (after deduction of the expenses of sale and stamp duty, if any). The Company shall distribute the net proceeds of sale (after deducting the expenses of sale and stamp duty, if any) in respect of such rights which would be provisionally allotted to the Excluded Shareholders had they been Qualifying Holders to the Excluded Shareholders provided that individual amounts of HK\$100.00 or less and the net proceeds of sale

of the Rights Shares representing fractional entitlements shall be retained by the Company for its own benefit; and

- (iii) the Company shall, on the Posting Date, post the Prospectus without the Provisional Allotment Letter or the Excess Application Form marked “For information only” to the Excluded Shareholders.
- (B) The Rights Shares provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance, any entitlements of Rights Shares of the Excluded Shareholders provisionally allotted to a nominee of the Company pursuant to Clause 3(A)(ii), but which cannot be sold (nil-paid) at a net premium as mentioned in Clause 3(A)(ii), the Scaled-down PAL Shares (if any) and the Scaled-down EAF Shares (if any) not being applied (whether validly or otherwise) and/or fully paid for under the Excess Application Forms, and unsold aggregation of fractions of Rights Shares shall also be made available for subscription by the Qualifying Holders by means of the Excess Application Forms.
- (C) The Company shall use its reasonable endeavours to ensure that applications pursuant to the Excess Application Forms are properly processed and dealt with in accordance with the terms of the Prospectus and the Excess Application Forms. If the number of Rights Shares applied for pursuant to the Excess Application Forms exceeds the number of Rights Shares which have not been taken up by the Qualifying Holders or persons to whom they have renounced their rights under the Provisional Allotment Letters, the Company shall ensure that the excess Rights Shares shall be allocated on a fair and equitable basis but without preference to topping up odd lots to whole board lots.
- (D) References to:
  - (i) “accepted” in relation to any Rights Shares means Rights Shares in respect of which the Provisional Allotment Letter relating thereto has been lodged for acceptance in accordance with the terms of the Prospectus Documents together with cheques/banker’s cashier orders for the full amount payable in respect of such Rights Shares which are honoured on first presentation and references to “accept” shall be construed accordingly; and
  - (ii) “taken up” in relation to any Rights Shares shall mean Rights Shares in respect of which the Complying Applications have been received and not otherwise rejected and references to “take up” shall be construed accordingly.
- (E) The Company undertakes with the Underwriter to use its reasonable endeavours to procure that the Registrar shall do all such acts and things as may be required to be done by them in connection with the Rights Issue and its associated transactions.
- (F) Without prejudice to the foregoing obligations, the Company undertakes with the Underwriter that it shall do all such other acts and things as may be reasonably required by the Underwriter to be done by it to carry into effect the Rights Issue in accordance with the terms thereof.

The Underwriter acknowledges that to avoid the unwitting triggering of any GO Obligation and/or the Company’s non-compliance with the Public Float Requirement, all applications for the Rights Shares by the Qualifying Holders, whether under the Provisional Allotment Letter(s) or the Excess Application Form(s), or by transferees of nil-paid Rights Shares, are

subject to the scaling-down mechanism as determined by the Company and will be made on the basis that the applications are to be scaled-down by the Company to such level which does not result in (a) any GO Obligation being triggered by those affected applicant(s) and/or group of affected applicant(s) (together with parties respectively acting in concert with him/her/it/them); and/or (b) the Company's non-compliance with the Public Float Requirement (the "**Scaling-down Mechanism**"). The Scaled-down PAL Shares and the Scaled-down EAF Shares not being applied and/or fully paid for under the Excess Application Forms will form part of the Underwritten Shares.

#### **4. UNDERWRITING**

- (A) The Company hereby agrees to appoint the Underwriter as the sole global coordinator and underwriter of the Rights Issue and the Underwriter, relying on the representations, warranties and undertakings of the Company herein, agrees to act as the sole global coordinator and underwriter of the Rights Issue upon and subject to the terms and conditions set out in this Agreement. The Company confirms that the appointment in this Clause 4(A) confers on the Underwriter all powers, authorities and discretions which are necessary for, or incidental to, the performance of its function as underwriter (including the appointment of such agents and affiliates as it in its absolute discretion determines). The Company hereby approves, confirms and ratifies the appointment by the Underwriter of any sub-agent(s) and the Company hereby approves, confirms and ratifies all actions of the Underwriter and its sub-agent(s) done on behalf of the Company as may have been lawfully done by the Underwriter and/or any such sub-agent(s) pursuant to such appointment.
- (B) The obligations of the Underwriter under this Clause 4 shall terminate if, before the latest time for acceptance, either:
- (i) the Provisional Allotment Letters in respect of all the Underwritten Shares have been lodged for acceptance (whether by the persons to whom the Underwritten Shares were provisionally allotted or by renounees of the right to accept allotment) in accordance with the terms of the Prospectus Documents, together with the cheques or banker's cashier orders which have been or are subsequently accepted by the drawee on first presentation or other remittances for the full amount payable thereunder (the Underwritten Shares comprised in the Provisional Allotment Letters which are so lodged together with such remittances are referred to in this Agreement as having been accepted); or
  - (ii) the number of Underwritten Shares applied for under the Excess Application Forms which shall have been lodged in accordance with the terms of the Prospectus Documents, together with cheques or banker's cashier orders which have been or are subsequently accepted by the drawee on first presentation or other remittances for the full amount payable in connection with such applications, is equal to or greater than the aggregate of the number of Underwritten Shares which shall not have been accepted,

and in each case, there are no Scaled-down PAL Shares or Scaled-down EAF Shares which are not fully taken up under the Excess Application Forms.

- (C) If the Excess Application Forms shall have been lodged in accordance with the terms of the Prospectus Documents, together with cheques or banker's cashier orders which are accepted by the drawee on first presentation or other remittances for the full amount payable in connection with such applications, then the Company shall accept such applications, subject to the Scaling-down Mechanism. As soon as possible after the Acceptance Date but

prior to 4:00 p.m. on the Business Day immediately following the Acceptance Date, the Company shall (after consultation with the Underwriter) reasonably determine and notify the Underwriter in writing of: (a) the aggregate number of Untaken Shares; and (b) the basis of allocation of the Rights Shares in respect of Excess Application Forms.

- (D) Subject to the provisions of this Agreement (including without limitation, the fulfilment (or waiver) of the conditions precedent set out in Clause 2(A), the full performance by the Company of its obligations under this Agreement and the Underwriter not having terminated this Agreement pursuant to Clause 10), if and to the extent that immediately before 4:00 p.m. on the Acceptance Date, there shall remain any of the Untaken Shares, then the Underwriter shall subscribe or, as agent of the Company, procure subscribers for such number of the Untaken Shares (up to the maximum number of Underwritten Shares) as may be requested by the Company on the terms as set out in this Agreement and (save as regards the time for acceptance and payment) the Prospectus Documents.
- (E) In performance of its obligations hereunder, the Underwriter shall comply fully with all relevant laws and shall not do or omit the doing of anything, which shall or might cause the Company 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 any of them of the Rights Shares are made only in compliance with all relevant securities legislation and do not require the registration of the Prospectus Documents or any of them or any other document as a prospectus or otherwise in any jurisdiction other than Hong Kong. The Underwriter shall not make or purport to make on behalf of the Company any representation or warranty not contained in the Prospectus Documents.
- (F) The Underwriter hereby undertakes with the Company that it shall, and shall ensure the sub-underwriting agent(s) (if any) appointed by it, use all reasonable endeavours to procure that each of the subscribers or purchasers of the Underwritten Shares procured by it under this Clause 4:
- (i) shall be third party independent of, not acting in concert with and not connected with the Company and its connected persons or their respective associates;
  - (ii) will not own 10% or more of the total number of Shares in issue immediately upon completion of the Rights Issue and are not otherwise being a core connected person (within the meaning of the Listing Rules) of the Company; and
  - (iii) will not, together with any party(ies) acting in concert with it, hold 30% (or such percentage which will trigger any GO Obligation under the Takeovers Code) or more of the voting rights of the Company upon completion of the Rights Issue.
- (G) The Underwriter further undertakes with the Company that it shall ensure that the Public Float Requirement remains to be fulfilled by the Company upon completion of the Rights Issue on the condition that the Company shall provide all necessary assistance and information as required to comply with the Public Float Requirement.
- (H) The Company shall use its reasonable endeavours to procure that the Registrar keep the Underwriter regularly informed of the number of Rights Shares validly accepted or applied for during the period up to 4:00 p.m. on the Acceptance Date and shall procure that the Registrar shall notify the Underwriter in writing as soon as practicable thereafter (and in any event not later than 4:00 p.m. on the Business Day immediately following the Acceptance Date) of the total number of the Rights Shares (if any) for which Complying Applications shall not have been received as at such time and date.

