

DATE: 11 January 2023

**ADD NEW ENERGY INVESTMENT HOLDINGS GROUP LIMITED
(as Company)**

and

**HONGFA HOLDINGS LIMITED
(as Underwriter)**

UNDERWRITING AGREEMENT

**relating to a rights issue of
87,588,332 Rights Shares
of HKD0.002 each in
Add New Energy Investment Holdings Group Limited
at HKD1.14 per share payable in full on application
(in the proportion of 1 Rights Share
for every 3 Consolidated Shares held)**

THIS AGREEMENT is dated the 11th day of January, 2023

BETWEEN:

- (1) **Add New Energy Investment Holdings Group Limited**, a company incorporated in the Cayman Islands and having its registered office at Windward 3 Regatta Office Park P.O. Box 1350 Grand Cayman KY1-1108 Cayman Islands and having its principal place of business in Hong Kong at Suite 3105, 31/F Tower 6, The Gateway Harbour City, 9 Canton Road Tsim Sha Tsui, Kowloon Hong Kong (the “**Company**”); and
- (2) **Hongfa Holdings Limited**, a company incorporated in the British Virgin Islands with limited liability and having its registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands and wholly and beneficially owned by Mr. Li Yunde, the chairman of the Board, an executive Director and a controlling shareholder of the Company (the “**Underwriter**”).

WHEREAS:

- (A) The Company is a company incorporated in the Cayman Islands whose securities are listed on the Stock Exchange having an authorized share capital of HKD30,000,000 divided into 15,000,000,000 ordinary shares of HKD0.002 each, of which the Existing Shares have been issued and are fully paid or credited as fully-paid.
- (B) The Company does not have any outstanding share options, warrants or convertible securities.
- (C) The Company proposes to offer, subject to the fulfillment of the conditions in Clause 2.1, by way of rights a total of 87,588,332 Rights Shares to the Qualifying Shareholders on the basis of 1 Rights Share for every 3 Consolidated Shares held on the Record Date at the Subscription Price, payable in full on acceptance and otherwise on the terms and subject to the conditions set out in this Agreement, the Offset Agreement, the Placing Agreement and the Prospectus Documents.
- (D) The Underwriter has agreed to underwrite any unsold Unsubscribed Rights Shares up to 50,791,988 Rights Shares under the Unsubscribed Arrangements pursuant to the terms of this Agreement.
- (E) Listing Application will be made to the Stock Exchange to grant (subject to allotment) the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms.

NOW IT IS HEREBY AGREED as follows:

1. **DEFINITIONS**

1.1 In this Agreement including the Recitals hereto, unless the context requires otherwise, the following expressions shall have the following meanings:

“All Five Capital”	All Five Capital Ltd., a company incorporated in the BVI with limited liability, which in turn beneficially holds 18,050,000 Existing Shares, and is wholly and beneficially owned by Mr. Lang;
“Announcement”	the announcement to be made by the Company concerning, among others, the Rights Issue, the Placing, this Agreement, the Offset Agreement and/or the Whitewash Waiver substantially in the form of the draft annexed hereto marked “A”;
“Board”	the board of directors of the Company or a duly authorized committee thereof;
“Business Day”	any day (other than a Saturday, Sunday, public holidays and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hosted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours;
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;
“Circular”	the circular to the Shareholders, which will have annexed thereto the Notice, proposed to be despatched to the Shareholders on the Circular Despatch Date in the agreed form;
“Circular Despatch Date”	1 February 2023 or such other date as the Underwriter may agree with the Company;
“Closure Date”	4:30 p.m. on or about 28 February 2023 or such other date and/or other time as the Underwriter may agree with the Company as the latest date for the lodging of any transfer form in respect of the Shares in order for a transferee to be registered as a member on the Record Date;
“Companies Laws”	the Companies Law, Cap. 22 (Laws of 1961, as consolidated and revised) of the Cayman

	Islands;
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“connected persons”	has the meaning ascribed to this term under the Listing Rules;
“Consolidated Shares”	the ordinary share(s) of par value of HK\$0.04 each in the share capital of the Company immediately after the Share Consolidation becoming effective;
“C(WUMP)O”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);
“Directors”	directors of the Company;
“EGM”	the extraordinary general meeting of the Company to be held on 22 February 2023 for the purpose, inter alia, considering and approving the Rights Issue, the Placing, this Agreement, the Offset Agreement and the Whitewash Waiver;
“Existing Shares”	the 5,255,299,920 existing ordinary Shares in issue at the date hereof;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of Hong Kong of the People’s Republic of China;
“HKD” and “cent(s)”	Hong Kong dollar(s) and cent(s), the lawful currency of Hong Kong;
“Independent Shareholders”	Shareholders who are not required to abstain from voting in favour of the Rights Issue, the Placing, this Agreement, the Offset Agreement and the Whitewash Waiver at the EGM under the Listing Rules;
“Independent Third Party(ies)”	third party(ies) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, are

	independent of and not acting in concert or connected with the Company and its connected persons or any of their respective associates;
“Irrevocable Undertakings”	letter of irrevocable undertakings executed by each of Mr. Li, the Underwriter, Mr. Geng and Mr. Lang in favour of the Company;
“Latest Time for Acceptance”	4:00 p.m. on 22 March 2023 or such later time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of the offer of Rights Shares as described in the Prospectus;
“Latest Time for Termination”	4:00 p.m. on 30 March 2023, being the second Business Day after the Latest Time for Acceptance or such other time as may be agreed between the Company and the Underwriter;
“Listing Application”	an application to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Management Accounts”	the unaudited accounts of the Company and the consolidated unaudited accounts for the Group for the 6 months ended 30 June 2022;
“Mr. Geng”	Mr. Geng Guohua, an executive Director and the chief executive officer of the Company
“Mr. Lang”	Mr. Lang Weiguo, an executive Director of the Company
“Mr. Li”	Mr. Li Yunde, the chairman of the Board, an executive Director and a controlling shareholder of the Company;
“Nil-paid Rights”	the nil-paid rights of Shareholders to be allotted Rights Shares pursuant to the Rights Issue;
“Non-Qualifying Shareholders”	those Overseas Shareholder(s) whom the Directors, based on legal opinions provided

	by the Company's legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place;
"Novi"	Novi Holdings Limited, a company incorporated in the BVI with limited liability, which in turn beneficially holds 650,000 Existing Shares, and is wholly and beneficially owned by Mr. Lang;
"Notice"	the notice of EGM contained in the Circular in the agreed form;
"Offset"	the offset of the part amount of subscription monies payable by Mr. Li and the Underwriter for the Rights Shares to which they are entitled to and/or are required to subscribe for (if any) under the Rights Issue and this Agreement respectively, against the equivalent amount of the Shareholder's Loans thereon on a dollar-to-dollar basis on the completion date of the Rights Issue;
"Overseas Shareholder(s)"	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong;
"Placing"	the placing of a maximum of 87,588,332 Unsubscribed Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agents(s) to the Placees on the terms and conditions of the Placing Agreement;
"Placing Agent"	Red Sun Capital Limited, a corporation licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the placing agent appointed by the Company;

