

Dated the 15<sup>th</sup> day of February 2024

**CHINA UPTOWN GROUP COMPANY LIMITED**

中國上城集團有限公司

*as Company*

**AND**

**VC BROKERAGE LIMITED**

滙盈證券有限公司

*as Placing Agent*

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**PLACING AGREEMENT**

relating to up to

50,888,000 new Shares

issued by

**CHINA UPTOWN GROUP COMPANY LIMITED**

中國上城集團有限公司

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**THIS PLACING AGREEMENT** is made on the 15<sup>th</sup> day of February 2024

**BETWEEN**

- (1) **CHINA UPTOWN GROUP COMPANY LIMITED** (中國上城集團有限公司), a company incorporated in the Cayman Islands with limited liability and having its registered office situate at Cricket Square, Hutchins Drive, P.O. Box No. 2681, Grand Cayman KY1-1111, Cayman Islands and been registered as a Non-Hong Kong Company with the Companies Registry with Company No. F10772 and having its head office and principal place of business in Hong Kong situate at Suite 1501, 15/F, Tower 1, Silvercord, 30 Canton Road, Tsimshatsui Kowloon, Hong Kong (the “**Company**”)

**AND**

- (2) **VC BROKERAGE LIMITED** (滙盈證券有限公司), a company incorporated in Hong Kong with limited liability with Company No. 346751 and having its registered office situate at 6<sup>th</sup> Floor, Centre Point, 181-185 Gloucester Road, Wanchai, Hong Kong (the “**Placing Agent**”).

The Company and the Placing Agent shall collectively be referred to as the “**Parties**” and each individually as a “**Party**” wherever appropriate hereunder.

**WHEREAS:**

- (A) The Company has its issued ordinary shares (the “**Shares**”) listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 2330), and immediately prior to the date hereof, the Company has issued and allotted 254,469,052 Shares all of which are fully paid up or credited as fully paid up;
- (B) The Placing Agent is licensed by the SFC to carry out and conduct Regulated Activities Type 1 (dealing in securities) and Type 4 (advising on securities) under and pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) under Central Entity No. ABG074;
- (C) The Company intends to raise funds for repayment of outstanding liabilities and general working capital; and
- (D) The Company is desirous of offering the Placing Shares free from any Encumbrance (both being defined below) whatsoever for subscription and appoint the Placing Agent on sole and exclusive basis to place and procure subscriptions for the Placing Shares on a best effort basis subject to the terms and conditions hereinafter mentioned.

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

## 1. DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

In this Agreement (including the Recital above), the following expressions shall, unless otherwise specified or the context otherwise requires, have the following meanings:-

<b>“Acting in Concert”</b>	has the meaning ascribed thereto in the Takeovers Code;
<b>“Agreement”</b>	this Placing Agreement as amended, modified or revised from time to time in writing by the Parties;
<b>“Associate(s)”</b>	has the meaning ascribed thereto in the Listing Rules;
<b>“Authority”</b>	any administrative, governmental or regulatory commission, board, body, authority or agency, or any stock exchange, self-regulatory organization or other non-governmental regulatory authority, or any court, tribunal or arbitrator, in each case whether national, central, federal, provincial, state, regional, municipal, local, domestic or foreign, and <b>“Authorities”</b> shall be interpreted and construed accordingly;
<b>“Board”</b>	the board of directors of the Company;
<b>“Business Day”</b>	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted or the Extreme Conditions is announced in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours;
<b>“CCASS”</b>	the Central Clearing and Settlement System established and operated by the Hong Kong Securities Clearing Company Limited;
<b>“Completion”</b>	the overall completion of the Placing, which shall take place on the Completion Date;
<b>“Completion Date”</b>	the date of Completion, which shall be any Business Day falling within five (5) Business Days of the Closing Date;
<b>“Closing Date”</b>	means any Business Day not later than 4 March 2024, being the date on which all the Conditions have been satisfied or fulfilled, and the Parties may agree in writing to have the Closing Date postponed to any subsequent date which shall be a Business Day;
<b>“Companies Ordinance”</b>	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);

<b>“CWUMP Ordinance”</b>	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);
<b>“Conditions”</b>	the conditions precedent set out in <u>Clause 2.1</u> , and a <b>“Condition”</b> means any of the Conditions;
<b>“Connected Person(s)”</b>	shall have the meaning ascribed thereto in the Listing Rules;
<b>“Encumbrance”</b>	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or any other type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect;
<b>“Extreme Conditions”</b>	the extreme conditions as announced by any Hong Kong Government department or body or otherwise, whether or not under or pursuant to the revised “Code of Practice in Times of Typhoons and Rainstorms” issued by the Labour Department of the Hong Kong Government in June 2019 in the event of serious disruption of public transport services or government services, extensive flooding, major landslides or large-scale power outage after typhoons or incidents similar in seriousness or nature;
<b>“General Mandate”</b>	the general mandate granted by the Shareholders at the Annual General Meeting of the Company held on 31 May 2023 to the Board to allot, issue and deal with up to 50,893,810 new Shares to be issued and allotted by the Company;
<b>“Group”</b>	the Company and its subsidiaries and the expression <b>“member of the Group”</b> shall be interpreted and construed accordingly;
<b>“HK\$” or “HKD”</b>	Hong Kong Dollars, the lawful currency of Hong Kong;
<b>“HKFRS”</b>	shall have the same meaning as set out in <u>Clause 7.1</u> ;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“Indemnified Parties”</b>	shall have the same meaning as set out in <u>Clause 7.3</u> ;
<b>“Independent Third Party(ies)”</b>	a party which is not a Connected Person (as defined in the Listing Rules) of the Company;
<b>“Law”</b>	any and all national, central, federal, provincial, state, regional, municipal, local, domestic or foreign laws (including, without limitation, any common law or case law),