- (I) The Underwriter shall, subject to it having received from the Company notification to do so at or before 4:00 p.m. on the Business Day immediately following the Acceptance Date, pay or procure the payment to the Company of the Subscription Price in respect of the Underwritten Shares that it is obliged to subscribe or procure subscribers pursuant to this Agreement less the aggregate of any amount payable to it pursuant to Clause 8 by not later than 10:00 a.m. on the Settlement Date. Following payment by the Underwriter, all obligations and liabilities of the Underwriter under this Agreement shall cease.
- (J) The Underwritten Shares dealt with as provided in Clauses 4(A) and 4(I) shall be duly allotted and issued and either:
- (i) certificates in respect thereof shall be issued in such names and in such denominations as the Underwriter may reasonably require (provided that the Company receives from the Underwriter not later than 5:00 p.m. on the Settlement Day the foregoing) and the same shall be delivered to the Underwriter or as it may direct; or
  - (ii) in respect of the Underwritten Shares which the Underwriter requests the Company to deposit into CCASS (the “**CCASS Underwritten Shares**”), the Company shall credit the relevant Underwriter’s account with such CCASS Underwritten Shares (provided that the Company receives from the relevant Underwriter not later than 5:00 p.m. on the Settlement Date, such Underwriter’s CCASS stock account number and confirmation from that Underwriter that it has notified CCASS to accept the CCASS Underwritten Shares) and provide sufficient evidence or confirmation of the same to the relevant Underwriter provided that if any of the CCASS Underwritten Shares is not accepted into CCASS (the “**non-CCASS Underwritten Shares**”), certificates shall be issued in respect of the non-CCASS Underwritten Shares on the basis of (i),

in each case, by not later than 12:00 noon on the Business Day immediately following the Settlement Date.

- (K) Any transaction carried out by or on behalf of the Underwriter pursuant to the provisions of Clause 4(A) shall (unless it is itself subscribing the Rights Shares) be carried out strictly in accordance with Clause 4(J) as facilitators of the Company and the Underwriter shall not be responsible for any loss or damage to any person arising from any such transaction which is carried out in accordance with Clause 4(J) except insofar as any such loss or damage arises from the breach by the Underwriter of its obligations under this Agreement or the negligence or wilful default or omission of the Underwriter or any agent appointed by it for such purpose, or from any failure to procure that all Underwritten Shares are subscribed and paid for by the applicable time under this Agreement.
- (L) If the Underwriter shall default in complying with its obligations under Clause 4(A), the Company is hereby irrevocably authorised to treat this Agreement as an application by the Underwriter for the number of the Untaken Shares the Underwriter agrees to subscribe or procure subscriber for on and subject to the terms and conditions and on the basis of the information contained in the Prospectus Documents (other than as to the time and method of acceptance and payment) for the Underwritten Shares which have not been taken up due to the default of the Underwriter and to allot and issue the same to the Underwriter upon such terms and conditions in which event the Underwriter, shall pay to the Company forthwith the full amount in respect of the Underwritten Shares which have not been taken up by it as aforesaid less the aggregate of any amount payable to it pursuant to Clause 8

against delivery by the Company to the Underwriter (or as it may direct) of documentary evidence of entitlement to such Underwritten Shares.

- (M) The Company hereby acknowledges that in performing its functions, the Underwriter may appoint one or more sub-underwriting agents and that such agents shall be agents of the Company (except in relation to the subscription of Shares by itself as a sub-underwriter) and the Company hereby authorises and confirms that it will ratify and approve all actions taken or to be taken by such agents and the Underwriter in connection with the underwriting of the Underwritten Shares in accordance with or in anticipation of the terms of this Agreement. All fees of such agents shall be paid and borne by the Underwriter who appoints them out of the commissions, costs, charges and expenses payable by the Company to the Underwriter under Clause 8. The Underwriter may enter into any agreement with any of the agents for such purpose PROVIDED THAT the Underwriter shall remain responsible for any act or omission carried out by such agents in the performance of the Underwriter's obligations hereunder.

## **5. DELIVERY OF DOCUMENTS**

The Company shall deliver to the Underwriter the documents set out in the Schedule 1 in the form and manner as described therein.

## **6. ALLOTMENT AND ISSUE OF THE RIGHTS SHARES**

- (A) Subject to the fulfilment (or waiver) of the conditions referred to in Clause 2(A), the Company shall, on or as soon as possible on or before 6:00 p.m. on the Settlement Date, duly allot and issue (or confirm the allotment and issue of) the fully-paid Rights Shares validly accepted on acceptances of provisional allotments and/or validly applied for on the Excess Application Forms (and which application has been accepted by the Company) on the basis of one Rights Share for every two Shares held to the first registered holders of the Rights Shares and shall issue certificates for the Rights Shares to the relevant parties in accordance with the terms of the Prospectus Documents and confirm to the Underwriter that the aforesaid shall have been done or where all or part of the Rights Shares are to be deposited into a CCASS account under Clause 4(J)(ii), evidence to the reasonable satisfaction of that such documents and instructions required to effect the crediting of such Rights Shares have been signed or given, as the case may be.
- (B) Subject to the Company receiving from the Underwriter by no later than 5:00 p.m. on the Settlement Date, the CCASS stock account number of the Underwriter and confirmation from the Underwriter that it has notified CCASS to accept the relevant CCASS Underwritten Shares, the Company shall use reasonable endeavours to procure that the CCASS Underwritten Shares are admitted into CCASS in accordance with Clause 4.
- (C) In relation to the issue of 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 be required by applicable laws, rules and regulations or by the Stock Exchange.

## **7. ANNOUNCEMENTS**

Subject as required by law or by the Stock Exchange, no announcement or circular by or on behalf of the Company which is material in relation to the Rights Issue shall be made or despatched during the period from the date hereof up to and including the Settlement Date without prior approval of the Underwriter as to the contents thereof and the timing and

manner of the making or despatch thereof, such approval not to be unreasonably withheld or delayed.

## **8. FEES AND EXPENSES**

- (A) In consideration of the Underwriter's obligations under this Agreement as underwriter of the Underwritten Shares in relation to the Rights Issue, and subject to the due performance by the Underwriter of its obligations hereunder, the Company shall pay to the Underwriter an underwriting commission at the rate of two (2) per cent of the aggregate Subscription Price in respect of the number of Underwritten Shares (i.e., (i) 167,866,034 Underwritten Shares (assuming no Shares being issued or bought back by the Company on or after the date of this Agreement and on or before the Record Date other than the allotment and issue of the Subscription Shares); or (ii) 173,821,285 Underwritten Shares (assuming new Shares are allotted and issued on or before the Record Date pursuant to the Subscription and the full exercise of all vested Share Options (except for Dr. Peter Lam's Share Options) but otherwise no Shares being issued or bought back by the Company on or after the date of this Agreement and on or before the Record Date) committed to be underwritten, subscribed for or procured to be subscribed for by the Underwriter in accordance with this Agreement (regardless of whether or not the Rights Shares are taken up by the Qualifying Shareholders), but excluding sub-underwriting fees and expenses relating to sub-underwriting (if any). For avoidance of doubt, the Company will not be responsible for any fees and expenses incurred by the Underwriter or the sub-underwriter or agent other than the abovementioned underwriting commission.
- (B) The Company shall pay all reasonable costs, charges and expenses (if any) properly incurred by it, howsoever of or incidental to the Rights Issue and the arrangements hereby contemplated including financial advisory and documentation fees, printing and translation charges, capital duty, the fees of the Company's auditors, solicitors and registrar, and the fees payable to the Stock Exchange, but excluding sub-underwriting fees and expenses relating to sub-underwriting (if any).

## **9. REPRESENTATIONS AND WARRANTIES AND UNDERTAKING**

- (A) The Company (in consideration of the Underwriter agreeing to enter into this Agreement) hereby represents, warrants and undertakes to the Underwriter that, subject as provided herein and as Disclosed:
- (i) Recitals (A), (B) and (H) to this Agreement are true and accurate in all material respects and there are no rights (other than as contemplated under this Agreement and the Subscription Agreement or otherwise as disclosed in public documents issued by the Company) (whether conditional or unconditional) in existence to require the issue of any Shares or other securities of the Company now or at any time hereafter and as no further share capital or loan capital shall be issued by the Company and no alteration shall be made in the rights attached to any of the issued Shares pending the commencement of dealings in the Rights Shares;
- (ii) (a) all information supplied by or on behalf of the Company to the Underwriter or its legal advisers or the auditors to the Company in connection with the Rights Issue is and will be true, complete and accurate in all material respects and not misleading in any material respect and such documents will contain all information and particulars with regard to the subject matter thereof. All estimates, opinions, views, forecasts, intentions and projections, if any, have been prepared after due and proper consideration and are fair



and reasonable and represent expectations honestly held based on facts known to such person(s); and

- (b) all information given to the Underwriter for such purposes as aforesaid was given in good faith after reasonable enquiry and such information was when given not incorrect or misleading in any material respect and nothing has since occurred requiring the same to be amended or updated in any material respect which has not been so disclosed, amended or updated;
- (iii) all statements of fact contained or to be contained in the Announcement and the Prospectus Documents are or shall when made be true, complete and accurate in all material respects and are not or shall not be misleading in any material respect and shall not be adverse to the success of the Rights Issue and there are no facts, which are known or on reasonable enquiry could have been known to the Company and which have not been disclosed to the Underwriter and shall not be disclosed in the Prospectus Documents, the omission of which make or would make any statement in the Announcement and the Prospectus Documents misleading or inaccurate in any material respect or which in the context of the Rights Issue is material for disclosure therein. Where information has been extracted and/or reproduced from published and publicly available sources, the Company has reasonably ensured that such information is accurately produced in the Announcement and the Prospectus Documents (as the case maybe);
- (iv) the statements and the expressions of opinion, intention and expectation of the Company and the Directors contained in the Announcement and to be contained in the Prospectus Documents or in the documents referred to therein have been, or shall be, made after due and proper consideration, are fair and reasonable and based on facts known to the Company and shall not contain anything which, in the reasonable opinion of the Underwriter shall be materially adverse to the success of the Rights Issue;
- (v) the Prospectus Documents shall contain all particulars and information required to comply with all statutory provisions in Hong Kong 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 shall comply with the Companies (WUMP) Ordinance, the requirements of the Stock Exchange and all other relevant regulations in Hong Kong and the Directors are not aware that the issue of the Rights Shares shall involve any breach of or default under any agreement, trust deed or instrument to which any member of the Group is a party which are or shall be adverse to the success of the Rights Issue. The issue of the Rights Shares will be duly authorised and the Rights Shares will be allotted in accordance with, on the terms of and subject to the conditions set out in the articles of association of the Company and the Prospectus Documents;
- (vi) subject to fulfillment (or waiver) of the conditions set out in Clause 2(A), the Company has power and authority under its articles of association to, and has taken all necessary corporate or other action to enable it to, enter 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 Shareholders as may be specified in the Prospectus Documents and no other consents, actions, authorisations or approvals are necessary to enable or authorise it to do any of the aforesaid and this Agreement constitutes valid and binding obligations of the Company;