“Placing Agreement”	the placing agreement dated 11 January 2023 and entered into between the Company and the Placing Agent in respect of the Unsubscribed Arrangements, pursuant to which the Placing Agent has agreed to procure places on a best effort basis to subscribe for the Unsubscribed Rights Shares;
“Placing End Date”	4:00 p.m. on 29 March 2023 or such later time as may be agreed between the Company and the Underwriter, being the latest time for Placing the Unsubscribed Rights Shares;
“Prospectus”	the Rights Issue prospectus expected to be dated on or about 8 March 2023 or such later time as may be agreed between the Company, the Underwriter in the agreed form;
“Prospectus Documents”	the Prospectus and the Provisional Allotment Letter;
“Prospectus Posting Date”	on or about 8 March 2023 or such later date as the Underwriter may agree in writing with the Company;
“Provisional Allotment Letter”	the provisional allotment letter to be used in connection with the Rights Issue in the agreed form;
“Qualifying Shareholders”	shareholders whose names appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders;
“Record Date”	on or about 7 March 2023 or such other date as may be agreed between the Company and the Underwriter;
“Rights Issue”	the issue by way of rights of the Rights Shares on terms and subject to the conditions as set out in this Agreement and as more particularly described in the Prospectus;
“Rights Shares”	up to 87,588,332 new Shares proposed to be offered to the Qualifying Shareholders by way of rights on the terms set out in this Agreement and in the Prospectus Documents;

“Registrars”	Tricor Investor Services Limited, the Company’s branch share registrar and transfer office in Hong Kong, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong;
“Offset Agreement”	the agreement entered into between the Company, Mr. Li and the Underwriter pursuant to which, there to be a offset of the part amount of subscription monies payable by Mr. Li and the Underwriter for the Rights Shares to which they are entitled to and/or are required to subscribe for (if any) under the Rights Issue and this Agreement, respectively, against the equivalent amount of the Shareholders’ Loans thereon on a dollar-to-dollar basis on the completion date of the Rights Issue;
“Share(s)”	ordinary share(s) of HKD0.002 each in the share capital of the Company;
“Share Consolidation”	the proposed consolidation of every twenty (20) Existing Shares of par value of HK\$0.002 each into one (1) Consolidated Share of par value of HK\$0.04 each in the share capital of the Company;
“Shareholders”	holders of Shares;
“Shareholders’ Loans”	the shareholders’ loans in the total principal amount of approximately HK\$61.2 million advanced by, directly or indirectly, Mr. Li to the Company and the Underwriter to the Company;
“Specified Event”	an event occurring or matter arising on or after the date hereof and prior to the Latest Time for Termination which if it had occurred or arisen before the date hereof would have rendered any of the warranties contained in Clause 11.1 untrue or incorrect in any material respect;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the issue price of HKD1.14 per Rights Share at which the Rights Shares are proposed to be offered for subscription;

“subsidiary”	has the same meaning as in section 15 of the Companies Ordinance;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers;
“Underwritten Shares”	up to 50,791,988 Rights Shares to be underwritten by the Underwriter pursuant to the terms of this Agreement;
“Unsubscribed Arrangements”	arrangements to place the Unsubscribed Rights Shares by the Placing Agent on a best effort basis to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties pursuant to Rule 7.21(1)(b) of the Listing Rules;
“Unsubscribed Rights Share(s)”	Rights Shares that are not subscribed by the Qualifying Shareholders and Rights Shares which would otherwise have been allotted to the Non-Qualifying Shareholders which cannot be sold at a net premium (nil-paid) as set out in Clause 5.2 (as the case may be);
“Verification Notes”	the verification notes to be prepared by Cheung & Choy, the legal advisers of the Company, in the agreed form relating to the Prospectus; and
“Whitewash Waiver”	a waiver in respect of the obligation of the Underwriter to make a mandatory general offer to the Shareholders in respect of the Shares not already owned or agreed to be acquired by the Underwriter and the parties acting in concert with it as a result of the underwriting of the Rights Shares in accordance with Note 1 on dispensations from Rule 26 of the Takeovers Code.

1.2 References to the singular number include the plural and vice versa and references to one gender include every gender.

1.3 Any reference to a document being “in the agreed form” means in such form as may following the date hereof be agreed between the Company and the Underwriter.

1.4 References to Clauses, Recitals and Schedules are to clauses of and recitals and schedules to this Agreement.

2. **CONDITIONS**

2.1 This Agreement is conditional upon:

- (a) the passing by the Independent Shareholders at the EGM of (i) ordinary resolutions to approve the Rights Issue, the Placing, this Agreement, the Offset Agreement and the transactions contemplated thereunder (more than 50% of the Independent Shareholders at the EGM by way of poll); and (ii) a special resolution to approve the Whitewash Waiver (at least 75% of the Independent Shareholders at the EGM by way of poll), in accordance with the Listing Rules and the Takeovers Code by no later than the Prospectus Posting Date;
- (b) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Rights Shares by no later than the first day of their dealings;
- (c) compliance with and performance of all the undertakings and obligations of the Company in all material respects under this Agreement and all representations and warranties thereunder remain to be true and accurate in all material respects;
- (d) compliance by the Company with all its obligations under this Agreement in respect of its delivery of documents to the Underwriter under Clauses 4.1, 4.2, 8.1 and 8.2;
- (e) the delivery to the Stock Exchange, filing and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorized in writing) as having been approved by resolution of the Directors in compliance with section 342C of the C(WUMP)O (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and otherwise in compliance with the Listing Rules and the C(WUMP)O;
- (f) the posting of the Prospectus Documents to the Qualifying Shareholders by the Prospectus Posting Date and the posting of the Prospectus and a letter in the agreed form to the Non-Qualifying Shareholders, if any, for information purposes only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (g) the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any of his delegate(s) granting the Whitewash Waiver to the Underwriter and the satisfaction of all conditions (if any) attached to the Whitewash Waiver granted;
- (h) the obligations of the Underwriter becoming unconditional and that this Agreement is not terminated in accordance with its terms;