statutes, ordinances, legal codes, regulations or rules (including, without limitation, any and all regulations, rules, orders, judgments, decrees, rulings, opinions, guidelines, measures, notices or circulars (in each case, whether formally published or not and to the extent mandatory or, if not complied with, the basis for legal, administrative, regulatory or judicial consequences) of any Authority), and for avoidance of any doubt, Law shall include the Companies Ordinance, the CWUMP Ordinance and the Listing Rules;

<b>“Listing Committee”</b>	the listing committee appointed by the Stock Exchange for considering applications for listing and approving the listing of and dealing with securities on the Stock Exchange;
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited;
<b>“Placee(s)”</b>	any investor who is an individual, institutional or professional investor selected and/or procured by or on behalf of the Placing Agent as contemplated by this Agreement and is (i) an Independent Third Party, and (ii) independent of and not parties Acting in Concert with any persons, other Placee(s) or Shareholders to the effect that any Placing to such investor shall not trigger any mandatory offer obligation under Rule 26.1 of the Takeovers Code, procured by the Placing Agent to subscribe for the Placing Shares pursuant to the Placing Agent’s obligations hereunder;
<b>“Placee List”</b>	the comprehensive list showing the name, address (or registered address if a corporation), country of incorporation (if a corporation) and other requisite information and particulars of the respective Placees as requested by the Authorities including the Stock Exchange and the number of Placing Shares to be subscribed by each Placee;
<b>“Placing”</b>	the placing of the Placing Shares under and in accordance with this Agreement;
<b>“Placing Commission”</b>	shall have the same meaning as set out in <u>Clause 6.1</u> ;
<b>“Placing Letter”</b>	the letter (including the form of acknowledgement and the registration form / delivery instructions) to be signed and issued by the Placing Agent to the respective Placee(s);
<b>“Placing Period”</b>	the period commencing forthwith upon the execution of this Agreement and expiring at 5:00 p.m. on 26 February 2024, or on such later date as the Parties may agree in writing;
<b>“Placing Price”</b>	HK\$0.14 per Placing Share;

<b>“Placing Share(s)”</b>	up to 50,888,000 new Shares to be allotted and issued by the Company under the General Mandate and pursuant to this Agreement on the Completion Date, and the Placing Shares shall rank <i>pari passu</i> in all respects with the existing Shares then in issue;
<b>“Proceedings”</b>	shall have the same meaning as set out in <u>Clause 7.3</u> ;
<b>“Reimbursed Expenses”</b>	all SFC transaction levy, Stock Exchange trading fee and CCASS stock settlement fee as may be payable by the Company in respect of the issue and allotment of the Placing Shares to the Placees and all Placing Agent’s reasonable out-of-pocket expenses including all costs, disbursements, legal fees and other professional expenses reasonably and properly incurred by the Placing Agent on actual incurrence basis and/or in which amount as may be agreed between the Parties in advance for and/or in relation to the Placing;
<b>“Reimbursement”</b>	HK\$10,000 (or such additional sum as may be agreed by the Parties in writing) to be paid by the Company to the Placing Agent as reimbursement for the Reimbursed Expenses;
<b>“SFC”</b>	the Securities and Futures Commission of Hong Kong;
<b>“Shareholder(s)”</b>	holder(s) of the Shares from time to time;
<b>“Shares”</b>	the ordinary shares in the Company;
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;
<b>“Subsidiaries”</b>	has the meaning ascribed to it in the Listing Rules;
<b>“Takeovers Code”</b>	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC;
<b>“Unplaced Placing Shares”</b>	such portfolio (if any) of the Placing Shares which are not, or have not been, subscribed by any Placee before expiration of the Placing Period;

## 1.2 Construction and Certain References

- (a) References in this Agreement to persons include references to bodies corporate and references to the singular include references to the plural and *vice versa*.
- (b) Reference to Recital and Clauses are references to the recital and clauses of this Agreement.
- (c) In this Agreement unless otherwise expressly stated herein, references to any statute, statutory provision or the Listing Rules includes a reference to that

statute, statutory provision or the Listing Rules as from time to time amended, extended or re-enacted.

- (d) the Recitals and the Schedules shall form, and shall be deemed to be, an integral part of this Agreement and shall have the same force and effect as any other provision herein.

### 1.3 Headings

Headings are inserted for convenience only and shall not affect the interpretation of this Agreement.