- (vii) each of the companies in the Group is duly incorporated and validly existing under the laws of its place of incorporation and has full power and authority to conduct its business as now carried on and possesses all governmental licenses, consents and approvals necessary to own its assets and to conduct its business in the manner presently conducted;
- (viii) except as has been disclosed by the Company by public announcements, press releases, reports or other documents publicly available, no reprimands, warnings, investigations, disciplinary proceedings or prosecution, by any regulatory authority, exchange, professional body or government agency, whether in Hong Kong or elsewhere, litigation, arbitration, actions, suits, disputes or proceedings involving any company in the Group and/or any Director or any of its or their properties or assets of a materially adverse nature in the context of the Group as a whole and which might be adverse to the success of the Rights Issue are in progress or are threatened or pending and there are no circumstances known to any of the companies in the Group or any of their respective directors which are likely to give rise to any such investigation, litigation or arbitration proceedings;
- (ix) the Rights Shares shall be validly allotted and issued, fully paid and free from all liens, charges, encumbrances and third-party rights, interests or claims of any nature whatsoever and shall rank pari passu in all respects among themselves and with the Shares then in issue;
- (x) the Announcement and Prospectus Documents shall contain all information with regard to the Group which is or would be material for disclosure under the Listing Rules to a potential holder of the Rights Shares to enable it to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Group and of the rights attaching to the Rights Shares;
- (xi) the Company has read and understood the Hong Kong Professional Investor Treatment Notice set out in Schedule 2 and acknowledges and agrees to the representations, waivers and consents contained in such notice, in which the expressions “you” or “your” shall mean “the Company”, and “we” or “us” or “our” shall mean the Underwriter;
- (xii) save for the Subscription Shares, the Company shall not from the date hereof until the Record Date issue any Shares or grant any share options or other securities convertible into, exchangeable for or which carry rights to acquire Shares (other than the nil-paid Rights Shares) without the approval of the Underwriter, which approval shall not be unreasonably withheld or delayed;
- (xiii) the entering into of this Agreement by the Company has been duly authorised by the Company and the obligations of the Company under this Agreement constitute legally valid and binding obligations of it and are enforceable in accordance with the terms herein and the performance by the Company of the obligations to be assumed by it under this Agreement have been duly authorized by all necessary corporate action;
- (xiv) the audited consolidated financial statement of the Group for the financial year ended 31 July 2020 (including the notes thereto) (the “**Audited Accounts**”) has been prepared by auditors who are independent reporting accountants with respect to the Company and present a true and fair view of the financial position and state

of affairs of the Group as at 31 July 2020 and of the results for the period then ended and make adequate provision for, where necessary or as appropriate, disclose all known liabilities and all capital commitments of a material nature, of the Group taken as a whole as at such date and have been prepared in accordance with and fully comply with the requirements of all relevant laws and accounting principles, standards and practices generally accepted in Hong Kong then in force, consistently applied, and that since the respective dates of such financial statements, there has been no Material Adverse Change in the condition, performance or general affairs of the Group taken as a whole, financial or otherwise. No material information was withheld from the auditors to the Company for the purposes of their preparation of the Audited Accounts and all information given to the auditors by the Company for such purposes was given in good faith and, to the best of the knowledge, information and belief of the Company after due and careful consideration, the factual contents of the Audited Accounts are true and accurate in all material respects and no material fact or matter has been omitted;

- (xv) the unaudited consolidated financial statements of the Group for six months ended 31 January 2021 (the “**Unaudited Accounts**”) have been prepared by the management of the Company and present a fair view of the financial position and state of affairs of the Group as at 31 January 2021 and of the results for the period then ended and have been prepared in accordance with and fully comply with the requirements of all relevant laws and accounting principles, standards and practices generally accepted in Hong Kong then in force, consistently applied and have been prepared in a manner consistent with the accounting policies upon which the audited accounts for the Company’s financial year ended 31 July 2020 were prepared, and that since 31 January 2021, there has been no Material Adverse Change in the condition, performance or general affairs of the Group taken as a whole, financial or otherwise. The factual contents of the Unaudited Accounts are accurate in all material respects and no material fact or matter has been omitted;
- (xvi) the audited pro forma information of the Group, which will be contained in the Prospectus, will be prepared in accordance with the applicable requirements under the Listing Rules;
- (xvii) the statements, forecasts, estimates and expressions of opinion contained in the Announcement and to be contained in the Prospectus as to prospects and working capital have been and will at the respective dates of issue thereof be made after due, careful and proper consideration, are and will at the respective dates of issue thereof be fair, reasonable and honest and represent reasonable expectations based on facts known to the Company and all statements of fact to be contained in the working capital memorandum for 12 months from the date of the Prospectus will be made after due, careful and proper consideration and will be true and accurate in all material respects and not misleading in any material respect and the Company is not aware of any circumstances now subsisting or likely to arise that are likely to cause the Company not to have adequate working capital to finance its operations and the operations of the members of the Group, in each case for a period of 12 months from the date of the Prospectus;
- (xviii) since 31 July 2020 and prior to date hereof: (i) no member of the Group has entered into any contract or commitment of an unusual or onerous nature or which could involve an obligation of a material nature or magnitude which, in the context of the Rights Issue, might be material for disclosure and each of such companies has carried on its business in the ordinary and usual course, and no member of the

Group has acquired or disposed of or agreed to acquire or dispose of any business, company or asset or assumed or acquired any liability of a material nature (including any contingent liability) other than in the ordinary and usual course of business; (ii) there has been no amendment, variation or termination of any contract to which any member of the Group is party which has had a Material Adverse Effect or which is material in the context of the Rights Issue; (iii) there has been no Material Adverse Change, nor is the Company aware of any circumstance, development or event likely to give rise to a Material Adverse Effect; and (iv) the business of the Group has been conducted in the ordinary course of business and on arm's length terms;

- (xix) no material outstanding indebtedness of any member of the Group has become payable by reason of default by any member of the Group and no event has occurred or is pending which, with the lapse of time or the fulfilment of any condition or the giving of notice or the compliance with any other formality, may result in any such indebtedness becoming so payable and all undrawn amounts under any such indebtedness are capable of drawdown and all conditions precedent to such drawdown have been met or can be met by the Company during the period covered by the working capital memorandum referred to in Clause 9(A)(xvii);
- (xx) no filing with, authorisation, approval, consent, license, order, registration, qualification or decree of, any court or regulatory or governmental authority or agency (other than the listing approval of the Rights Shares under the Rights Issue) is necessary or required for the performance by the Company of the obligations to be assumed by it under this Agreement, in connection with the execution and delivery of this Agreement by the Company, and the allotment and issue of the Rights Shares and such allotment and issue will not infringe any restriction binding upon any member of the Group or the terms of any contract or commitment whatsoever of any member of the Group nor give rise to any obligation under such contract or commitment;
- (xxi) the Company has not taken and will not take, directly or indirectly, any action designed to cause or result in stabilisation or manipulation of the price of Rights Shares;
- (xxii) the proceeds of the Rights Issue will be used in the manner set out in the Announcement and to be set out in the Prospectus;
- (xxiii) the operations of each member of the Group have been conducted in accordance with its constitutive documents and all applicable laws and regulations of all governmental or regulatory authorities having jurisdiction over such member of the Group in all material respects;
- (xxiv) no member of the Group has taken any steps to seek protection pursuant to any bankruptcy laws or laws relating to insolvency, winding-up or dissolution, nor does the Company have any knowledge or reason to believe that its creditors have initiated or intend to initiate involuntary bankruptcy, insolvency, winding-up or dissolution proceedings against any member of the Group and no member of the Group is currently in or in the process of liquidation or receivership;
- (xxv) with respect to all the previous announcements and circulars to Shareholders made in the last 12 months before the date of this Agreement, all statements of fact contained therein were, at the time the relevant announcement or circular was made,

true, accurate and complete in all material respects and not misleading in any material respect and all expressions of opinion or intention contained therein were made on reasonable grounds and were truly, reasonably and honestly held by the directors of the Company and were fairly based and there were no other facts omitted so as to make any such statement or expression in any of the previous announcements or circulars misleading in any material respect, or which would or might reasonably be expected to have been material in the context in which the previous announcements or circulars were made;