- (i) there being no Specified Event occurring on or before the Latest Time for Termination; and
- (j) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect
- (k) the Irrevocable Undertakings with, inter alia, each of Mr. Li, the Underwriter, Mr. Geng and Mr. Lang has irrevocably and unconditionally undertaken to the Company, among other things:
 - (i) Mr. Li will subscribe for 2,034,300 Rights Shares, and will procure the Underwriter to subscribe for 34,135,644 Rights Shares which comprise the full acceptance of their provisional entitlement in respect of the 108,509,833 Consolidated Shares beneficially held by Mr. Li and the Underwriter under the Rights Issue;
 - (ii) Mr. Geng will subscribe for 314,733 Rights Shares which comprise the full acceptance of the provisional entitlement in respect of the 944,200 Consolidated Shares beneficially held by Mr. Geng under the Rights Issue;
 - (iii) Mr. Lang will procure Novi and All Five Capital to subscribe for 311,667 Rights Shares in aggregate and which comprise the full acceptance of their provisional entitlement in respect of the 935,000 Consolidated Shares beneficially held by Mr. Lang under the Rights Issue;
 - (iv) Mr. Li, the Underwriter, Mr. Geng and Mr. Lang will not, and will procure companies controlled by them (including the Underwriter, Novi and All Five Capital) not to, dispose of any of Consolidated Shares comprising the current shareholding in the Company owned by each of them, and such Consolidated Shares will remain beneficially owned by each of them from the date of the Irrevocable Undertakings up to and including the date of completion of the Rights Issue.

2.2 The Company shall use its best endeavours to procure the fulfillment of the conditions set out in Clause 2.1 by the Latest Time for Termination and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary or reasonably requested by the Underwriter in connection with the listing of the Rights Shares.

2.3 The Company shall make application to the Stock Exchange for the listing of and permission to deal in all the Rights Shares, in their nil-paid and fully-paid forms by no later than the Prospectus Posting Date.

2.4 Save for Clause 2.1(c) which can be waived by the Underwriter, none of the conditions as set out in Clause 2.1 can be waived. If the conditions referred to in Clause 2.1 are not satisfied in whole or in part by the Underwriter by the Latest Time for Termination or such

later date or dates as the Underwriter may agree with the Company in writing, this Agreement shall terminate and (save in respect of any provisions of Clause 9 or Clause 13 and any rights or obligations which may accrue under this Agreement prior to such termination) no party will have any claim against any other party for costs, damages, compensation or otherwise, save that all such costs, fees and other out-of-pocket expenses (including legal fee incurred by the Underwriter) as may have been properly incurred by the Underwriter in connection with the proposed Rights Issue, the Placing, the Offset Agreement, this Agreement and/or the Whitewash Waiver or otherwise in connection with the arrangements contemplated by this Agreement shall be borne by the Company absolutely.

3. **PUBLICATION OF THE ANNOUNCEMENT AND DESPATCH OF THE NOTICE AND THE CIRCULAR**

3.1 Subject to approval by the Stock Exchange, the Company shall deliver the Announcement to the Underwriter and arrange for the Announcement to be published in the website of the Stock Exchange of Hong Kong Limited on or about 11 January 2023.

3.2 Not later than the Circular Despatch Date, the Company shall use its best endeavours to procure the posting of the Circular and the Notice to Shareholders whose names appear on the register of members on the latest practicable date prior to the date of posting. The Company shall deliver to the Underwriter a certified copy of the resolution of the Board approving the Circular and the Notice and authorizing the despatch thereof as soon as reasonably practicable.

4. **PROVISIONAL ALLOTMENT OF RIGHTS SHARES AND PLACING OF UNSUBSCRIBED RIGHTS SHARES**

4.1 Subject to fulfillment of the conditions specified in Clause 2.1(a), on or before the Prospectus Posting Date:

- (a) the Company shall, by resolution of the Board, provisionally allot (subject to condition (b) contained in Clause 2.1 and on and subject to the terms and conditions contained in the Circular and the Prospectus Documents) the Rights Shares to the Qualifying Shareholders in the proportion of one (1) Rights Share for every three (3) Consolidated Shares held on the Record Date, provided however that fractions of Rights Shares shall not be provisionally allotted to the Qualifying Shareholders, and the Company shall offer the Rights Shares to the Qualifying Shareholders at the Subscription Price by posting the Prospectus Documents (with the Provisional Allotment Letters duly completed) to such holders not later than the Prospectus Posting Date, on the basis that payment for the Rights Shares will be made in full on acceptance no later than the Latest Time for Acceptance and shall by no later than the close of business on the Prospectus Posting Date advise the Underwriter of the Rights Shares which have been so allotted; and
- (b) the Company shall, following the issue of a certificate of authorization of registration under Section 342C of the C(WUMP)O, procure a copy of the Prospectus Documents (duly signed by or on behalf of each Director) be filed and registered with the Registrar of Companies in Hong Kong.

4.2 Prior to the despatch of the Prospectus Documents, the Company shall deliver to the Underwriter:

- (a) the Verification Notes relating to the Prospectus duly signed by or on behalf of the Directors;
- (b) letters from the auditors of the Company addressed to the Company reporting on the working capital of the Group, confirming the indebtedness statement and other financial information contained in the Prospectus and consenting to the issue of the Prospectus with the inclusion of their names and the references thereto in the form and context in which they are included.

4.3 The Company shall procure that the Placing Agent to place to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties the Rights Shares representing:

- (a) any Rights Shares for which Provisional Allotment Letters (accompanied by the appropriate remittances which are honoured on first or, at the discretion of the Underwriter, subsequent presentation and otherwise in compliance with the procedure for acceptance as described in the Prospectus Documents) have not been lodged prior to the Latest Time for Acceptance; and
- (b) any Rights Shares provisionally allotted to a nominee of the Company but which cannot be sold at a net premium (nil-paid) as set out in Clause 5.2.

4.4 The Rights Shares, when issued and fully paid, shall rank pari passu in all respects with the Shares in issue on the date of allotment of the Rights Shares, including the right to receive all dividends and distributions which may be declared, made or paid on or after such date.

4.5 The Rights Shares provisionally allotted but not accepted and Rights Shares provisionally allotted to a nominee of the Company pursuant to Clause 5.2, but which cannot be sold at a net premium (nil-paid) as mentioned in Clause 5.2 shall also be made available for Placing by the Placing Agent pursuant to the Placing Agreement.

4.6 The Company shall use its best endeavours to ensure that the Placing pursuant to Placing Agreement are properly processed and dealt with in accordance with the terms of the Prospectus and the Placing Agreement.

4.7 The Company shall use its best endeavours to procure the Registrars to do all such acts and things as may be required to be done by them in connection with the Rights Issue, the Placing, this Agreement, the Offset Agreement and/or the Whitewash Waiver and its associated transactions.

4.8 Without prejudice to the foregoing obligations, the Company undertakes with the Underwriter that it will do all such other acts and things as may be required to be done by the Underwriter to carry into effect the Rights Issue, the Placing, this Agreement, the Offset agreement and/or the Whitewash Waiver in accordance with the terms of this Agreement.