## 2. CONDITIONS

### 2.1 Completion of the Placing shall be conditional upon the satisfaction or fulfilment of such Conditions as set out hereunder:

- (a) the Company having complied with, and procured for the compliance with, all Law as well as all conditions (if any) imposed by the Stock Exchange or by any other competent Authority for issuance and allotment of the Placing Shares as well as the listing of and permission to deal in the Placing Shares and ensure the continued compliance thereof;
- (b) the Listing Committee having granted approval for the listing of, and permission to deal in, the Placing Shares, and such approval not having been revoked, suspended, withdrawn or cancelled, or threatened with any revocation, suspension, withdrawal or cancellation at any time prior to the Closing Date; and
- (c) the Company's representations and warranties made pursuant to this Agreement being true and accurate in all material respects and not misleading up to Completion.

### 2.2 The Conditions contained in Clauses 2.1 (a) and (b) above cannot be waived by any Party. The Placing Agent (but not the Company) may at any time prior to the Closing Date unilaterally waive the Condition contained in Clause 2.1 (c). As soon as practicable after the execution of this Agreement and in any event by the Closing Date, the Company shall use its best endeavours to procure the satisfaction of such Conditions as set out in Sub-Clauses 2.1(a) and (b) as well as Sub-Clause 2.1(c) (in case the Condition as set out in Sub-Clause 2.1(c) has not been waived by the Placing Agent pursuant to the foregoing provisions of this Clause 2.2).

### 2.3 If any one or more of the Conditions (save and except such Condition as set out in Sub-Clause 2.1(c) if it has been waived by the Placing Agent) shall not have been satisfied or fulfilled by the Closing Date or any of the *force majeure* event set out in Clause 8 shall have occurred, subject to Clause 6.2, all obligations and responsibilities of the Placing Agent and those of the Company hereunder shall cease and determine forthwith and no Party shall have any claim whatsoever against the other Party in relation thereto save for any antecedent breach of this Agreement and without prejudice

to the accrued rights and liabilities of each Party.

### **3. APPOINTMENT OF THE PLACING AGENT**

#### **3.1 Appointment**

Subject to the provisions of this Agreement, the Company hereby appoints the Placing Agent as the sole and exclusive agent for and in respect of the Placing to the exclusion of all others and the Placing Agent, relying on the representations, warranties and undertakings of the Company herein contained and subject to the conditions as herein mentioned, agrees to act as agent of the Company to procure not less than six (6) Placee(s) to subscribe for the Placing Shares at the Placing Price (together with the SFC transaction levy, Stock Exchange trading fee, CCASS stock settlement fee and brokerage, if any) during the Placing Period on terms and conditions set out in this Agreement on a best effort basis. Any transaction properly and lawfully carried out by the Placing Agent pursuant to this Agreement shall constitute a transaction carried out at the request of the Company. The Company agrees, promptly on reasonable request by the Placing Agent, to execute or do, or procure that there shall be executed and done, all such deeds, documents and things as the Placing Agent may deem necessary for such purposes.

#### **3.2 Powers**

The Company hereby confirms that this appointment confers on the Placing Agent all powers, authorities and discretion on behalf of the Company which are lawfully, reasonably and properly necessary for, or reasonably incidental to, the Placing and the conduct thereof, and the Company hereby irrevocably agree to ratify and confirm everything which the Placing Agent may lawfully, reasonably and properly do in the exercise of such powers, authorities and discretions under and/or in accordance with this Agreement. The choice of Placees and the amount of the Placing Shares to be allocated to any particular Placee shall be determined by the Placing Agent at its sole and absolute discretion provided that each Placee shall be an Independent Third Party and subject to any objection the Stock Exchange and/or the SFC may have on any particular person or company being or becoming a Placee. Nonetheless, the Placing Agent shall use its best endeavours to ensure that:

- (a) each and every Placee is an Independent Third Party;
- (b) no Placee shall become a substantial shareholder (as defined in the Listing Rules) of the Company forthwith upon Completion;
- (c) the Placing Agent shall sign and issue Placing Letter with the Placee(s); and
- (d) the format and content of the Placing Letter shall not be in breach of any term of this Agreement.

For avoidance of any doubt, any failure on the part of the Placing Agent to submit an independence confirmation to the Stock Exchange as a result of the failure or refusal on the part of any of the Placees to provide the Placing Agent with an independence



confirmation shall not constitute any breach of this Clause insofar as the Placing Agent is concerned.

### **3.3 Placed Placing Shares**

Subject to Clause 3.4 below, the Placing Agent shall notify the Company in writing by no later than one (1) Business Day after expiration of the Placing Period the aggregate number of Placing Shares which have been placed by or on behalf of the Placing Agent to the Placees under the Placing. For avoidance of any doubt, the Placing Agent is not underwriting the Placing Shares or any portfolio thereof, and under no circumstance shall the Placing Agent be required to purchase any of the Placing Shares as principal.

### **3.4 Unplaced Placing Shares**

In the event that, at the end of the Placing Period, there are any Unplaced Placing Shares, the Parties' obligations under this Agreement in respect of the Unplaced Placing Shares shall cease and no Party shall have any claim against the other in respect of any matter arising out of this Agreement in respect of the Unplaced Placing Shares as if the Unplaced Placing Shares were not covered by this Agreement and were not any part of the Placing Shares at all.

### **3.5 Issuance of Placing Shares**

Subject to Clause 2, the Company shall forthwith upon Completion issue and allot to the respective Placees the Placing Shares free from any and all Encumbrances whatsoever and together with all rights attaching thereto, including the right to receive all dividends declared, made or paid on or after Completion.

