

Dated 18th April 2024

- (1) SHIN HWA WORLD LIMITED**
- (2) SR WEALTH SECURITIES LIMITED**

Underwriting Agreement

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THIS UNDERWRITING AGREEMENT is made on 18 April 2024

BETWEEN:

- (1) **SHIN HWA WORLD LIMITED**, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, having its principal office at Units 1412-1413, 14th Floor, China Merchants Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong (the "**Company**"); and
- (2) **SR WEALTH SECURITIES LIMITED**, a company incorporated in Hong Kong with limited liability, having its principal place of business at Unit 1305, 13/F., West Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong, which is licensed by the SFC to carry out Regulated Activities Type 1 (Dealing in Securities), Type 2 (Dealing in Futures Contracts), Type 4 (Advising on Securities) and Type 9 (Asset Management) under Central Entity No. BHF761 pursuant to the Securities and Futures Ordinance (the "**Underwriter**").

(The Company and the Underwriter are collectively referred to as the "**Parties**", and each or any one of them is referred to as the "**Party**" wherever appropriate hereunder.)

WHEREAS:

- (A) The Company was incorporated in the Cayman Islands and continued in Bermuda with limited liability whose issued Shares are listed on the Stock Exchange. As at the date hereof, the Company has 5,071,502,310 Existing Shares issued and are fully paid or credited as fully-paid.
- (B) The Company intends to offer, subject to the fulfilment or waiver of the Conditions Precedent, up to 1,014,300,462 Rights Shares by way of the Rights Issue, on the basis of two (2) Rights Share for every one (1) Adjusted Share held on the Record Date, for subscription by the Qualifying Shareholders at the Subscription Price of HK\$0.26 per Rights Share payable in full on acceptance and otherwise on the terms and subject to the conditions set out in this Agreement and the Prospectus Documents.
- (C) The Underwriter has agreed to underwrite on a best-effort basis the Underwritten Shares which have not been taken up on the terms and subject to the conditions hereinafter appearing.

IT IS HEREBY AGREED between the Parties as follows:

1. DEFINITIONS

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

"Adjusted Share(s)"	means the ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective.
"Announcement"	means the announcement to be made by the Company concerning, among other things, the Capital Reorganisation and the Rights Issue.

“associates”	has the meaning ascribed thereto under the Listing Rules.
“Board”	means the board of Directors or a duly authorised committee thereof.
“business day”	means 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. and 5: 00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours.
“Bye-laws”	means the bye-laws of the Company as amended from time to time.
“Capital Reduction”	means the proposed reduction of the issued share capital of the Company by (a) rounding down the total number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by cancelling any fraction of a Consolidated Share in the total number of Consolidated Shares in the issued share capital of the Company following the Share Consolidation; and (b) reducing the par value of each issued Consolidated Share from HK\$0.10 to HK\$0.01 by cancelling the paid-up share capital to the extent of HK\$0.09 on each issued Consolidated Share.
“Capital Reorganisation”	means the proposed capital reorganisation of the share capital of the Company involving (i) the Share Consolidation, (ii) the Capital Reduction, and (iii) the transfer of all the credits arising from the Capital Reduction to the contributed surplus account of the Company within the meaning of the Companies Act which may be applied to reduce the accumulated losses of the Company in full or in part and/or be applied by the Board in any other manner in accordance with the Bye-Laws and all applicable laws of Bermuda from time to time without further authorisation from the Shareholders.
“CCASS”	means the Central Clearing and Settlement System established and operated by HKSCC.
“Change in Board Lot Size”	means the proposed change in board lot size of the Shares for trading on the Stock Exchange from 1,200 Existing Shares to 6,000 Adjusted Shares
“Companies Act”	means the Companies Act 1981 of Bermuda, as amended, supplemented or otherwise modified from time to time.
“Companies Ordinance”	means the Companies Ordinance, Chapter 622 of