5. NON-QUALIFYING SHAREHOLDERS AND FRACTIONAL ENTITLEMENTS

5.1 The Company shall, on or within two Business Days after the Prospectus Documents are posted to Shareholders, post copies of a letter to the Non-Qualifying Shareholders, in such form as may be agreed between the Company and the Underwriter, explaining the circumstances in which they are not permitted to participate in the Rights Issue, and enclosing a copy of the Prospectus stamped "For Information Only".

5.2 The Company shall provisionally allot the Rights Shares which represent the entitlements of the Non-Qualifying Shareholders, if any, to a nominee of the Company in nil-paid form and the Company shall procure that such nominee shall endeavour to sell the Nil-paid Rights as soon as practicable after dealings in Nil-paid Rights commence and in any event before the Latest Time for Acceptance at a net premium (nil-paid). If and to the extent that such Nil-paid Rights can be sold, the nominee shall account to the Company for the net proceeds of sale (after deducting the expenses of sale, if any), on the basis that the net proceeds after deducting the expenses if sale (if any) attributable to the sale of the Rights Shares that would otherwise have been allotted to the Non-Qualifying Shareholders shall be distributed pro rata (but rounded down to the nearest cent) to the Non-Qualifying Shareholders provided that individual amounts of HKD100 or less shall be retained by the Company for its own benefit. Any of such Nil-paid Rights which are not sold as aforesaid will be made available for Placing by the Placing Agent pursuant to the Placing Agreement in accordance with Clauses 4.3.

6. UNDERWRITING OBLIGATIONS

6.1 Subject to the provisions of this Agreement, if and to the extent that at the Placing End Date, there shall remain any of the Underwritten Shares (including any Rights Shares falling within the provisions of Clause 5.2) in respect of which valid acceptances of provisional allotments, accompanied by remittances for the relevant amounts payable on acceptance or application, have not by then been received on acceptances of provisional allotments (all of which said applications the Company irrevocably undertakes with the Underwriter to accept before calling upon the Underwriter to perform his obligations imposed by this Clause 6.1) which have not been successfully placed out by the Placing Agent, then the Underwriter shall subscribe for the same up to 50,791,988 Rights Shares on the terms of the Prospectus Documents, save as regards the time for acceptance and payment, and shall pay or procure to be paid to the Company the amount due on acceptance in respect thereof, subject to and in accordance with the provisions of Clauses 6.3 and 6.4. The underwriter's obligation under this Clause 6 shall terminate, before the Latest Time for Acceptance or Placing End Date (as the case may be), if:

- (a) Provisional Allotment Letters in respect of all the Underwritten Shares (including any Rights Shares falling within the provisions of Clause 5.2) have been lodged for acceptance (whether by the persons to whom the Underwritten Shares were provisionally allotted or by renounces of the right to accept allotment) in accordance with the terms of the Prospectus Documents, together with cheques or bankers' cashier orders or other remittances for the full amount payable thereunder which are honoured on first or, at the discretion of the Underwriter, subsequent presentation (the Underwritten Shares comprised in Provisional Allotment Letters which are so lodged together with such remittances are herein referred to as having been "accepted" (as defined below)); or

- (b) All Unsubscribed Rights Shares have been successfully placed out by the Placing Agent.

References to "*accepted*" in relation to any Rights Shares shall mean Rights Shares in respect of which the Provisional Allotment Letters relating thereto have been lodged for acceptance (whether by the persons to whom such Rights Shares were provisionally allotted or by the renounces of the right to accept allotment) 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. References to "*placed*" in relation to any Rights Shares shall mean Rights Shares in respect of which was successfully placed by the Placing Agent in accordance with the terms of the Prospectus and the Placing Agreement and references to "*place*" shall be construed accordingly. References to "*taken up*" in relation to any Rights Shares shall mean Rights Shares which have been accepted and placed in accordance with the terms of the Prospectus Documents and the Placing Agreement and references to "*take up*" shall be construed accordingly.

6.2 If, by the Latest Time for Acceptance, any of the Underwritten Shares have not been accepted, the Company shall as soon as practicable thereafter and in any event before 10:00 a.m. on the second Business Day after the Latest Time for Acceptance notify or procure the Registrars on behalf of the Company to notify the Underwriter in writing of the number of Underwritten Shares not accepted.

6.3 If by the Placing End Date, any of the Unsubscribed Rights Shares have not been successfully placed by the Placing Agent, the Company shall as soon as practicable thereafter and in any event before 10:00 a.m. on the second Business Day after the Placing End Date notify or procure the Registrars on behalf of the Company to notify the Underwriter in writing of the number of Underwritten Shares not taken up and the Underwriter shall subscribe or procure subscription on the terms of the Prospectus Documents (so far as the same are applicable) for such Underwritten Shares not taken up not later than 12:00 noon on the second Business Day after (but not including) the date of receipt by the Underwriter of the notification referred to above.

6.4 The Underwriter shall, not later than 12:00 noon on the third Business Day after (but not including) the date of receipt of the notification by the Underwriter referred to above, pay or procure payment to the Company by way of bankers' draft or cashier's order drawn on a bank in Hong Kong of the aggregate Subscription Price in respect of the Underwritten Shares for which it is obliged to subscribe or procure subscription in accordance with Clause 6.3. Immediately upon receipt by the Company of the aggregate Subscription Price as aforesaid, all obligations and liabilities of the relevant Underwriter under this Agreement will cease. The Company shall either:-

- (a) arrange for delivery to the Underwriter or its respective nominee(s) of share certificates in respect of the fully paid Underwritten Shares for which the Underwriter has subscribed or procured subscription in such names and in such denominations as the Underwriter may respectively require at the same time as share certificates are despatched generally to persons who have taken up Rights Shares; or

- (b) where the Underwriter has designated an investor participant or CCASS participant stock account for deposit of all or part of the Rights Shares (“CCASS Underwritten Shares”), delivery to the Underwriter evidence to the satisfaction of the Underwriter that such documents and instructions required to effect the crediting of such CCASS Underwritten Shares have been signed or given, as the case may be. If any of such CCASS Underwritten Shares are not accepted into CCASS on the Closure Date, certificates shall be issued in respect of such Shares on the basis of Clause 6.4 (a).

6.5 If the Underwriter shall default in complying with its obligations under Clauses 6.3 and 6.4, the Company shall be entitled (and is hereby irrevocably authorized) to treat this Agreement as an application by the Underwriter for the Underwritten Shares which have not been taken up on the terms of the Prospectus Documents (so far as the same are applicable) and to allot and issue the same to the Underwriter and register the same in the name of the Underwriter and payment therefore at the aggregate Subscription Price less any amounts payable to the Underwriter for its account pursuant to Clause 9.1 shall be made by the Underwriter forthwith. The Company shall deliver to the Underwriter (or as it may direct) documentary evidence of entitlement to the Underwritten Shares reasonably satisfactory to the Underwriter.