### **3.6 No Public Offer of Placing Shares**

The Placing Agent undertakes with the Company that:

- (a) no Placing Shares shall be offered to or placed in circumstances which would constitute an offer to the public in Hong Kong within the meaning of the Companies Ordinance or in any other place or would result in a prospectus (as defined in the CWUMP Ordinance) required to be issued by the Company or in any manner in which the securities laws or regulations of any place may be infringed or breached; and
- (b) it shall not, directly or indirectly, offer or sell any Placing Shares or distribute or publish any documents in relation to the Placing in any country or jurisdiction except under circumstances that will result in full compliance with all applicable laws and regulations and all offers and sales of the Placing Shares and the distribution and publication of any document relating thereto will be made in full compliance with those laws and regulations.

### **3.7 Sub-Placing Agents**

The Company hereby acknowledges that the Placing Agent, in performing its functions

under this Clause 3, is authorised to appoint one or more sub-placing agents and that such sub-placing agents shall be agents of the Placing Agent in despatching documents relating to the Placing to the Placee(s) on the terms of and subject to the provisions of this Agreement and the Company hereby authorises and confirms that it will forthwith upon request by the Placing Agent ratify and approve all actions legally, properly and reasonably taken or to be taken by such agents and the Placing Agent in connection with the Placing in accordance with or in reasonable anticipation of the terms and conditions of this Agreement provided that all fees, commissions, costs, charges and expenses arising from or in connection with the engagement of such agents shall be paid and borne by the Placing Agent, and that the Company shall be indemnified by the Placing Agent for or in relation to any loss or damage being caused to the Company as a result of or incidental to any appointment of sub-placing agent and/or any conduct, action, negligence or omission to act on the part of any sub-placing agent. Subject to the terms of this Agreement, the Placing Agent may enter into any agreements with any sub-placing agent, but the Company shall not be, and shall not be regarded as, any party to any such agreement with any sub-placing agent. The Placing Agent shall procure that each and every sub-placing agents appointed by it shall comply with the same obligations and responsibilities as are imposed on or assured by the Placing Agent as stated in this Clause 3.

### **3.8 Agency**

Without prejudice to any other provision herein, any transaction legally, properly and reasonably carried out by the Placing Agent (and any sub-placing agent referred to in Clause 3.7) under and in accordance with this Agreement (and not as principal) on behalf of the Company shall constitute a transaction carried out at the request of the Company and as its agent and not in respect of the Placing Agent's own account and the Placing Agent shall not be responsible for any loss or damage to any persons (including the Company) arising from any such transaction except for any loss or damage suffered or incurred by any fraud, wilful default or gross negligence on the part of the Placing Agent or its sub-placing agent and/or as a result, directly or indirectly, of any breach or non-compliance by the Placing Agent (or any sub-placing agent referred to in Clause 3.7) with its obligations under this Agreement (or any sub-placing agreement with any sub-placing agent as referred to in Clause 3.7). The Company, hereby acknowledges and agrees that the Placing Agent is not acting as a fiduciary, and owe no fiduciary duty whatsoever to the Company, and likewise, the Placing Agent has no obligation to the Company with respect to the Placing except the obligations expressly set forth in this Agreement.

## **4. COMPLETION**

- 4.1 Subject to the fulfilment of the Conditions, Completion shall take place at 5:00 p.m. (Hong Kong time) on the Completion Date at the head office and principal place of business of the Company in Hong Kong (or at such other time and venue as agreed between the Parties in writing) in accordance with the completion mechanics as set out in Schedule 1.
- 4.2 Following Completion, all obligations and liabilities of the Placing Agent under this Agreement and the Placing shall cease and determine save and except Clauses 3, 4, 6,

7.3 and 11 to 14 which shall survive Completion.

- 4.3 In the event that either Party shall without any reasonable ground fail to do anything required to be done by it under this Clause 5, without prejudice to any other right or remedy available to the other Party, such other Party may:
- (a) defer Completion to a day not more than ten (10) Business Days after the date initially fixed for Completion (and so that the provision of this Sub-Clause (a) shall apply to Completion as so deferred); or
  - (b) proceed to Completion insofar as is practicable but without prejudice to such other Party's right *vis-a-vis* the Party in default; or
  - (c) rescind this Agreement without liability on its part.

## **5. UNDERTAKINGS**

### **5.1 Information**

The Company hereby undertakes to provide the Placing Agent, at its request, with all such information known to it or reasonably ought to be known to it after having made all reasonable enquires and relating to the Company as may be reasonably required by the Placing Agent in connection with the Placing whether or not for the purpose of complying with all requirements of applicable Law or of the Stock Exchange or of the SFC.

### **5.2 Significant Change**

The Company shall procure that particulars of every significant new factor known to it which is in its reasonable opinion capable of materially adversely affecting assessment of the Placing Shares in the context of the Placing which arises from the execution of this Agreement until the Completion Date shall be promptly notified and provided to the Placing Agent.