- (xxvi) there is no authorisation, consent, approval or notification (save for the listing approval of the Rights Shares under the Rights Issue) required for the purposes of or as a consequence of the Rights Issue either from governmental, regulatory or other public bodies (including, without limitation, the Stock Exchange) 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 party;
- (xxvii) the execution and delivery by or on behalf of the Company of this Agreement, the compliance by the Company with any of the provisions of this Agreement, the creation, allotment and issue of the Rights Shares, as well as the consummation of the transactions herein contemplated, will not conflict with or result in a breach or violation of its articles of association or its constitutive documents or any statute or any rule or regulation (including, without limitation, to the extent applicable, the Listing Rules or any order of any court or governmental agency or body having jurisdiction over the Group or their respective property or assets), or 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 any member of the Group is a party or is bound or to which any of the material property or assets of any member of the Group is subject;
- (xxviii) the Company is not in breach of the 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 have been duly made) in any material respect;
- (xxix) the Company has complied and will comply with all material respects the rules, regulations and other requirements applicable to the transactions contemplated by this Agreement (including rules governing restrictions on and/or disclosure of dealings). The Company has publicly disclosed all information of which it is aware that is required to be disclosed by it pursuant to the Listing Rules in connection with the Rights Issue. Save for the Rights Issue and the Subscription, no member of the Group is in possession of any non-public price sensitive information relating to the Company and/or the Shares;
- (xxx) each member of the Group is insured by licensed or registered insurers against such losses and risks and in such amounts as management of the Company believes to be prudent and customary in the businesses and jurisdictions in which the Company and the relevant subsidiary is engaged and the Company has no reason to believe that any member of the Group will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect;
- (xxxi) each member of the Group possesses all material certificates, authorisations,

licences and permits (collectively, “**Governmental Licences**”) issued by the appropriate domestic or foreign regulatory authorities necessary to conduct its business, no member of the Group has received any notice of proceedings relating to, or is aware of any circumstance which is likely to result in, the suspension, cancellation, revocation or modification of any such Governmental Licences, each member of the Group is in compliance with the terms and conditions of all such Governmental Licences, except where the failure so to comply would not singly or in the aggregate, result in a Material Adverse Effect in the context of the Rights Issue and each member of the Group is in good standing (where applicable) in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business. Nothing has been done or has been omitted to be done or is agreed by this Agreement to be done or omitted to be done which might prejudice the continuation or renewal of such Government Licences, or result in any of such Government Licences being modified, suspended or revoked;

(xxxii) all of the issued shares of the Company have been duly and validly authorised and issued and are fully paid up and are not subject to any call for the payment of further capital. All of the issued shares of each subsidiary of the Company have been duly and validly authorised and issued, are fully paid and are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims. None of the issued shares of the Group was issued in violation of any pre-emptive or other similar rights of any security holder of the Company or its subsidiary (as the case may be); and

(xxxiii) no taxation or duty (including any stamp or other issuance or transfer taxation or duty and any taxation or duty on capital gains or income, whether chargeable on a withholding basis or otherwise) is payable in connection with the creation, issue and allotment of the Rights Shares.

(B) Each of the representations and warranties contained in Clause 9(A) shall be construed separately and shall not be limited or restricted by reference to or inference from the terms of any other of the representations or warranties or any other terms of this Agreement. The representations and warranties contained in Clause 9(A) are given as at the date hereof. In addition, they shall be deemed to be repeated on the Posting Date with respect (where relevant) to the Prospectus Documents in their final form and on the Acceptance Date and the Settlement Date, in each case, with reference to the facts and circumstances then subsisting. The Company accepts that the Underwriter is entering into this Agreement in reliance on such representations and warranties. The Company shall not do or omit to do (and shall procure that no other member of the Group shall do or omit to do) any act or thing whereby any of the representations or warranties in Clause 9(A) would be untrue, incomplete or inaccurate in any material respect on the Posting Date, the Acceptance Date or the Settlement Date and the Company undertakes to notify the Underwriter of any matter or event coming to their attention prior to the despatch of the Prospectus Documents or prior to the Settlement Date which shows any representation or warranty to be or to have at any relevant time been untrue, incomplete or inaccurate in any material respect or which, had the representations and warranties contained in Clause 9(A) been repeated on each day prior to the Settlement Date, would have shown any representation or warranty to be or to have at any relevant time been untrue, incomplete or inaccurate in any material respect.

(C) If, prior to the despatch of the Prospectus Documents or prior to 4:00 p.m. on the Business Day immediately following the Acceptance Date, any matter or event comes to the attention of the Company as a result of which any representation or warranty, if repeated immediately

after the occurrence thereof, would be untrue, incomplete or inaccurate in any material respect or which would render untrue, incomplete, inaccurate in any material respect or misleading 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 Underwriter pursuant to Clause 10, the Company and the Underwriter 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, 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 written consent of the Underwriter, such consent not to be unreasonably withheld or delayed.

- (D) The undertakings, representations, warranties and indemnities provided by the Company in this Agreement shall remain in full force and effect notwithstanding completion of the Rights Issue and all matters and arrangements referred to in or contemplated by this Agreement.
- (E) The Underwriter hereby represents, warrants and undertakes to the Company that:
  - (i) it has the authority to execute this Agreement and that its execution of this Agreement will not:
    - (a) result in a breach of any provision of its articles of association; or
    - (b) result in a breach of, or constitute a default under, any instrument to which it is party or by which it or its holding company or assets are bound; or
    - (c) result in a breach of any order, judgment or decree of any court or governmental agency to which it is a party or by its assets are bound;
  - (ii) it is licensed or registered under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) for Type 1 regulated activity and its ordinary course of business includes underwriting of securities;
  - (iii) it is not a connected person of the Company; and
  - (iv) it has the necessary readily available financial resources to fulfil its obligations under its underwriting commitment under Clause 4(A) above.

## **10. TERMINATION AND FORCE MAJEURE**

- (A) The Underwriter shall have the right to terminate the arrangements set out in this Agreement by notice in writing given to the Company at any time prior to the Long Stop Date, if:
  - (i) the occurrence of the following events have or will, or is likely to, in the reasonable opinion of the Underwriter, materially and adversely affect the business, financial or the success of the Rights Issue or dealings in the Rights Issue in the secondary market, or trading position or prospects of the Group as a whole or otherwise makes it impracticable, inexpedient or inadvisable for the Company or the Underwriter to proceed with the Rights Issue on the terms and manner contemplated in the

Announcement and the Prospectus Documents:

- (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever;
  - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of this Agreement) of a political, military, financial, economic, industrial, legal, fiscal, regulatory or other nature (whether or not sui generis with any of the foregoing or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict);
  - (c) the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the London Stock Exchange, the New York Stock Exchange or any major disruption of any securities settlement or clearing services in Hong Kong or on commercial banking activities in Hong Kong, due to exceptional financial circumstances or otherwise;
  - (d) the occurrence of any change in market conditions or combination of circumstances in Hong Kong, the United States, the European Union, the United Kingdom or the PRC (including without limitation, any change in fiscal policy or money policy, or foreign exchange or currency markets, suspension or material restrict or trading in securities) which in the reasonable opinion of the Underwriter materially prejudicially affects the Rights Issue and make it impracticable, inadvisable or inexpedient to proceed therein;
- (ii) the Company's application to the Main Board of the Stock Exchange for permission for the listing of the Rights Shares (nil-paid and fully-paid) and permission to deal in the Rights Shares (nil-paid and fully-paid) on the Stock Exchange is withdrawn by the Company and/or refused by the Stock Exchange;
  - (iii) there is any Material Adverse Change or prospective adverse change in the business or in the financial or trading position or prospects of any member of the Group which in the reasonable opinion of the Underwriter acting in good faith is material in the context of the Rights Issue;
  - (iv) any matter arises or is discovered which would, if the Prospectus was to be issued at the time, constitute material omission therefrom;
  - (v) the Company commits any material breach of any of the obligations or undertakings expressed to be assumed by it under this Agreement;
  - (vi) the Underwriter shall receive notification pursuant to Clause 9(B) or shall otherwise become aware of, the fact that any of the representations or warranties contained in Clause 9(A) was, when given, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate if repeated as provided in Clause 9(B) and the Underwriter shall in its reasonable opinion determine that any such untrue representation or warranty represents or is likely to represent a material and adverse change in the business, financial or trading position or prospects of the



Group as a whole or is otherwise likely to have a material and adverse effect on the Rights Issue; or

(vii) the Company shall, after any matter or event referred to in Clause 9(C) has occurred or come to the attention of the Underwriter, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company.

(B) For the purposes of Clause 10(A)(i), but without limiting the generality of the foregoing:

(i) a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the United States of America shall be an event resulting or likely to result in a change in a currency nature; and

(ii) volatility in market conditions in Hong Kong or elsewhere on or before or after the date of this Agreement shall be a factor in determining whether there has been or there is likely to be an occurrence or change in market conditions.

(C) Upon the giving of notice pursuant to Clause 10(A), all obligations of the Underwriter and the Company hereunder shall cease and determine (save for any antecedent breaches thereof) 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 provided that Clause 11 shall remain in full force and effect.

## **11. NOTICE**

All notices delivered hereunder shall be in writing and shall be communicated to the following addresses:

If to the Company to:  
11th Floor, Lai Sun Commercial Centre  
680 Cheung Sha Wan Road  
Kowloon, Hong Kong  
Facsimile: (852) 2785 2775  
Attention: Company Secretary

If to the Underwriter to:  
22/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong  
Facsimile: (852) 2973 6741  
Attention: Equity Capital Market

Any such notice shall be served either by hand or by sending it through the post or by facsimile. Any notice shall be deemed to have been served, if served by hand, when delivered; if sent by post, the second Business Day after it is posted and if sent by facsimile, on receipt of confirmation of transmission.

## **12. SUCCESSORS AND ASSIGNS**

(A) This Agreement shall be binding on and ensure for the benefit of each party's personal representatives, successors and (where permitted) assigns.