7. DELIVERY OF DOCUMENTS

7.1 The Company shall forthwith on execution of this Agreement deliver to the Underwriter:-

- (a) one copy of the Announcement approved by the meeting referred to in (b) below;
- (b) one copy of the Placing Agreement; and
- (c) one copy (certified by the Director) of the minutes of a meeting of the Board approving the Announcement, authorising the signing by the Company of this Agreement and the publication of the Announcement and approving the Listing Application and authorising that it be lodged with the Stock Exchange.

7.2 The Company shall on or before the Prospectus Posting Date deliver to the Underwriter:-

- (a) one copy (certified by the Director) of the minutes of a meeting of the Board approving the Rights Issue, the Placing, this Agreement, the Offset Agreement and the transactions contemplated thereunder and the Prospectus Documents and authorising the despatch of the Prospectus Documents;
- (b) one copy of each of the Prospectus Documents, certified by a Director to have been duly posted to the Qualifying Shareholders;
- (c) one copy of each of the Prospectus and letter, certified by a Director to have been duly posted to the Non-Qualifying Shareholders (if any); and

(d) evidence satisfactory to the Underwriter of the satisfaction of the conditions contained in Clause 2.1.

8. ALLOTMENT AND ISSUE OF THE RIGHTS SHARES

8.1 Subject to the fulfilment of the conditions referred to in Clause 2.1, the Company shall, on or as soon as practicable after the Placing End Date, duly allot and issue (or confirm the allotment and issue of) the Rights Shares validly accepted or validly applied for on acceptances of provisional allotments or successfully placed by the Placing Agent and shall issue certificates for the Rights Shares to the respective subscribers in accordance with the terms of the Prospectus Documents and confirm to the Underwriter (with a certified copy of all relevant minutes of a meeting of the Board) that the aforesaid shall have been done or where all or part of the Rights Shares are to be deposited into a CCASS account, evidence to the satisfaction of the Underwriter that such documents and instructions required to effect the crediting of such Rights Shares have been signed or given, as the case may be.

8.2 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 and by the Stock Exchange.

9. FEES AND EXPENSES AND FINANCIAL ADVISORY SERVICES

9.1 In consideration of the Underwriter's obligations under this Agreement to underwrite the Underwritten Shares, the Company shall by not later than the date of dispatch of the share certificates in respect of the Rights Shares make the payments for all costs, fees and expenses (including legal fee) incurred by the Underwriter in connection with the Rights Issue, the Placing, the Offset Agreement and this Agreement and/or the Whitewash Waiver or otherwise in connection with the arrangements contemplated by this Agreement.

9.2 Payment of the amounts referred to in Clause 9.1 shall be made whether or not Underwriter's obligations under this Agreement become unconditional or are terminated pursuant to Clause 14.

9.3 The amounts payable pursuant to Clause 9.1 may be withheld by the Underwriter from any payment to be made by the Underwriter to the Company pursuant to Clause 6. In the event of the Underwriter not being called upon to subscribe pursuant to Clause 6.3 and/or the amount of the subscription moneys payable by the Underwriter being less than the full amount due to the Underwriter, the amounts payable pursuant to Clause 9.1, or the balance thereof, shall be due and payable as soon as reasonably practicable and in any event not later than five Business Days after the Latest Time for Acceptance or such other date as may be agreed between the Company and the Underwriter.

9.4 The Company shall bear its own legal fees, accountancy and other professional fees, the Registrars' fees, the cost of printing the Announcement, the Circular and the Prospectus Documents and all other costs, charges and expenses relating to the issue of the Rights Shares and associated transactions (including, without limitation, all fees payable to the Stock Exchange in connection with the listing of the Rights Shares and capital duty (if any) payable on the issue of its share capital). The Company shall forthwith upon request by the Underwriter

reimburse the Underwriter for any such expenses as are referred to above which it may have paid or incurred on behalf of the Company.

10. ANNOUNCEMENTS

10.1 Save as expressly required hereunder or as otherwise required by the Stock Exchange or the Securities and Futures Commission, no public announcement or communication to Shareholders or to the Stock Exchange concerning the Company and/or under its subsidiaries which is material in relation to the Rights Issue, the Placing, this Agreement, the Offset Agreement and/or the Whitewash Waiver shall be made or despatched by the Company between the date hereof and, if all the Underwritten Shares are taken up, the Latest Time for Acceptance or, in any other case, the time at which the Underwriter are obliged to make payment under Clause 6, without prior written approval from the Underwriter and the Company as to the content, timing and manner of making or dispatch thereof.

11. REPRESENTATIONS WARRANTIES AND UNDERTAKINGS

11.1 The Company represents and warrant to and undertake with the Underwriter in following terms:

- (a) the facts stated in the Recitals to this Agreement are true and accurate in all material respects;
- (b) so far as it is aware no circumstances exist which may prejudice the success of the Listing Application;
- (c) all statement of fact contained or to be contained in the Announcement or in the Circular or in the Prospectus Documents (including in particular the section headed “Reasons for and benefits of the Rights Issue, the Offset, this Agreement and Intended Use of Proceeds”) are and will at the date of issue thereof be true and accurate in all material respects and not misleading and all expressions of opinion intention and expectation expressed therein (including ,in particular the section headed “Reasons for and benefits of the Rights Issue, the Offset, this Agreement and Intended Use of Proceeds”) are and will be fair and made after due and careful consideration;
- (d) there will be no information not disclosed in the Prospectus Documents (i) the omission of which makes any statement therein misleading or which, in the context of the issue of the Rights Shares, might be material for disclosure therein or (ii) which is necessary to enable investors to make an informed assessment of the activities assets and liabilities, financial position management profits and losses and prospects of the Company and of the rights attaching to the Rights Shares;
- (e) the audited consolidated balance sheet of the Group as at 31 December 2021 (the “**Last Audited Accounts Closing Date**”), the audited consolidated profit and loss account of the Group for the financial year ended on such date (including the notes thereto) were prepared in accordance with the applicable law and on a basis consistent with that adopted in preparing the audited accounts for the previous two financial periods in accordance with accounting principles, standards and

practices generally accepted in Hong Kong so as to give (except to the extent (if any) disclosed therein) a true and fair view of the state of affairs of the Group as at the relevant dates and the profit or loss of the Group for the relevant financial periods save for the disclaimer of opinion as stated by the auditors for the annual report for the year ended 31 December 2021. The Management Accounts were prepared in accordance with the applicable law and on basis consistent with that adopted in preparing the audited accounts for the previous two financial periods in accordance with accounting principles, standards and practices generally accepted in Hong Kong and there has been no material adverse change in the financial or trading position of the Company or any of its subsidiaries since the date to which the Management Accounts were made up;