### **5.3 Further Assurance**

Without prejudice to the foregoing obligations, the Company undertakes with the Placing Agent that it shall do all such other acts and things as may be reasonably required to be done by it to carry into effect the Placing in accordance with the terms of this Agreement and assist the Placing Agent to answer any queries raised by the SFC or the Stock Exchange in relation to the Placing before and after Completion. The Company further undertakes with the Placing Agent that (i) the Placing Shares are free and clear of all Encumbrances or other third party rights of any kind, and (ii) the Placing Shares shall rank *pari passu* in all respects with the Shares then in issue, including the right to receive all dividends and/or distributions declared, made or paid on or after Completion.

## **6. PAYMENT OF FEES, COMMISSIONS AND EXPENSES**

## **6.1 Fees, Commissions and Expenses**

6.1.1 In consideration of the services of the Placing Agent in relation to the Placing, the Company shall pay to the Placing Agent such amounts as set out hereunder, and the Placing Agent shall be entitled to deduct such amounts pursuant to paragraph 2 of Schedule 1:

- (a) subject to Completion having taken place, the Company shall pay to the Placing Agent a placing commission, in HKD, which shall be equivalent to 2.5 per cent. of the aggregate amount of the Placing Price multiplied by the number of Placing Shares placed by the Placing Agent during the Placing Period (the “**Placing Commission**”), and the Placing Agent is hereby irrevocably authorised to deduct from the payment to be made by it to the Company at Completion pursuant to paragraph 2 of Schedule 1 for settlement and discharge of the Placing Commission;
- (b) whether or not the Placing shall be completed in accordance with this Agreement, the Company shall reimburse the Placing Agent for the Reimbursed Expenses in cash; and
- (c) for the purposes of Sub-Clause (b) above, the Company shall pay the Reimbursement to the Placing Agent as reimbursement for the Reimbursed Expenses, and the Placing Agent is hereby irrevocably authorised to deduct from the payment to be made by it to the Company at Completion pursuant to Schedule 1 for settlement and discharge of the Reimbursement, and for avoidance of any doubt, even if the amount of Reimbursement exceeds the Reimbursed Expenses, the Placing Agent shall not have to refund any part of the Reimbursement to the Company at all.

6.1.2 The failure of the Placing Agent for whatever reasons to deduct the relevant amounts from the proceeds of the Placing at Completion as set out in Sub-Clause 6.1.1 shall not relieve the Company of its liability to pay the Placing Agent for such amounts which, to the extent not deducted from the proceeds of the Placing according to Sub-Clause 6.1.1, shall be paid by the Company to the Placing Agent not later than seven (7) Business Days from the date of receipt by the Company of a written request from the Placing Agent for the payment of such amounts from time to time.

## **6.2 Failure to Complete or Lapse or Termination of the Placing**

If for any reason this Agreement has not become unconditional on the Closing Date or the Placing is not completed, including the Placing having been terminated in accordance with Clause 8, the Company shall remain liable for the payment of the Reimbursement referred to in Sub-Clauses 6.1.1 (b) and (c).

## **6.3 Brokerage**

The Company hereby acknowledges that, in addition to the commissions, costs, charges and expenses referred to in Clause 6.1, the Placing Agent shall be entitled to

keep for its own account any brokerage fees that it may receive from the Placees.

#### **6.4 Payment**

All payments to be made by the Company pursuant to this Clause 6 shall be made in full without any set-off, deduction or withholding whatsoever. Further, all amounts payable to the Placing Agent or its affiliates under this Agreement (if any) shall be exclusive of taxes. As such, the Company shall pay such additional amount as may be necessary in order that, after deduction or withholding for or on account of any present or future tax, every payment to the Placing Agent or its affiliates shall not be less than the amount to which the Placing Agent or its affiliates shall be entitled.

#### **6.5 Company's Expenses**

The Company shall be liable for the costs and expenses of its own legal and other professional advisers and out-of-pocket expenses incurred in connection with the Placing.

### **7. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

#### **7.1 Representations and Warranties**

7.1.1 In consideration of the Placing Agent entering into this Agreement and agreeing to perform its obligations hereunder, the Company represents and warrants to the Placing Agent that:

- (a) each member of the Group is duly incorporated and is validly existing under the laws of its incorporation, is not in liquidation or receivership and has full power and authority to own its properties, to conduct its business and is lawfully qualified to do business in those jurisdictions in which business is conducted by it;
- (b) the entire portfolio of issued ordinary shares in the Company is listed on the Main Board of Stock Exchange, and apart from ordinary shares, the Company has not issued or allotted any other class of shares;
- (c) the Placing Shares will be issued fully paid up and ranking *pari passu* in all respects, including as to the right to receive all dividends and other distributions which may be declared made or paid after Completion and will be issued free and clear of all Encumbrances;
- (d) subject to the fulfilment of the Conditions, the Company has full power and authority to issue the Placing Shares and to enter into and perform its obligations under this Agreement. This Agreement has been duly authorized, executed and delivered by the Company and constitutes valid and legally binding obligations of the Company enforceable in accordance with its terms;
- (e) subject to the fulfilment of the Conditions, neither the issue of the Placing Shares nor the entering into or performance of this Agreement

by the Company will constitute or give rise to a breach of or default under its constitutional documents, or will cause any breach of any agreement to which it is a Party or by which it is bound or will infringe or exceed any limits on, powers of, or restrictions on or the terms of any contract, obligation or commitment of the Company, or will give rise to any creation of Encumbrance in respect of any assets of the Company, or will result in third party consent being required, or will result in a contravention of any Law;