	the Laws of Hong Kong (as amended from time to time).
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	means the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time).
“Complying Applications”	means valid applications under the PALs and/or EAFs made in accordance with the terms of the Prospectus Documents together with cheques or cashier’s orders or other remittances for the full amount payable in respect of the Rights Shares being applied for under such PALs and/or EAFs which are honoured on first or, at the discretion of the Underwriter, subsequent presentation.
“Conditions Precedent”	means the conditions set out in Clause 2.1.
“Consolidated Share(s)”	means ordinary share(s) of HK\$0.10 each in the share capital of the Company immediately following and arising from the Share Consolidation becoming effective but prior to the Capital Reduction.
“Directors”	means directors of the Company for the time being.
“EAF(s)” or “Excess Application Form(s)”	means the excess application form(s) to be issued to the Qualifying Shareholder(s) in connection with the Rights Issue.
“Excluded Shareholder(s)”	means those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place.
“Existing Share(s)”	means ordinary share(s) of HK\$0.01 each in the share capital of the Company prior to the Capital Reorganisation having become effective.
“Extreme Conditions”	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 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.
“Group”	means the Company and its subsidiaries.

"HKSCC"	means Hong Kong Securities Clearing Company Limited.
"Hong Kong"	means the Hong Kong Special Administrative Region of the People's Republic of China.
"Independent Third Party"	means 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.
"Latest Time for Acceptance"	means 4:00 p.m. on 12 July 2024 or such other time and date as may be agreed between the Company and the Underwriter, being the latest time for application for, and payment for, acceptance and payment in respect of provisional allotments under the Rights Issue and for application and payment for excess Rights Shares as described in the Prospectus.
"Latest Time for Termination"	means 5:00 p.m. on 15 July 2024, being the first business day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriter, being the latest time to terminate the Underwriting Agreement.
"Listing Committee"	has the meaning ascribed thereto under the Listing Rules.
"Listing Rules"	means the Rules Governing the Listing of Securities on the Stock Exchange.
"MGO Obligation"	means the obligation to make a mandatory general offer under the Takeovers Code.
"Overseas Shareholder(s)"	means Shareholder(s) whose address(es) on the register of members of the Company on the Record Date are outside Hong Kong.
"PAL(s)" or "Provisional Allotment Letter(s)"	means the provisional allotment letter(s) in respect of the Rights Issue to be issued to the Qualifying Shareholders.
"Posting Date"	means 27 June 2024 or such later date as may be agreed between the Underwriter and the Company for the despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus to the Excluded Shareholders, as the case may be.
"Prospectus"	means the prospectus to be despatched to the Shareholders on the Posting Date in connection with the Rights Issue.

"Prospectus Documents"	means the Prospectus, the PAL and EAF.
"Public Float Requirement"	means the public float requirement under Rule 8.08 of the Listing Rules.
"Qualifying Shareholders"	means Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders.
"Record Date"	means 26 June 2024 or such other date as may be agreed between the Company and the Underwriter for the determination of the entitlements under the Rights Issue.
"Registrars"	means Tricor Standard Limited.
"Rights Issue"	means the proposed issue by way of rights on the basis of two (2) Rights Shares for every one (1) Adjusted Share held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in this Agreement and the Prospectus Documents.
"Rights Share(s) "	means up to 1,014,300,462 Adjusted Shares to be allotted and issued in respect of the Rights Issue.
"Scaling-down"	means the scale-down mechanisms of the Rights Issue as determined by the Company to which any application for the Rights Shares, whether under the PALs or EAFs, or transferees of nil-paid Rights Shares shall be subject to, to ensure that no application for the Rights Shares or the allotment thereof by the Company shall be at such level which may trigger any MGO Obligation.
"Scale-down EAF Shares"	means such number of Rights Shares applied for as excess application under the EAF(s) which would, if allotted by the Company, result in the incurring of an MGO Obligation on the part of the applicant.
"Scale-down PAL Shares"	means such number of Rights Shares applied for under the PAL(s) which would, if allotted by the Company, result in either the incurring of an MGO Obligation on the part of the applicant.
"Settlement Date"	means the sixth business day following (but excluding) the Latest Time for Acceptance or such later date as the Company and the Underwriter may agree.
"SFC"	means the Securities and Futures Commission.
"SGM"	means the special general meeting of the Company to be convened in which resolutions will be proposed to consider, and, if thought fit, to approve the Capital