- (f) the returns for taxation purposes, which ought to have been made by or in respect of each of the companies in the Group in Hong Kong and any other part of the world have been duly made and there are no circumstances known to any company in the Group or any of their respective directors, after making due and careful enquiry, which might be the occasion of any such dispute which is material and such returns are in all material respects up to date, correct and on a proper basis and not the subject of any material dispute with the relevant revenue or other appropriate authorities;
- (g) there are existing valid policies of insurance against all liabilities, risks and losses against which it is normal or prudent to insure in respect of all property and assets owned by and all businesses carried on by the companies in the Group and nothing has been done or has been omitted to be done whereby any of the said policies has or may become void or is likely to be avoided;
- (h) the statements, forecasts, estimates and expressions of opinion contained in the Announcement and to be contained in the Circular or the Prospectus have been and will at the respective dates of issue thereof be made after due and proper consideration, are and will at the respective dates of issue thereof be fair honest and represent reasonable expectations based on facts known to the Company and/or the Directors or any of them;
- (i) all information necessary for the purpose of, or in the course of preparation of the Announcement, the Circular and the Prospectus and the replies to the Verification Notes or which ought reasonably to have been disclosed or made available by the Company or the Directors was so disclosed or made available to the Underwriter or its legal advisers fully, fairly and accurately and the replies to the Verification Notes (which will be prepared or approved by persons by having appropriate knowledge and responsibility to enable them properly to provide such replies) given by the Company and the Directors will be true, accurate and complete in all material respects and will contain all material information and particulars with regard to the subject matter thereof;
- (j) each of the companies in the Group is duly incorporated in and under the laws of its place of incorporation and has full power and authority to conduct its business as now carried on and obtained such authorisations and licences (if any) as are required under the provisions of any applicable law in connection with the

operation of its business and owning and/or occupying its properties and the Company is not aware of any material breach by any member of the Group of the provisions of any ordinance, statute or regulation governing such authorisations or licences nor of any reason why any such authorisation or licence should be withdrawn or cancelled;

- (k) during the two (2)-year period prior to the date of the Prospectus, no member of the Group has entered into any contract or commitment which is not in the ordinary course of its business and which is of an unusual or onerous nature which, in the context of the Rights Issue, the Placing, and/or the Whitewash Waiver under this Agreement, might be material for disclosure and each member of the Group has carried on its business in the ordinary and usual course and has complied in all material respects with and obtained such authorisations, consents and licences (if any) as are required under the provisions of all relevant ordinances, statutes, rules, regulations and codes of conduct and guidelines to which the Group is subject in connection with the operation of its business and neither the Company nor any of the Directors is aware of any significant breach by any member of the Group of the provisions of any ordinance, statute or regulations governing such authorisations and/or consents and/or such licences or of any reason why any such authorisation, consent or licence should be withdrawn or cancelled or any conditions attached thereto adversely altered and in particular, but without limitation, none of the members of the Group is in breach in any material respect of any provision of any ordinance, statute or regulations relating to the subject of environmental protection and/or pollution control;
- (l) except as will be disclosed in the Prospectus, neither the Company nor any of its subsidiaries is engaged in any litigation, arbitration, prosecution or other legal proceeding of material importance nor is there any such proceeding pending or threatened against the Company or any of its subsidiaries, nor is there any claim or fact likely to give rise to any claim which in any such case may have or has had a significant effect on the financial position of the Company and its subsidiaries taken as a whole or which is material in the context of the Rights Issue, the Placing, this Agreement, the Offset Agreement and/or the Whitewash Waiver;
- (m) each member of the Group has within the requisite time limits duly made all returns, given all notices and supplied all other information required to be supplied to the Inland Revenue Department of Hong Kong or any other competent taxation authority in any part of the world which is material in the context of the Rights Issue and all such information, returns and notices were up-to-date and accurate in all material respects and made on a proper basis and are not the subject of any dispute with the relevant authorities and so far as the Company is aware after all reasonable enquiries there are no present circumstances known to any member of the Group likely to give rise to any such dispute;
- (n) save as will be disclosed in the Circular and the Prospectus or otherwise published by means of press announcement prior to or on the Prospectus Posting Date, no acquisition has been or will be undertaken by any member of the Group which is required to be notified to the shareholders of the Company under the Listing Rules

prior to or on the Prospectus Posting Date;

- (o) except as will be disclosed in the prospectus or as has been disclosed by the Company by public announcement and/or circular to Shareholders, since the Last Audited Accounts Closing Date neither the Company nor any of its subsidiaries has entered into any contract or commitment of an unusual or onerous nature which, in the context of Rights Issue, the Placing, this Agreement, the Offset Agreement and/or the Whitewash Waiver, might be material for disclosure;
- (p) since the Last Audited Accounts Closing Date, the Company and each of its subsidiaries has carried on its business in the ordinary and usual course and there has been no material adverse change in the financial or trading position of the Company or any of its subsidiaries which has not been fully and properly disclosed by the Company in the form of an announcement in accordance with the Listing Rules or otherwise as required by the Listing Rules;
- (q) all written information (if any) supplied by or on behalf of the Company to the Underwriter in connection with the Rights Issue, the Placing, this Agreement, the Offset Agreement and/or the Whitewash Waiver is true and accurate in all material respects;
- (r) no order has been made and no resolution has been passed for the winding up of, or for a provisional liquidator to be appointed in respect of, the Company or any of its subsidiaries, and no petition has been presented and no meeting has been convened for the purpose of winding up any of the same; no receiver has been appointed in respect of the Company or any of its subsidiaries or all or any of its assets; none of the Company or any of its subsidiaries is insolvent, or unable to pay its debts within the meaning of section 178 of the C(WUMP)O or has stopped paying its of the Company is outstanding against the Company or any its subsidiaries;
- (s) the Circular and the Prospectus Documents will contain all particulars and information required by, and will be in accordance with the C(WUMP)O, the rules and regulations of the Stock Exchange and all other relevant Ordinances and governmental regulations in Hong Kong and in Cayman islands and shall not involve any breach of or default under any agreement, trust deed or instrument to which any member of the Group is a party;
- (t) the statements and the expressions of opinion, intention and expectation of the Company and the Directors to be contained in the Circular and the Prospectus Documents or in the documents referred to therein have been, or shall when published be, made after due and proper consideration, are fair and reasonable and based on facts known to the Company and will not contain anything which, in the opinion of the Underwriter are materially adverse to the success of the Rights Issue, the Placing, this Agreement, the Offset Agreement and/or the Whitewash Waiver;
- (u) no material outstanding indebtedness or guarantee or indemnity of any liability of the Company or any of its subsidiaries has become payable by reason of default by the Company or any of its subsidiaries and no event has occurred or is pending

which with the lapse of time or the fulfillment of any condition or the giving of notice or the compliance with any other formality may result in any such indebtedness or guarantee or indemnity of any liability becoming so payable;