- (f) there is no litigation, arbitration or other legal proceedings in progress or pending or threatened against any member of the Group which if decided adversely to the relevant member of the Group may have or have had a material adverse effect on the condition or position (financial or otherwise), earnings, results of operations, business affairs or prospects of the Group (taken as a whole) or the Company or which is material in the context of the Placing;
- (g) there is no order, decree or judgment of any court or governmental agency or regulatory body outstanding or anticipated against the Company, any member of the Group nor is there any investigation or enquiry by any governmental agency or regulatory body outstanding or anticipated against the Company, any member of the Group which may have or has had a material adverse effect upon the condition or position (financial or otherwise), earnings, results of operations, business affairs or prospects of the Company and/or any member of the Group or which is material in the context of the Placing;
- (h) there has been no material adverse change in the condition or position (financial or otherwise), earnings, results of operations, business affairs or prospects of the Company;
- (i) all information (whether oral, written, electronic or in any other form) supplied by or on behalf of the Company or any of its officers, directors, employees or advisers, for the purpose of or in connection with the Placing or the Company, and all publicly available information and records (such as statutory filings and registrations) of the Company including information and statements of fact contained in the announcement to be published by the Company relating to the Placing and any documents published or announced by the Company are or were true and accurate in all material respects and not misleading in the relevant context and all statements of opinion, intention or expectation of the Company or its directors contained therein are or were truly and honestly held and have been made after due and careful consideration and there is no other fact or matter omitted therefrom the omission of which would make any statement therein misleading or which is otherwise material in the context of the Placing;
- (j) no member of the Group is in breach in any material respect of any rules, regulations or requirements of the Stock Exchange or the SFC or any applicable Law;

- (k) no material outstanding indebtedness of any member of the Group has become payable or repayable by reason of any default of such member of the Group and no event has occurred which, with the lapse of time or the fulfilment of any condition or the giving of notice or the compliance with any formality, may result in such indebtedness becoming payable or repayable prior to its maturity date or in a demand being made for such indebtedness to be paid or repaid;
- (l) all tax returns required to be filed by the Company have been filed, and all taxes and other assessments of a similar nature (whether imposed directly or through withholding) including any interest, additions to tax or penalties applicable thereto, due or claimed to be due from the Company have been paid or for which adequate reserves have been provided;
- (m) the audited consolidated statements of financial position as at 31 December 2022 and the audited consolidated statement of comprehensive income of the Company for the 12 months ended 31 December 2022:
  - (1) have been prepared on a consistent basis, save as disclosed therein, and in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) and pursuant to the relevant Laws of Hong Kong and Listing Rules; and
  - (2) show a true and fair view of the state of affairs of the Group as at 31 December 2022;
- (n) the Company has established procedures which provide a reasonable basis for the directors and officers to make proper judgments as to the financial position and prospects of the Company and the Company maintains a system of internal financial and accounting controls sufficient to provide assurance that transactions are recorded as necessary to permit preparation of complete and accurate accounting records, preparation of financial statements that fairly present the state of affairs, financial condition, results of operations and cash flows of the Company in accordance with HKFRS, and pursuant to the relevant Laws of Hong Kong and the Listing Rules;
- (o) all written information in relation to the business operations or financial conditions of the Company or any of its subsidiaries provided to the Placing Agent by the Company or its employees, agents or advisers in connection with the Placing is true and accurate in all material respects and there is no other fact or matter omitted therefrom the omission of which would make any statement therein misleading in material respects or which is otherwise material in the context of the Placing;
- (p) save as previously disclosed to the public in writing, no member of the Group has entered into any notifiable or price sensitive transaction which should have been disclosed to the public according to the Listing

Rules or the SFO or might be material for disclosure in the context of the Placing or engaged in any transaction with a view to or having the effect of manipulating the stock price of the Shares, and each such company has carried on its business in the ordinary and usual course;

- (q) the Company shall use its best efforts to assist the Placing Agent in any investigations to be carried out by the Placing Agent to ensure that all the Placees (and their ultimate beneficial holders) are (i) Independent Third Parties, and (ii) independent of and not parties Acting in Concert with any persons, other Placee(s) or Shareholders of the Company to the effect that any Placing to such Placees shall not trigger any mandatory offer obligation under Rule 26.1 of the Takeovers Code provided that the Placing Agent shall provide the relevant information as may be required by the Company;
- (r) the Shares will remain listed on the Stock Exchange on the Closing Date and on the Completion Date, and the Company is not aware of any circumstances whereby such listing will be cancelled, suspended or revoked; and
- (s) the Company agrees and undertakes to comply with all applicable laws, rules and regulations with respect to the Placing.

## **7.2 Repetition**

The representations and warranties set out in Clause 7.1 are given as at the date hereof and shall be deemed to be repeated by the Company on the Closing Date and the Completion Date, as if given or made on such date, with reference in each case to the facts and circumstances then subsisting. The Company undertakes to inform the Placing Agent of any matter or event coming to its attention prior to the Completion Date which would, or would reasonably be considered to, render or have rendered any of the representations and warranties set out in Clause 7.1 untrue, inaccurate or misleading in any material respect.