	Reorganisation and the Rights Issue.
"Share(s)"	means the Existing Share(s) or Consolidated Share(s) or Adjusted Share(s) (as the case may be).
"Share Consolidation"	means the consolidation of every ten (10) issued Existing Shares of HK\$0.01 each into one (1) issued Consolidated Share of HK\$0.10 each.
"Shareholder(s)"	means holder(s) of Shares.
"Stock Exchange"	means The Stock Exchange of Hong Kong Limited.
"Subscription Price"	means the proposed issue price of HK\$0.26 per Rights Share at which the Rights Shares are proposed to be offered for subscription pursuant to the Rights Issue.
"subsidiary"	has the same meaning ascribed to it in the Companies Ordinance and "subsidiaries" shall be construed accordingly.
"taken up"	means in relation to any Rights Shares, means those Rights Shares in respect of which Complying Applications have been received on or before the Latest Time for Acceptance and references to "take up" shall be construed accordingly.
"Takeovers Code"	means The Codes on Takeovers and Mergers and Share Buy-backs.
"Underwritten Shares"	means up to 1,014,300,462 Rights Shares.
"Untaken Shares"	means such number of Rights Shares (if any) in respect of which duly completed PAL(s) or EAF(s) have not been lodged for acceptance or not fully paid or otherwise rejected on or before the Latest Time for Acceptance, including any Rights Shares to which the Excluded Shareholders would otherwise have been entitled under the Rights Issue if they were to be Qualifying Shareholders, together with the Scale-down PAL Shares and the Scale-down EAF Shares not being applied (whether validly or otherwise) and/or fully paid for under the EAFs, and unsold aggregation of fractions of Rights Shares.
"HK\$"	means Hong Kong dollars, the lawful currency of Hong Kong.

1.2 References to the singular number include the plural and vice versa and references to one gender include every gender. The clause headings in this Agreement are for convenience only and have no legal effect.

1.3 Any reference to a document being "in the agreed form" means in such form as may following the date of this Agreement be agreed between the Company and the

Underwriter, both acting reasonably.

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

1.5 References in this Agreement to time are to Hong Kong time.

2. CONDITIONS PRECEDENT

2.1 Completion of the Rights Issue is conditional upon:

- (a) passing of all the necessary resolution(s) at the SGM to approve the Capital Reorganisation, the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares) by the Shareholders (other than those who are required to abstain from voting according to the Listing Rules or other applicable laws and regulations if necessary);
- (b) the Capital Reorganisation and the Change of Board Lot Size having become effective;
- (c) delivery to the Stock Exchange for authorisation and the 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 authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Posting Date;
- (d) posting of the Prospectus Documents to the Qualifying Shareholders and posting of the Prospectus for information purpose only to the Excluded Shareholders on or before the Posting Date;
- (e) the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Rights Shares, in nil-paid and fully-paid forms;
- (f) the obligations of the Underwriter becoming unconditional and this Agreement not being terminated in accordance with the terms hereof on or before the Latest Time for Termination; and
- (g) the representation, warranties and undertakings of the Company as set out in this Agreement remain true and accurate in all material respects.

2.2 The Company shall on a best-effort basis procure the fulfillment or waiver (as the case may be) of all the Conditions Precedent by the Latest Time for Termination or such other date as the Company and the Underwriter may agree.

2.3 The Underwriter may at any time by notice in writing to the Company waive the Condition Precedent set out in Clause 2.1(g). Save and except the Condition Precedent set out in Clause 2.1(g), the other Conditions Precedent are incapable of being waived. If the Conditions Precedent are not satisfied and/or waived in whole or in part by the Underwriter by the Latest Time for Termination or such other date as the Company and the Underwriter may agree, this Agreement shall terminate (save and except Clauses 8.2, 14 and 16 which shall remain in full force and effect) and no party

shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

3. PUBLICATION OF THE ANNOUNCEMENT

Subject to approval by the Stock Exchange (if applicable), the Company shall arrange for the Announcement to be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company as soon as reasonably practicable following the signing of this Agreement.