- (v) no circumstance has arisen such that any person is now or shall be entitled (or would with the giving of notice be entitled) to require payment of any indebtedness, or guarantee or indemnity of any liability, of any company in the Group, which in neither case is material in the context of the Rights Issue, the Placing, this Agreement and/or the Whitewash Waiver by reason of default or otherwise by any such company or any other person or otherwise;
- (w) the Company shall not from the date hereof until after the Latest Time for Acceptance issue any Shares or issue or grant any share options or other securities convertible into exchangeable for or which carry rights to acquire Shares;
- (x) the Company has power under its memorandum and articles of associations, has taken all necessary corporate or other action and no other consents actions authorizations or approvals are necessary to enable or authorize it other than the passing of the resolution(s) and obtaining the consents and approvals referred to in Clauses 2.1:
 - (i) to allot and issue the Rights Shares required to be provisionally allotted pursuant to the terms of this Agreement in accordance with the Prospectus Documents without any sanction;
 - (ii) to deal with the Rights Shares attributable to the Non-Qualifying Shareholders as may be specified in the Prospectus Documents; and
 - (iii) to enter into and perform its obligations under this Agreement and to make the Rights Issue;
- (y) the Rights Shares, when fully paid, shall be allotted and issued free from all liens, charges, encumbrances and third party rights, interests or claims of any nature whatsoever; and
- (z) the obligations of the Company under this Agreement constitute legally valid and binding obligations of them respectively enforceable in accordance with the terms herein.

11.2 The Company hereby undertakes to use all reasonable endeavours not to cause or permit any Specified Event to occur prior to the Latest Time for Termination and if this Agreement is not rescinded pursuant to Clause 14, all such warranties, representations and undertakings as are contained in Clause 11.1 above shall be deemed to have been repeated as at the Latest Time for Termination with reference to the facts and circumstances then subsisting.

11.3 The Company hereby undertakes to use all reasonable endeavours not to cause or permit any Specified Event to occur prior to the Latest Time for Termination and undertakings as are contained in Clause 11.1 above shall be deemed to have been repeated as at the Latest Time for Termination with reference to the facts and circumstances then subsisting.

11.4 If any Specified Event shall occur or come to the knowledge of the Company prior to the Latest Time for Termination, it shall forthwith give notice to the Underwriter of the same.

11.5 The foregoing provisions of this Clause 11 will continue in full force and effect notwithstanding the completion of the Rights Issue.

12. EGM

12.1 The register of members of the Company will be closed from Thursday, 16 February 2023 to Wednesday, 22 February 2023 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM. For the avoidance of doubt, the Non-Qualifying Shareholders are entitled to attend and vote at the EGM.

12.2 To the extent permitted by the Stock Exchange, the Directors and the chief executive of the Company (but excluding the independent non-executive Directors) and their respective Associates; the Underwriter, its Associates and parties acting in concert with any of Mr. Li and the Underwriter (including Mr. Geng and Mr. Lang); any Shareholders with a material interest in the Rights Issue, this Agreement, the Offset, the Placing Agreement and the transactions contemplated thereunder; and Shareholders who are involved in, or interested in (other than by being a Shareholder), the Rights Issue, the Placing Agreement, this Agreement, the Offset and/or the Whitewash Waiver will abstain from voting or procure the abstention at the EGM (or any adjournment thereof) of all votes attaching to the Shares held by them or their nominees and, so far as applicable, companies controlled by him in respect of the resolutions set out in the Notice.

12.3 Save as the above, no other Shareholder is required to abstain from voting on the resolution(s) to approve the Rights Issue, the Placing Agreement, this Agreement, the Offset and the transactions contemplated thereunder and/or the Whitewash Waiver at the EGM.

13. INDEMNITY

13.1 The Company shall on demand indemnify the Underwriter and shall on demand hold the Underwriter indemnified (for himself and on trust for his legal adviser, his agents and assignees collectively, the “**indemnified parties**” and individually, an “**indemnified party**”) against all loss or liability of any nature (including, without limitation, claims, costs, charges and expenses) whatsoever arising from or in respect of any breach by the Company of any provision of this Agreement, or any claim which may be brought or threatened to brought against the indemnified parties (whether or not such claim is successfully compromised or settled) in each case arising out of or in relation to or by reason of their performance by their respective obligations hereunder (and provide that such loss or liability is not connected with any failure by the Underwriter to comply with its obligations under Clauses 6.3 and 6.4) by any subscriber of any of the Rights Shares or any subsequent purchaser or transferee thereof or any other person claiming that he has suffered loss in respect of them as a result of:-

- (a) the Circular and the Prospectus Documents not containing all the information required by law or pursuant to the rules of the Stock Exchange or other relevant authority or body to be stated therein or on the grounds that any statement,

estimates or forecast contained in the Circular and the Prospectus Documents is untrue, inaccurate or misleading in any respect;

- (b) the Circular and the Prospectus Documents failing or being alleged to fail to disclose sufficient information necessary to enable an informed assessment to be made by a sophisticated investor of the assets and liabilities, financial position, profits and losses, and prospects of the Group or the rights attaching to the Rights Shares;
- (c) any claims and proceedings arising out of matters which constitute a breach of the representations and warranties in Clause 11;
- (d) any claims and proceedings arising out of matters relating to the Placing;
- (e) any breach of the laws or regulations of any country resulting from the allotment or issue of the Rights Shares or the distribution of the Prospectus Documents;
- (f) any misrepresentation by either the Company or any of the Directors or any employee of the Group in connection with the Rights Issue, the Placing, this Agreement and/or the Whitewash Waiver; or
- (g) the allotment or issue of the Rights Shares,

including in any such case (but without prejudice to the generality of the foregoing) all reasonable costs, charges and expenses of whatever nature which the indemnified parties may properly incur or bear in disputing any such claim made against it or establishing any claim on its part under this Clause 13 provided that this indemnity shall not relate to any claims or proceedings costs or expenses arising from any fraud, negligence or default, on the part of the Underwriter and that the conduct of the defence (including any settlement of any such claim) shall be carried out by the Underwriter after, and on the basis of, regular consultation with the Company.

13.2 The Company shall not make any claim against the Underwriter to recover any damages which the Company may suffer arising out of the performance by the Underwriter of his obligations hereunder, provide that such damages do not arise from any negligent act, omission or default on the part of the Underwriter.