## **7.3 Indemnity and No Claim**

- (a) The Company undertakes to indemnify the Placing Agent and its directors, officers, employees, agents, advisors and representatives which shall have been involved in effecting the Placing (the “**Indemnified Parties**”) on demand against all or any claim, actions, liabilities, demands, proceedings, investigations or judgements (the “**Proceedings**”) brought or established against or threatened to be brought or established against any of the Indemnified Parties by any purchaser of any of the Placing Shares or by any Authority or any other person, directly or indirectly arising out of or in connection with the Placing or any breach or alleged breach of the representations, warranties and undertakings by the Company set out in Clauses 7.1 and 7.2 above and against all losses and all reasonable costs, charges and expenses (including reasonable legal fees as they are properly and



reasonably incurred) which any of the Indemnified Parties may suffer or incur (including all such losses, costs, charges or expenses suffered or incurred in disputing or defending any Proceedings and or in establishing its right to be indemnified pursuant to this Clause 7.3(a) and or in seeking advice in relation to any Proceedings), except for any loss, costs, charge or expenses suffered or incurred by the fraud, wilful default or gross negligence on the part of the relevant Indemnified Party.

- (b) No claim shall be made against any Indemnified Party by the Company to recover any damage, costs, charge or expense which the Company may suffer or incur by reason of or arising from the carrying out by the Placing Agent of the work to be done by it pursuant hereto or the performance of its obligations hereunder or otherwise in connection with the Placing except for any loss or damage by any fraud, wilful default or gross negligence on the part of the relevant Indemnified Party.
- (c) The Placing Agent shall not be responsible or liable for any loss or damage to the Company for any alleged insufficiency of the Placing Price.

#### **7.4 Full Force and Effect**

Clause 7.3 shall remain in full force and effect notwithstanding completion of the Placing or any premature termination of this Agreement (whichever shall be appropriate).

#### **7.5 Further Assurance**

The Company shall use its best endeavours at any time prior to or on the Completion Date not to do or omit to do anything which may cause any of the representation and warranties made by it and set out in Clause 7.1 to be untrue in any respect.

#### **7.6 No Release**

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

### **8. FORCE MAJEURE**

If at any time between the execution of this Agreement and at 5:00 p.m. on the Business Day immediately prior to the Completion Date, there occurs:

- (a) the introduction of any new Law or regulation or any change in existing Laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company;
- (b) the occurrence of any local, national or international event or change occurring

after the date of this Agreement of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company or adversely prejudices the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing;

- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs after the date of this Agreement which materially and adversely affects the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing;
- (d) the Company commits any material breach of or omits or fails to observe any of its obligations or undertakings under this Agreement; or
- (e) any of the representations or warranties contained in this Agreement was, when given or deemed to be repeated under this Agreement, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its reasonable opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Company or will otherwise likely to have a material prejudicial effect on the Placing,

then the Placing Agent may upon giving written notice to the Company terminate this Agreement with immediate effect. If this Agreement shall be terminated pursuant to this Clause 8, the obligations of the Placing Agent shall cease and determine, and the Company shall not be liable to pay any commission under Sub-Clause 6.1.1(a), and other provisions of this Agreement (other than this Clause 8, Sub-Clauses 6.1.1(b) to (d), Sub-Clause 6.1.2, and Clauses 6.2 to 6.5, 7.3, 10, 11, 13 and 14 and all other provisions necessary for the interpretation or enforcement of such provisions and without prejudice to the accrued rights and liabilities of the Parties) shall forthwith cease and determine and no Party shall, save as provided in this Clause 8, have any claim against the other Party for compensation, costs, damages or otherwise.

## **9. TIME OF THE ESSENCE**

Any time, date or period mentioned in this Agreement may be extended by mutual agreement of the Parties in writing but, as regards any time, date or period originally

fixed or any date or period so extended as aforesaid, time shall be of the essence.

## **10. CONFIDENTIALITY**

- 10.1 Each Party irrevocably undertakes with the other Party that it will not at any time (save as required by the Listing Rules, any Law or upon request by the Stock Exchange) make any announcement on the Placing or in connection with this Agreement unless the other Party shall have given its prior written consent to such announcement (which consent shall not be unreasonably withheld or delayed and may be given either generally or in a specific case or cases and may be subject to conditions).
- 10.2 No public announcement or communication of any kind shall be made on the Placing or in respect of this Agreement unless specifically agreed between the Parties or unless an announcement is required pursuant to the Listing Rules, any Law or upon request by the Stock Exchange.

## **11. NOTICES**

### **11.1 Addresses**

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

If to the Placing Agent, to:

**VC BROKERAGE LIMITED (滙盈證券有限公司)**

Address : 6/F, Centre Point, 181-185 Gloucester, Wanchai, Hong Kong

Facsimile : (852) 2525 5281

Attention : The Responsible Officers

If to the Company, to:

**CHINA UPTOWN GROUP COMPANY LIMITED (中國上城集團有限公司)**

Address : Suite 1501, 15/F, Tower 1 Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong

Facsimile : (852) 3582 4898

Attention : The Board of Directors

### **11.2 Service**

Any such notice shall be served either by hand or by facsimile. Any notice shall be

deemed to have been served, if served by hand, when delivered and if sent by facsimile, on receipt of the confirmation of successful transmission. Any notice received on a day which is not a Business Day shall be deemed to be received on the next Business Day.