- (B) No part of this Agreement may be assigned by any party without the prior written consent of the other party hereto.

**13. TIME OF THE ESSENCE**

Time shall be of the essence of this Agreement, both as to times, dates and periods mentioned herein and as to any times, dates or periods which may by mutual agreement in writing be substituted therefor.

**14. COUNTERPARTS**

This Agreement may be executed in one or more counterparts each of which shall be binding on each party by whom or on whose behalf it is so executed, but which together shall constitute a single instrument. For the avoidance of doubt, this Agreement shall not be binding on any part hereto unless and until it shall have been executed by or on behalf of all persons expressed to be party hereto.

**15. THIRD PARTY RIGHTS**

Unless expressly provided to the contrary in this Agreement, a third party who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce or to enjoy the benefit of any term of this Agreement. Notwithstanding any term of this Agreement, the consent of any third party who is not a party to this Agreement is not required to rescind or vary this Agreement at any time.

**16. GOVERNING LAW**

This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong and the parties hereto submit to the non-exclusive jurisdiction of the courts of Hong Kong in connection herewith.

**17. INDEMNITY AND EXCLUSION OF LIABILITY**

- (A) The Company undertakes with the Underwriter (for the Underwriter, all of its subsidiaries, branches, affiliates, directors, officers, employees, agents and its sub-underwriters (if applicable) (each an “**indemnified party**”)) that it will hold harmless and fully and effectively indemnify each of them against all actions, suits, claims (whether or not any such claim involves or results in any actions or proceedings), demands, investigations, judgment, awards and proceedings, joint or several, from time to time instituted, made or brought or threatened or alleged to be instituted, made or brought against or involving an indemnified party (“**Actions**”) and all losses, liabilities and damage suffered and all payments, expenses (including legal expenses and taxes (as well as stamp duty and any penalties and/or interest arising in respect of any taxes)), costs and charges (including, without limitation, all payments, expenses, costs or charges suffered, made or incurred arising out of, in relation to or in connection with the investigation, dispute, defence or settlement of or response to any such Actions or the enforcement of any such settlement or any judgment obtained in respect of any such Actions) which may be made or incurred or suffered by an indemnified party (except, in respect of the indemnity in favour of the Underwriter or an indemnified party, those finally judicially determined by a court of competent jurisdiction to have resulted solely from any gross negligence, wilful default or fraud on the part of the Underwriter or an indemnified party and except, in respect of the indemnity in favour of a sub-underwriter, those finally judicially determined by a court of

competent jurisdiction to have resulted solely from any gross negligence, wilful default or fraud on the part of such sub-underwriter):

- (a) which the Underwriter may suffer or incur in connection with or arising out of:
    - (a) the proper performance of its obligations under this Agreement;
    - (b) the creation or issue of the Rights Shares; or
    - (c) the issue, circulation or distribution of the Announcement or the Prospectus Documents (or any of them); or
    - (d) the implementation of the Rights Issue;
  - (b) which may be brought against or incurred by the Underwriter in connection with or arising out of:
    - (a) the issue, publication, distribution or making available of the Prospectus Documents (or any of them) or the Prospectus Documents (or any of them) not or alleged to be not containing sufficient information (which, according to the particular nature of the Group and the Rights Issue, is necessary or appropriate) to enable investors, transferors, transferees and sub-underwriters of Shares and/or Rights Shares to make an informed assessment of the activities, assets and liabilities, financial position, management, profits and losses and prospects of the Group or of the rights attaching to the Rights Shares;
    - (b) any of the Prospectus Documents being untrue, inaccurate, incomplete or misleading in any material respect or alleged to be untrue, inaccurate, incomplete or misleading in any material respect; or
    - (c) any breach of any of the representations, warranties or undertakings contained in Clause 9;
    - (d) any breach of the laws of any country or territory by the Company or other members of the Group, or resulting from the distribution of any of the Prospectus Documents or any announcements, documents, materials, communications or information whatsoever made, given, released or issued arising out of, in relation to or in connection with the Company or the Rights Issue and/or any offer, sale or distribution of the Rights Shares;
    - (e) any material failure by any of the directors of the Company to comply with their respective obligations under the Listing Rules; or
    - (f) any statement in any of the Prospectus Documents or any announcements, documents, materials, communications or information whatsoever made, given, released or issued arising out of, in relation to or in connection with the Company or the Rights Issue being or alleged to be defamatory of any person.
- (B) All amounts subject to indemnity under this Clause 17 shall be paid by the Company as and when they are incurred within 28 business days of a written notice (together with the relevant supporting documents) demanding payment being given to the Company by or on

behalf of an indemnified party.

- (C) The foregoing provisions of this Clause 17 will continue in full force and effect notwithstanding the issue of the Rights Shares.
- (D) The Company will not, without the prior written consent of the relevant indemnified party, settle or compromise or consent to the entry of any judgment with respect to any claim in respect of which a claim may be brought by that relevant indemnified party under Clause 17(A) where such indemnified party is an actual or potential party to such claim unless such settlement, compromise or consent (i) includes an unconditional release of such indemnified party from all liabilities arising out of or in connection with such claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party. The Company undertakes with each indemnified party that:
  - (i) if any taxation authority in any jurisdiction brings into any charge to taxation any sum payable under the indemnities contained in Clause 17(A), the amount so payable shall be increased by such amount as will ensure that the person to whom payment is made will retain, after deduction of the taxation so chargeable, the amount it would have retained had no such tax been payable; and
  - (ii) all sums payable under Clause 17(A) shall be paid in full, free and clear of all deductions or withholdings, unless the deduction or withholding is required by law, in which event the Company shall pay such additional amount as will be required to ensure that the person to whom payment is made will receive the net amount equal to the full amount which would have been received by it had no such deduction or withholding been made.
- (E) Notwithstanding any exclusion and limitation of liability of any professional adviser in its arrangement letter with the Company (the “**Limitation on Liability**”), if the Underwriter incurs any liability with such professional adviser to the Company or to any other person for whatever reason (whether or not under law, the arrangement letter or this Agreement), the Company shall:
  - (i) not be entitled to recover any amount from the Underwriter, which in the absence of the Limitation on Liability, the Company or the Underwriter would have been entitled to recover;
  - (ii) indemnify the Underwriter in respect of any increased cost or liability to any third party which would not have arisen in the absence of the Limitation on Liability; and
  - (iii) take such other action as the Underwriter may require to ensure that the Underwriter is not prejudiced as a consequence of the Limitation on Liability.

For the purposes of this Clause 17(E) only, “Underwriter” shall be construed to include the Underwriter and its subsidiaries and holding companies and nominees and their respective directors, officers, employees and agents.

- (F) The Company and the Underwriter acknowledge and agree that:
  - (i) the underwriting contemplated under this Agreement is an arm’s-length commercial transaction between the Company and the Underwriter;

- (ii) in connection with such underwriting and with the process leading to such underwriting, the Underwriter is not acting as an agent (in relation to the obligation to take up Shares itself pursuant to such underwriting only) or a fiduciary of the Company;
  - (iii) no indemnified party will be responsible to the Company or any other person responsible for the Prospectus Documents for verifying the accuracy or fairness of the contents of the Prospectus Documents or any other information published by the Company in connection with the Rights Issue; and
  - (iv) neither the Underwriter nor any other indemnified party has assumed any advisory or fiduciary responsibility in favour of the Company with respect to the underwriting contemplated under this Agreement, the Rights Issue or the process leading thereto or any other obligations to the Company.
- (G) The Company acknowledges that the Underwriter and its respective affiliates are engaged in investment business and conduct many different financial, banking, securities and other activities for their own account and for clients. As such, the Underwriter or a company with whom it has an association may from time to time have interests which conflict with its clients' interests or with the duties that it owes to its clients. These include conflicts arising between the interests of the Underwriter, its associates and employees on the one hand and the interests of its clients on the other and also conflicts between clients. In certain circumstances these interests may be regarded as conflicting with the interests of the Company in relation to a particular transaction, or they may have some other material interest in such transaction (each a "**Material Interest**"). The Company acknowledges and accepts, so as to override any duty or restriction which would otherwise be implied by law, that the Underwriter and its affiliates may have a Material Interest and that employees or affiliates responsible for providing the services under this Agreement may be doing so despite the existence of a Material Interest.
- (H) The Company acknowledges and accepts that: (i) other parts of the Underwriter (together with its subsidiaries and affiliates) (the "**Underwriter's Group**") or any of its other divisions or teams may have interests or duties which conflict with the Company's interests and which would or might otherwise conflict with the duties owed by the Underwriter to the Company; (ii) the Underwriter agreeing to provide services to the Company does not require any other member of the Underwriter's Group or any of its other divisions or teams to restrict its activities in any way nor to provide the Company or the Underwriter or the division or team advising the Company with any information whatsoever about, or derived from, those activities nor, in most cases, does it create any obligation to advise the Company of any conflict of interest which exists or may arise; (iii) in acting for the Company the Underwriter will not be required to disclose to the Company, nor to make use for the Company's benefit of, any information known to the Underwriter or any individual acting on its behalf which (a) belongs to or is confidential to another client or (b) belongs to or is confidential to any of its affiliates or (c) belongs to or is confidential to the Underwriter and relates to some other part of its business; (iv) although some directors and employees of its affiliates are members of its board of directors and/or are involved in its management structure or prudential controls, they are bound by equivalent duties of confidentiality and so do not make available to the Underwriter any confidential information derived from their other activities in the Underwriter's Group; and (v) subject to relevant rules and regulations, the Underwriter reserves the right to deal with or otherwise engage the services of its affiliates and the Underwriter (and other members of the Underwriter's Group) will, without liability to account, remain entitled to retain any benefit resulting from such

engagement or provision of service of any kind.