13.3 If the Underwriter becomes aware of any claim relevant for the purposes of Clause 13.1, it shall give notice in writing thereof to the Company and shall take such action as the Company may reasonably request to avoid, dispute, resist, defend or appeal against the claim and any adjudication in respect thereof but subject to the Underwriter being indemnified and secured to its reasonable satisfaction against all losses and expenses to which he might thereby render himself liable to suffer and incur including, without limitation, legal expenses properly incurred by his legal advisers.

14. RESCISSION AND TERMINATION

14.1 If prior to the Latest Time for Termination, in the reasonable opinion of the

Underwriter:

- (b) the success of the Rights Issue is or will be or likely to be materially and adversely affected by:
 - (i) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Right Issue; or
 - (ii) 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 thereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may materially and adversely affect the business or the financial or trading position or prospects of the Company as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue;
- (c) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction of trading in securities and a change in currency conditions including without limitation a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States) occurs which in the opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue;
- (d) there is any material litigation or claim or proceedings being instigated or threatened against the Company or any of the members of the Group or any other change in the circumstances of the Company which in the opinion of the Underwriter will materially and adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or the destruction of any material asset of the Company;
- (e) any event of force majeure including, without limiting the generality thereof, any act of God, war, outbreak or escalation of hostilities (whether or not war is declared), declaration of a national or international emergency, riot, public disorder, civil commotion, economic sanctions, fire, flood, explosion, epidemic, terrorism, calamity, crisis, strike or lock-out (whether or not covered by insurance) which in the opinion of the Underwriter will materially and adversely

affect the success of the Rights Issue and/or the prospects of the Company taken as a whole;

- (f) any other material adverse change in relation to the business or the financial or trading position or prospects of the Company as a whole whether or not ejusdem generis with any of the foregoing;
- (g) there shall have occurred, developed, existed or come into effect any material breach by the Company of any representations, warranties, undertakings or any provisions of this Agreement;
- (h) there shall have occurred, developed, existed or come into effect any event, act or omission which gives or is likely to give rise to any material liability of the Company pursuant to the indemnities referred to in this Agreement;
- (i) the Circular or the Prospectus Documents when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of this Agreement been publicly announced or published by the Company and which may in the reasonable opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it; or
- (j) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than five consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements and circulars in connection with the Rights Issue.

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate this Agreement without liability to the Company, subject to Clauses 9 and 13, this Agreement shall forthwith cease to have effect and none of the parties hereto shall have any rights or claims by reason thereof save for any antecedent breach.

14.2 The Underwriter shall be entitled by notice in writing to rescind this Agreement if prior to the Latest Time for Termination:

- (a) any material breach of any of the warranties or undertakings contained in Clause 11 above comes to the knowledge of any of the Underwriter; or
- (b) any Specified Event comes to the knowledge of any of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

14.3 If prior to the Latest Time for Termination any such notice as is referred to above is given by the Underwriter, the obligations of all parties under this Agreement (save in respect of this Clause 14 and the provision of Clause 13 which shall remain in full force and effect and save further that the Company shall pay the fees and expenses specified in Clause 9) shall

terminate forthwith. For the avoidance of doubt, the Underwriter shall not be entitled to give a notice pursuant to Clause 14.1 or Clause 14.2 at any time after the obligations of the Underwriter under Clause 6 have terminated pursuant to Clause 6.1.

14.4 If this Agreement is terminated by the Underwriter at such time before the Latest Time for Termination but after the Underwriter has in accordance with Clause 6.4 paid or procured payment to the Company of the aggregate Subscription Price in respect of the Underwritten Shares for which the Underwriter is obliged to subscribe or procure subscription under the provisions of Clause 6, the Company shall, not later than the end of the second Business Day after (but not including) the date of receipt of the notice of termination issued by the Underwriter referred to in Clause 14.1 or Clause 14.2, remit to the Underwriter such amount of aggregate Subscription Price which it has received from the Underwriter. For the avoidance of doubt, notwithstanding the payment of any sum by or on behalf of the Underwriter to the Company, and the amount referred to in Clause 9.1(a) in any event shall not be payable.

14.5 Rescission or termination of this Agreement under this Clause 14 shall be without prejudice to any rights of any party in respect of any breach by the order prior to such rescission or termination.

15. TIME OF THE ESSENCE

Any time, date or period mentioned in this Agreement may be exercised by mutual agreement between the parties hereto, but as regards any time, date or period originally fixed or any time, date or period so extended as aforesaid, time shall be of the essence.

16. NOTICES

16.1 Any notice required to be given hereunder will be deemed to be duly served if left at or sent by hand, by telex or facsimile transmission or pre-paid post to the registered office or to the following addresses and facsimile numbers and marked for the attention of the following persons:

<u>Party</u>	<u>Address</u>	<u>Facsimile number</u>
The Company	Suite 3105, 31/F, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong Attention: Michele Chan	2175 3710
The Underwriter	Suite 3105, 31/F, Tower 6, The Gateway, Harbour City, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong	2868 2502

16.2 Any such notice will be deemed to be served if sent by facsimile on receipt of answerback, if sent by hand at the time when the same is handed to or left at the address of the party to be served, and if sent by post on the day (excluding Sundays or Hong Kong public holidays) after the day of posting.

17. COUNTERPARTS

This Agreement may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any party may enter into this Agreement by executing any such counterpart.

18. MISCELLANEOUS

This Agreement supersedes any previous agreement between the parties in relation to the matters dealt with herein and represents the entire understanding between the parties in relation thereto.

19. GOVERNING LAW

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

19.2 The parties hereby irrevocably agrees that any proceedings arising out of or in connection with this agreement may be brought in the Hong Kong courts submit to the non-exclusive jurisdiction of the courts of Hong Kong but this Agreement may be enforced in any other court in competent jurisdiction.


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

19.4 Subject as set out above, the submission to such jurisdiction shall not (and shall not be construed so as to) limit the right of any party to take proceedings against any of the other parties in whatsoever jurisdictions shall to it seem fit nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

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


THE COMPANY

SIGNED by)
)
a director, for and on behalf of)
ADD NEW ENERGY INVESTMENT)
HOLDINGS GROUP LIMITED)
)
in the presence of:)

For and on behalf of
Add New Energy Investment Holdings Group Limited
愛德新能源投資控股集團有限公司

.....
Authorized Signature

THE UNDERWRITER

SIGNED by)
)
a director, for and on behalf of)
HONGFA HOLDINGS LIMITED)
)
in the presence of:)

For and on behalf of
HONGFA HOLDINGS LIMITED
鴻發控股有限公司

.....
Authorized Signature(s)

Annex

The Annoncement