## **12. WAIVER**

No failure or delay by any Party in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any further exercise thereof or the exercise of any other rights, power or remedy. Without limiting the generality of the foregoing, no waiver by any Party of any breach of any provision hereof shall be deemed to be a waiver of any subsequent breach of that or any other provision hereof.

## **13. GENERAL PROVISIONS**

### **13.1 Agreement Binding**

This Agreement supersedes all and any previous agreements, arrangements or understanding between the Parties relating to the matters referred to in this Agreement and this Agreement constitutes the entire agreement between the Parties with respect to its subject matter and no variation of this Agreement shall be effective unless made in writing and signed by all Parties. Further, this Agreement shall be binding on and enure for the benefit of the Parties and, subject to Clause 13.2, each Party's successors and permitted assigns.

### **13.2 Assignment**

Save and except otherwise than in accordance with Clause 3.7, no Party hereto shall assign any of its rights under this Agreement (all of which shall be incapable of assignment) or purport to do so.

### **13.3 Variation**

No variation, revision, amendment or supplement of or to this Agreement shall be effective unless such variation, revision, amendment or supplement is agreed by the Parties in writing. Further, no variation, revision, amendment or supplement of or to this Agreement shall constitute a general waiver of any provision herein, nor shall it affect any accrued right, obligation or liability of any Party under or pursuant to this Agreement, and the rights and obligations of the respective Parties under or pursuant to this Agreement shall remain in full force and effect except and only to the extent that they are so varied, revised, amended or supplemented.

### **13.4 Severability**

Any provision of this Agreement shall be severable, and if for any reason any provision of this Agreement is declared by any court of Hong Kong to be invalid, unenforceable or illegal under any Law, then, to the fullest extent permitted by the Law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal.

### **13.5 Rights Cumulative**

The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by Law.

### **13.6 Execution**

This Agreement may be executed in any number of counterparts and by the Parties on separate counterparts, each of which is an original, but all of which together constitute one and the same instrument.

## **14. GOVERNING LAW, JURISDICTION AND MISCELLANEOUS**

### **14.1 Governing Law**

This Agreement shall be regulated and governed by, and shall be construed in accordance with, the laws of Hong Kong, and the Parties hereby irrevocably submit to the jurisdiction of the courts of Hong Kong.

### **14.2 Counterparts**

This Agreement may be executed by the Parties in counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

### **14.3 No Third Party Rights**

Any person who is not a Party shall have no right under the Contract (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce or enjoy the benefit of any term of this Agreement.

**AS WITNESS** the hands of the duly authorised representatives of the Parties on the day and year first before written.



**[EXECUTION]**

The Company

**SIGNED** by )  
LIANG Zhichao )  
for and on behalf of )  
**CHINA UPTOWN GROUP COMPANY** )  
**LIMITED (中國上城集團有限公司)** )  
in the presence of :

*For and on behalf of*  
**CHINA UPTOWN GROUP COMPANY LIMITED**  
**中國上城集團有限公司**

  
.....  
*Authorized Signature(s)*

The Placing Agent

**SIGNED** by )  
WONG Chi Ming )  
for and on behalf of )  
**VC BROKERAGE LIMITED** )  
**(滙盈證券有限公司)** )  
in the presence of :

*For and on behalf of*  
**VC BROKERAGE LIMITED**  
**滙盈證券有限公司**

  
.....  
*Authorized Signature(s)*





## Schedule 1

### Completion Mechanics

#### **1. The Company's Obligations:**

The Company shall, at 5:00 p.m. (or such other time as agreed between the Parties in writing) on the Completion Date,

- (A) allot and issue the Placing Shares in accordance with Placee List (with such further information and/or particulars of or relating to each Placee as is reasonably required to enable the share registrars of the Company to issue definitive certificates for the relevant Placing Shares);
- (B) procure the names of the Placees (or where appropriate, HKSCC Nominees Limited or other nominees) to be entered into the register of members of the Company with respect to such portfolio of Placing Shares subscribed by each such Placee;
- (C) procure that definitive share certificate(s) for the Placing Shares to be issued and despatched, or delivered through CCASS for immediate credit to such stock accounts as shall be notified by the Placing Agent to the Company no later than 5:00 p.m. three Business Days immediately preceding the Completion Date; and
- (D) settle and discharge the Placing Commission, the Reimbursement and all other sums payable by the Company to the Placing Agent under and/or pursuant to this Agreement and/or for the Placing.

#### **2. The Placing Agent's obligations:**

Subject to Clause 6 of the Agreement, the Placing Agent (or its nominees or agents) shall at Completion make or procure the making of payments in HKD to the banking account designated by the Company (as notified by the Company to the Placing Agent not less than two (2) Business Days before the Completion Date) the aggregate Placing Price of the Placing Shares (up to 50,888,000 Placing Shares) for which the Placing Agent has procured subscription under the Placing during the Placing Period after deducting therefrom such amounts as set out in this Agreement (including the Placing Commission, the Reimbursements and all other sums payable by the Company to the Placing Agent under and/or pursuant to this Agreement and/or for the Placing).