- (I) The Company acknowledges and accepts that, by reason of contractual, legal, regulatory or other obligations, the Underwriter and its respective affiliates may be prohibited from disclosing, or it may be inappropriate for them to disclose, information to the Company, in particular about a Material Interest.
- (J) The Underwriter hereby advises the Company (and it acknowledges receipt of such advice), pursuant to the obligation under paragraph 5.6 of the Corporate Finance Adviser Code of Conduct produced by the SFC as may be amended or replaced from time to time, that where information and representations are provided by the Company for incorporation in a public document or submission to the SFC and/or the Stock Exchange, the Company should take all reasonable steps to ensure that the information and representations provided are true, accurate, complete and not misleading, and that no material information or facts have been omitted or withheld.

## **18. RESTRICTION ON DEALINGS**

- (A) The Company undertakes to the Underwriter that for the period from the date of this Agreement and ending on the date which is 90 days from the Long Stop Date, the Company shall not (except for the Rights Shares and the Subscription Shares):
  - (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares (except for the allotment or issue of Shares upon exercise of the outstanding Share Options);
  - (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in Clause 18(A)(i); or
  - (iii) announce any intention to enter into or effect any such transaction described in Clause 18(A)(i) or 18(A)(ii)

unless with the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed).

## **19. SUB-UNDERWRITING**

Subject to any applicable law and regulation, the Underwriter shall be at liberty to sub-underwrite its underwriting obligations under this Agreement upon such terms and conditions as it deems fit. The Underwriter shall be responsible for all acts and matters done by the sub-underwriters appointed by it.

## **20. SEVERABILITY**

If any provision of this Agreement is or is held to be invalid or unenforceable, then so far as it is invalid or unenforceable it has no effect and is deemed not to be included in this Agreement. This shall not invalidate any of the remaining provisions of this Agreement. The parties shall use all reasonable endeavours to replace any invalid or unenforceable provision by a valid provision the effect of which is as close as possible to the intended

effect of the invalid or unenforceable provision.

## **SCHEDULE 1**

### **List of Delivery Documents**

1. The Company shall deliver to the Underwriter within five Business Days immediately following the execution of this Agreement (or otherwise as the Underwriter may agree), (i) a certified copy of the articles of association of the Company; (ii) a certified copy of the resolution of the Board approving and authorising the issue of the Announcement and the execution of this Agreement; and (iii) a certified copy of the resolution of the board of directors of LSG approving and authorising the execution of the Irrevocable Undertaking and the performance of its obligations thereunder.
  
2. The Company shall deliver to the Underwriter not later than 9:00 p.m. on the Business Day immediately before the Posting Date (or otherwise as the Underwriter may agree),
  - (i) a certified copy of the resolution of the Board (or of the duly authorised committee of the Board) approving the bulk-printing and posting of the Prospectus Documents or the Prospectus only to the Excluded Shareholders and the provisional Rights Shares (and, if the said resolution is of such a committee, a certified copy of the resolution of the board of Directors appointing such committee (if not previously delivered to the Underwriter));
  - (ii) a certified copy of the certificate of authorization issued by the Stock Exchange for registration of the Prospectus Documents with the Registrar of Companies in Hong Kong;
  - (iii) a certified copy of the letter from the Registrar of Companies in Hong Kong confirming the registration of the Prospectus;
  - (iv) an original certificate as to the accuracy of the Chinese translation of the Prospectus Documents into the Chinese language for the purpose of Rule 9.22(c) of the Listing Rules given by the relevant translator thereof together with a certificate issued by the Company as to the competency of such translator;
  - (v) a certified copy of the letter from HKSCC confirming that the nil-paid Rights Shares have been admitted as eligible securities in CCASS;
  - (vi) a certified copy of the signed application made by the Company for the listing of and permission to deal in the Rights Shares (nil-paid and fully-paid) (Form C1) on the Stock Exchange, together with a copy of the confirmation received from the Stock Exchange approving the application for the listing and granting permission to list and deal in the Rights Shares (nil-paid and fully paid) on the Stock Exchange;
  - (vii) the Prospectus Documents, duly signed on behalf of the Company by a director duly authorised by the Board;
  - (viii) the Verification Notes duly signed (1) (a) by a director or an authorised representative for and on behalf of the Company and (b) by or on behalf of each director of the Company and (2) by all other persons referred to as being responsible in the Verification Notes;
  - (ix) an original certificate duly signed by an authorised officer of the Company in the agreed form and addressed to the Underwriter and dated the Posting Date, confirming there is no material breach of any representation, warranty and undertakings of the



Company;

- (x) certified copies of the responsibility letter and statement of interest addressed to the Company and the power of attorney (if any) and each signed by each director of the Company;
  - (xi) an original signed letter from the Board addressed to the Underwriter and dated the Posting Date, confirming the statement of indebtedness and other financial information contained in the Prospectus (in such form and substance to the reasonable satisfaction to the Underwriter) and a certified copy of any report (including the working capital report) prepared by the Board in relation to such letter;
  - (xii) a certified copy of the comfort letter from Ernst & Young, auditors to the Company, addressed to the Company and dated the Posting Date in relation to the statement of sufficiency of working capital in compliance with the requirements of the Listing Rules and in such form and substance to the reasonable satisfaction to the Underwriter;
  - (xiii) a certified copy of the comfort letter from Ernst & Young, auditors to the Company, addressed to the Company and dated the Posting Date in relation to pro forma net tangible assets, in compliance with the requirements of the Listing Rules and in such form and substance to the reasonable satisfaction to the Underwriter;
  - (xiv) an original signed legal opinion dated the Posting Date from Robertsons, the legal adviser of the Company as to Hong Kong laws, addressed to the Company and the Underwriter in relation to this Agreement and the Rights Issue (in such form and substance to the reasonable satisfaction of the Underwriter and customary to the market practice);
  - (xv) certified copies of the letters dated the Posting Date referred to in the paragraph headed “Expert and Consents” or similar heading in the Prospectus, containing consents from the experts, inter alia, to the issue of the Prospectus with the inclusion of references to their respective names and where relevant, their reports and letters in the form and context in which they are included; and
  - (xvi) a certified copy of each of the material contracts (if any) to be referred to in the Prospectus (other than this Agreement).
3. The Company shall deliver to the Underwriter on the Business Day immediately following the allotment of the Rights Shares pursuant to Clause 6(A) (or otherwise as the Underwriter may agree), a certified copy of the resolution of the Board (or of the duly authorised committee of the Board) approving the basis of allotment of the Rights Shares and the confirmation of the allotment and issue of the Rights Shares (and, if the said resolution is of such a committee, a certified copy of the resolution of the Board appointing such committee (if not previously delivered to the Underwriter)).
4. Prior to 8:00 a.m. on the date of commencement of trading of the Rights Shares, the Company shall deliver to the Underwriter the signed original certificate by the Company, in the agreed form and addressed to the Underwriter which shall cover, inter alia, the truth and accuracy of the representations and warranties of the Company contained in this Agreement, satisfaction (unless waived by the Underwriter) of all conditions precedents under Clause 2 and absence of any termination events under Clause 10.

## SCHEDULE 2

### PROFESSIONAL INVESTOR TREATMENT NOTICE

#### PART A – INSTITUTIONAL INVESTOR TREATMENT NOTICE

1. You are a Professional Investor by reason of your being within a category of person described in paragraphs (a) to (i) of the definition of “professional investor” in Part 1 of Schedule 1 to the SFO and any subsidiary legislation thereunder (“**Institutional Professional Investor**”).
2. Since you are an Institutional Professional Investor, we are automatically exempt from certain requirements under the Code of Conduct for Persons Licensed by or Registered with the SFC (the “**Code**”), we have no regulatory responsibility to do but may in fact do some or all of the following in providing services to you:
  - 2.1 Information about clients
    - (i) establish your financial situation, investment experience and investment objectives, except where we are providing advice on corporate finance work;
    - (ii) ensure that a recommendation or solicitation is suitable for you in the light of your financial situation, investment experience and investment objectives;
    - (iii) assess your knowledge of derivatives and characterize you based on your knowledge of derivatives;
  - 2.2 Client agreement
    - (i) enter into a written agreement complying with the Code in relation to the services that are to be provided to you and provide you with the relevant risk disclosure statements;
  - 2.3 Information for client
    - (i) disclose related information to you in respect of the transactions contemplated under this Agreement;
    - (ii) inform you about their business or the identity and status of employees and others acting on their behalf with whom you will have contact;
    - (iii) promptly confirm the essential features of a transaction after effecting a transaction for you;
    - (iv) provide you with documentation on the NASDAQ – Amex Pilot Program (the “**Program**”), if you wish to deal through the Stock Exchange in securities admitted to trading on the Program;
  - 2.4 Discretionary accounts
    - (i) obtain from you an authority in written form prior to effecting transactions

for you without your specific authority; and

(ii) explain the authority described under paragraph 2.4(i) and confirm it on an annual basis.

3. You agree and acknowledge that we will not provide you with any contract notes, statements of account or receipts under the Hong Kong Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules (Chapter 571Q of the Laws of Hong Kong) where such would otherwise be required.

## PART B – CORPORATE PROFESSIONAL INVESTOR TREATMENT NOTICE

1. You are a Professional Investor by reason of your being within a category of person described in sections 3, 4, 6 and 7 of the Securities and Futures (Professional Investor) Rules (Chapter 571D of the Laws of Hong Kong) (“**Professional Investor Rules**”) (“**Corporate Professional Investor**”).

1.1 The following persons are Corporate Professional Investors under Sections 4, 6 and 7 of the Professional Investor Rules:

(i) Trust corporations

A trust corporation having been entrusted under one or more trusts of which it acts as a trustee with total assets of not less than \$40 million at the relevant date or as ascertained in accordance with section 8.

(ii) Corporations

(A) A corporation having—

(I) a portfolio of not less than \$8 million; or

(II) total assets of not less than \$40 million,

at the relevant date or as ascertained in accordance with clause 1.4 below;

(B) a corporation which, at the relevant date, has as its principal business the holding of investments and is wholly owned by any one or more of the following persons:

(I) a trust corporation specified in (i) above;

(II) an individual specified in paragraph 1.2 below;

(III) a corporation specified in this paragraph or paragraph (a);

(IV) a partnership specified in section 1.1(iii);

(V) a professional investor within the meaning of paragraph (a), (d), (e), (f), (g) or (h) of the definition of *professional investor* in section 1 of Part 1 of Schedule 1 to the Ordinance; or

(C) a corporation which, at the relevant date, wholly owns a corporation referred to in paragraph 1.1(ii)(A) above.

(iii) Partnerships

A partnership having:

(A) a portfolio of not less than \$8 million; or

(B) total assets of not less than \$40 million,

at the relevant date or as ascertained in accordance with paragraph 1.4 below.

1.2 An individual specified for the purposes of paragraph 1.1 above, is an individual having a portfolio of not less than \$8 million at the relevant date or as ascertained in accordance with section 8, when any one or more of the following are taken into account:

- (i) a portfolio on the individual's own account;
- (ii) a portfolio on a joint account with the individual's associate;
- (iii) the individual's share of a portfolio on a joint account with one or more persons other than the individual's associate;
- (iv) a portfolio of a corporation which, at the relevant date, has as its principal business the holding of investments and is wholly owned by the individual.

1.3 For the purposes of paragraph 1.2(iii), an individual's share of a portfolio on a joint account with one or more persons other than the individual's associate is—

- (i) the individual's share of the portfolio as specified in a written agreement among the account holders; or
- (ii) in the absence of an agreement referred to in paragraph 1.3(i), an equal share of the portfolio.

1.4 For the purposes of ascertaining total assets or portfolio of Corporate Professional Investors in paragraph 1.1 above, the total assets entrusted to a trust corporation, the portfolio of an individual as referred to in paragraph 1.2 above, or the portfolio or total assets of a corporation or partnership, are to be ascertained by referring to any one or more of the following—

- (i) for a trust corporation, corporation or partnership, the most recent audited financial statement prepared within 16 months before the relevant date in respect of the trust corporation (or a trust of which it acts as a trustee), corporation or partnership;
- (ii) for a trust corporation, individual, corporation or partnership, any one or more of the following documents issued or submitted within 12 months before the relevant date:
  - (A) a statement of account or a certificate issued by a custodian;
  - (B) a certificate issued by an auditor or a certified public accountant;
  - (C) a public filing submitted by or on behalf of the trust corporation (whether on its own behalf or in respect of a trust of which it acts as a trustee), individual, corporation or partnership.

2. We have made an assessment on you in accordance with Paragraph 15.3A of the Code

(“CPI Assessment”) and concluded that:

- (a) You fall within the definition of “professional investor” as set out in paragraph 1 above and satisfy the criteria under the CPI Assessment. In particular that you have the appropriate corporate structure and investment process and controls, the person/s responsible for making investment decisions on behalf of you has/have sufficient investment background, and you are aware of the risks involved in relation to the relevant products and/or markets to be invested in under this Agreement.

**OR**

- (b) You fall within the definition of “professional investor” as set out in paragraph 1 above but do not satisfy the criteria under the CPI Assessment.

- 3. Where paragraph 2(a) is applicable, you consent to being treated as a Corporate Professional Investor, understand the risks and consequences of consenting to being treated as a Corporate Professional Investor and agree that we have no regulatory responsibility to do but may in fact do some or all of the following in providing services to you:

3.1 Information about clients

- (i) establish your financial situation, investment experience and investment objectives, except where the we are providing advice on corporate finance work;
- (ii) ensure that a recommendation or solicitation is suitable for you in the light of your financial situation, investment experience and investment objectives;
- (iii) assess your knowledge of derivatives and characterize you based on your knowledge of derivatives;

3.2 Client agreement

- (i) enter into a written agreement complying with the Code in relation to the services that are to be provided to you and provide you with the relevant risk disclosure statements;

3.3 Information for client

- (i) disclose related information to you in respect of the transactions contemplated under this Agreement;
- (ii) inform you about their business or the identity and status of employees and others acting on their behalf with whom you will have contact;
- (iii) promptly confirm the essential features of a transaction after effecting a transaction for you;
- (iv) provide you with documentation on the NASDAQ – Amex Pilot Program (the “**Program**”), if you wish to deal through the Stock Exchange in securities admitted to trading on the Program;

- 3.4 Discretionary accounts
- (i) obtain from you an authority in written form prior to effecting transactions for you without your specific authority; and
  - (ii) explain the authority described under paragraph 3.4(i) and confirm it on an annual basis.
4. Where paragraph 2(b) is applicable, you consent to being treated as a Professional Investor, understand the risks and consequences of consenting to being treated as a Professional Investor and agree that we have no regulatory responsibility to do but may in fact do some or all of the following in providing services to you:
- 4.1 Information for client
- (i) disclose related information to you in respect of the transactions contemplated under this Agreement;
  - (ii) inform you about their business or the identity and status of employees and others acting on their behalf with whom you will have contact;
  - (iii) promptly confirm the essential features of a transaction after effecting a transaction for you; and
  - (iv) provide you with documentation on the Program, if you wish to deal through the Stock Exchange in securities admitted to trading on the Program.
5. You have the right to withdraw from being treated as a Corporate Professional Investor at any time in respect of all or any investment products or markets by giving a written notice to us.
6. You agree and acknowledge that we will not provide you with any contract notes, statements of account or receipts under the Hong Kong Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules (Chapter 571Q of the Laws of Hong Kong) where such would otherwise be required.

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

SIGNED by CHEW FOOK AUN

for and on behalf of

**LAI SUN DEVELOPMENT COMPANY LIMITED**

in the presence of:

)  
)  
)  
)  
)  
)  
)

  
CHEW Fook Aun



**Wei Wei**



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

SIGNED by Ho, Kenneth Shiu Pong )  
 )  
for and on behalf of )  
**HAITONG INTERNATIONAL SECURITIES** )  
**COMPANY LIMITED** )  
 )  
in the presence of: Ryan Lee )

A handwritten signature in blue ink, appearing to be 'K. Ho', is written over the closing parentheses of the signature block.

**Annexure A**

**Draft Announcement**

**Dated 7 September 2021**

**LAI SUN DEVELOPMENT COMPANY LIMITED**

**AND**

**HAITONG INTERNATIONAL SECURITIES COMPANY LIMITED**

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**SUPPLEMENTAL AGREEMENT**  
**in relation to**  
**THE UNDERWRITING AGREEMENT**  
**DATED 12 AUGUST 2021**

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**THIS AGREEMENT** is made on 7<sup>th</sup> day of September 2021

**BETWEEN:**

- (1) **LAI SUN DEVELOPMENT COMPANY LIMITED**, a company incorporated in Hong Kong whose registered office is at 11<sup>th</sup> Floor, Lai Sun Commercial Centre, 680 Cheung Sha Wan Road, Kowloon, Hong Kong (the “**Company**”); and
- (2) **HAITONG INTERNATIONAL SECURITIES COMPANY LIMITED**, a company incorporated in Hong Kong whose registered office is at 22/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong (the “**Underwriter**”).

(the Company and the Underwriter are each referred to herein as a “**Party**”, and collectively, as the “**Parties**”).

**WHEREAS:**

- (A) The Company and the Underwriter have entered into an underwriting agreement dated 12 August 2021 (the “**Underwriting Agreement**”) pursuant to which the Underwriter has agreed to underwrite up to 167,866,034 Rights Shares, being the minimum total number of Rights Shares issuable, or up to 173,821,285 Rights Shares, being the maximum total number of Rights Shares issuable, on the terms and subject to the conditions set out in the Underwriting Agreement.
- (B) As at the date of the Agreement, the Company has a total number of 645,923,925 Shares.
- (C) To the knowledge of the directors of the Company based on publicly available information, as at the date of the Agreement, the public float of the Company is 20.65%.
- (D) The Parties have agreed to amend certain sections of the Underwriting Agreement as per the amendments set out in this supplemental agreement (the “**Agreement**”).

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

**1 DEFINITIONS AND INTERPRETATION**

- 1.1 Capitalised terms used in this Agreement, including the recitals, shall have meanings ascribed to it under the Underwriting Agreement unless otherwise provided or the context otherwise requires.

**2 AMENDMENT**

- 2.1 Recital (C) of the Underwriting Agreement shall be replaced and substituted by the following in its entirety:

*“The Company proposes to offer, subject to the fulfilment (or waiver) of the conditions in Clause 2, not less than 322,961,962 Rights Shares and not more than 328,917,213 Rights Shares for subscription by way of rights on the basis of one Rights Share for every two existing Shares held on the Record Date, to the Qualifying Holders at the Subscription Price, payable in full on acceptance and otherwise on the terms and subject to the conditions set out in this Agreement and the Prospectus Documents.”*

- 2.2 Recital (F) of the Underwriting Agreement shall be replaced and substituted by the following in its entirety:

*“The Underwriter has agreed to underwrite the issue of the Underwritten Shares on the terms and subject to the conditions hereinafter contained, pursuant to which, it has agreed to underwrite the issue of (i) not more than 150,948,584 Underwritten Shares (assuming no Shares being issued or bought back by the Company on or after the date of this Agreement and on or before the Record Date other than the allotment and issue of the Subscription Shares); and (ii) not more than 156,903,835 Underwritten Shares (assuming new Shares are allotted and issued on or before the Record Date upon the full exercise of all outstanding Share Options (except for Dr. Peter Lam’s Share Options) but otherwise no Shares being issued or bought back by the Company on or after the date of this Agreement and on or before the Record Date.”*

2.3 The following definition be inserted in Section 1(A) of the Underwriting Agreement after the definition of “Subscription Agreement”:

|                                    |   |
|------------------------------------|---|
| <b>“Subscription Announcement”</b> | <i>the joint announcement of the Company and LSG dated 27 August 2021 regarding the entering into of the supplemental agreement to the Subscription Agreement for revising certain terms thereto;</i> |
|------------------------------------|---|

2.4 The following definitions in Section 1(A) of the Underwriting Agreement shall be replaced and substituted by the following in its entirety and the revised meanings shall be applied to the entire Underwriting Agreement:

|                          |  |
|--------------------------|--|
| <b>“Acceptance Date”</b> | <i>27 September 2021 or such later date as the Underwriter may agree in writing with the Company as the date for acceptance of, and payment of, the Rights Shares and application for the excess Rights Shares;</i>  |
| <b>“Long Stop Date”</b>  | <i>4:00 p.m. on 28 September 2021 (or such later date as the Underwriter and the Company may agree in writing);</i>  |
| <b>“Posting Date”</b>    | <i>10 September 2021 or such other date as the Underwriter may agree in writing with the Company for the despatch of the Prospectus Documents;</i>   |
| <b>“Record Date”</b>     | <i>7 September 2021 or such other date as the Underwriter may agree in writing with the Company for the determination of the entitlements under the Rights Issue;</i>  |
| <b>“Rights Shares”</b>   | <i>not less than 322,961,962 new Shares (assuming no new Share being issued and no Share being bought back by the Company on or after the date of this Agreement and on or before the Record Date other than the allotment and issue of the Subscription Shares) and not more than 328,917,213 new Shares (assuming new Shares are allotted and issued on or before the Record Date upon full exercise of all vested Share Options (except for Dr. Peter Lam’s Share Options) but otherwise no new Share being issued and/or bought back by the Company on or after the date of this Agreement and on or before the Record Date) proposed to be offered to the Qualifying Holders for subscription by way of rights on the basis of one new Share for every two existing Shares in issue</i> |

|                                 |            |   |
|---------------------------------|------------|---|
|                                 |            | <i>on the Record Date on the terms and subject to the conditions set out in this Agreement and the Prospectus Documents;</i>  |
| <b>“Scaled-down Shares”</b>     | <b>EAF</b> | <i>such number of Rights Shares applied for as excess application under the Excess Application Form(s) which would, if allotted by the Company, result in either the triggering of a GO Obligation on the part of the applicant or the further non-compliance with the Public Float Requirement on the part of the Company since the date of the Subscription Announcement;</i>   |
| <b>“Scaled-down Shares”</b>     | <b>PAL</b> | <i>such number of Rights Shares applied for under the Provisional Allotment Letter(s) which would, if allotted by the Company, result in either the triggering of a GO Obligation on the part of the applicant or the further non-compliance with the Public Float Requirement on the part of the Company since the date of the Subscription Announcement;</i>  |
| <b>“Subscription Agreement”</b> |            | <i>the subscription agreement dated 12 August 2021 as supplemented by a deed of variation dated 27 August 2021 entered into among the Company, the subscriber and the manager in relation to the subscription;</i>  |
| <b>“Subscription Shares”</b>    |            | <i>33,834,900 Shares, representing approximately 5.24% of the total number of issued Shares immediately after the completion of the subscription and to be issued to the Subscriber by the Company under the Subscription Agreement;</i>  |
| <b>“Underwritten Shares”</b>    |            | <i>up to 150,948,584 Rights Shares (assuming no Shares being issued or bought back by the Company on or after the date of this Agreement and on or before the Record Date) or up to 156,903,835 Rights Shares (assuming new Shares are allotted and issued on or before the Record Date upon the full exercise of all outstanding Share Options (except for Dr. Peter Lam’s Share Options) but otherwise no Shares being issued or bought back by the Company on or after the date of this Agreement and on or before the Record Date) to be underwritten by the Underwriter pursuant to the terms and conditions under this Agreement; and</i> |

2.5 Section 3(F) of the Underwriting Agreement shall be replaced and substituted by the following in its entirety:

*“Without prejudice to the foregoing obligations, the Company undertakes with the Underwriter that it shall do all such other acts and things as may be reasonably required by the Underwriter to be done by it to carry into effect the Rights Issue in accordance with the terms thereof.*

*The Underwriter acknowledges that to avoid the unwitting triggering of any GO Obligation and/or the Company’s further non-compliance with the Public Float*

*Requirement since the date of the Subscription Announcement, all applications for the Rights Shares by the Qualifying Holders, whether under the Provisional Allotment Letter(s) or the Excess Application Form(s), or by transferees of nil-paid Rights Shares, are subject to the scaling-down mechanism as determined by the Company and will be made on the basis that the applications are to be scaled-down by the Company to such level which does not result in (a) any GO Obligation being triggered by those affected applicant(s) and/or group of affected applicant(s) (together with parties respectively acting in concert with him/her/it/them) and/or (b) the Company's further non-compliance with the Public Float Requirement since the date of the Subscription Announcement (the "Scaling-down Mechanism"). The Scaled-down PAL Shares and the Scaled-down EAF Shares not being applied and/or fully paid for under the Excess Application Forms will form part of the Underwritten Shares."*

- 2.6 Section 4(G) of the Underwriting Agreement shall be replaced and substituted by the following in its entirety:

*"In order to avoid the Company's further non-compliance with the Public Float Requirement since the date of the Subscription Announcement, the Company shall provide all necessary assistance and information to the Underwriter as required to avoid further non-compliance with the Public Float Requirement."*

- 2.7 Section 8(A) of the Underwriting Agreement shall be replaced and substituted by the following in its entirety:

*"In consideration of the Underwriter's obligations under this Agreement as underwriter of the Underwritten Shares in relation to the Rights Issue, and subject to the due performance by the Underwriter of its obligations hereunder, the Company shall pay to the Underwriter an underwriting commission at the rate of two (2) per cent of the aggregate Subscription Price in respect of the number of Underwritten Shares (i.e., (i) 150,948,584 Underwritten Shares (assuming no Shares being issued or bought back by the Company on or after the date of this Agreement and on or before the Record Date); or (ii) 156,903,835 Underwritten Shares (assuming new Shares are allotted and issued on or before the Record Date upon the full exercise of all outstanding Share Options (except for Dr. Peter Lam's Share Options) but otherwise no Shares being issued or bought back by the Company on or after the date of this Agreement and on or before the Record Date) committed to be underwritten, subscribed for or procured to be subscribed for by the Underwriter in accordance with this Agreement (regardless of whether or not the Rights Shares are taken up by the Qualifying Holders), but excluding sub-underwriting fees and expenses relating to sub-underwriting (if any). For avoidance of doubt, the Company will not be responsible for any fees and expenses incurred by the Underwriter or the sub-underwriter or agent other than the abovementioned underwriting commission."*

### 3 MISCELLANEOUS

- 3.1 Save and to the extent as amended, modified or supplemented by this Agreement, all the terms and conditions of the Underwriting Agreement shall remain in full force and effect.
- 3.2 Each of the Parties confirms and represents that this Agreement has been duly authorised, executed and delivered by it and constitutes its legal, valid and binding obligations and is enforceable against it in accordance with its terms.
- 3.3 If any provision of this Agreement is or is held to be invalid or unenforceable, then so far as it is invalid or unenforceable it has no effect and is deemed not to be included in this

Agreement. This shall not invalidate any of the remaining provisions of this Agreement. The parties shall use all reasonable endeavours to replace any invalid or unenforceable provision by a valid provision the effect of which is as close as possible to the intended effect of the invalid or unenforceable provision.

- 3.4 This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong and the parties hereto submit to the non-exclusive jurisdiction of the courts of Hong Kong in connection herewith.
- 3.5 This Agreement may be executed in one or more counterparts each of which shall be binding on each party by whom or on whose behalf it is so executed, but which together shall constitute a single instrument. For the avoidance of doubt, this Agreement shall not be binding on any part hereto unless and until it shall have been executed by or on behalf of all persons expressed to be party hereto.
- 3.6 Unless expressly provided to the contrary in this Agreement, a third party who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce or to enjoy the benefit of any term of this Agreement. Notwithstanding any term of this Agreement, the consent of any third party who is not a party to this Agreement is not required to rescind or vary this Agreement at any time.



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

SIGNED by LAU SHU YAN, JULIUS  
for and on behalf of  
LAI SUN DEVELOPMENT COMPANY LIMITED

in the presence of:

)  
)  
)   
)  
) Lau Shu Yan, Julius

  
**Wei Wei**