4. THE RIGHTS ISSUE

4.1 Subject to fulfillment or waiver of the Conditions Precedent:

- (a) the Company shall offer the Rights Shares to the Qualifying Shareholders by way of the Rights Issue, on the basis of two (2) Rights Share for every one (1) Adjusted Share held on the Record Date, at the Subscription Price of HK\$0.26 per Rights Share payable in full on acceptance, by posting the Prospectus Documents to Qualifying Shareholders on the Posting Date;
- (b) the Company shall, on the Posting Date, post the Prospectus marked "For information only", without the PAL and EAF, to the Excluded Shareholders; and
- (c) the Company shall deliver to the Underwriter a certified copy of the resolutions of its board of Directors authorising the Rights Issue, the publication of the Prospectus on or before the Posting Date and the execution of this Agreement.

4.2 The Rights Shares, when allotted, issued and fully-paid, shall rank *pari passu* with the Shares then in issue in all respects. Holders of the fully-paid Rights Shares shall be entitled to receive all future dividends and distributions which are declared, made or paid with the record date which falls on or after the date of allotment and issue of the Rights Shares in their fully-paid form.

4.3 The Company shall not make available for subscription by the Qualifying Shareholders such Rights Shares representing any Rights Shares for which PAL (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 any Rights Shares which would otherwise have been offered to the Excluded Shareholders.

4.4 No fractional entitlements to the Rights Shares will be issued to the Shareholders and no entitlements of the Excluded Shareholders to the Rights Shares will be issued to the Excluded Shareholders. All fractions of the Rights Shares will be aggregated (rounded down to the nearest whole number) and the Rights Shares arising from such aggregation will be provisionally allotted and sold in the market as soon as practicable after dealings in the nil-paid Rights Shares commence and in any event before the dealings in nil-paid Rights Shares end for the benefit of the Company if a premium in excess of all expenses of sale can be obtained, and any unsold fractions of the Rights Shares will be made available for excess application by the Qualifying Shareholders under EAFs. The Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders had they been Qualifying Shareholders will be sold in the market before the Latest Time for Acceptance if a premium in excess of all

expenses of sale can be obtained. The aggregate net proceeds of such sale will be distributed to the Excluded Shareholders, provided that the Excluded Shareholders would be entitled to a net sum not less than HK\$100 after deducting of all relevant expenses. The Company will retain the remaining sale proceeds for its own benefit. Any unsold Rights Shares to which such Excluded Shareholders (if any) would otherwise have been entitled will be made available for excess application by the Qualifying Shareholders under the EAFs. Should there be no excess application by the Qualifying Shareholders, those Rights Shares may be taken by the Underwriter at its sole discretion.

- 4.5 The Rights Issue is only underwritten on a best-effort and non-fully underwritten basis. Subject to fulfilment or satisfaction of the Conditions Precedent, the Rights Issue shall proceed regardless of its level of acceptances, and up to 1,014,300,462 Rights Shares are available to be subscribed subject to, however, any Scaling-down. In the event of under-subscription, any Rights Shares not taken up by the Qualifying Shareholders whether under PAL(s) or EAF(s), or transferees of nil-paid Rights Shares, and not subscribed by subscribers procured by the Underwriter will not be issued, and hence, the size of the Rights Issue will be reduced accordingly.
- 4.6 Pursuant to this Agreement, as the Rights Issue is only underwritten by the Underwriter on a best-effort and non-fully underwritten basis, and so as to avoid the unwitting triggering of the MGO Obligation, all applications for Rights Shares whether under the PAL(s) or the EAF(s), or by transferees of nil-paid Rights Shares, or by subscribers procured by the Underwriter will be made on the basis that the applications are to be scaled-down by the Company no later than 4:30 p.m. on the first business day after the Latest Time for Acceptance to a level which does not trigger any MGO Obligation on the part of the applicant or parties acting in concert with him/her/it. Any subscription monies for the Scale-down PAL Shares or the Scale-down EAF Shares will be refunded to the applicants, and the Scale-down PAL Shares and the Scale-down EAF Shares will be made available for subscription by other Qualifying Shareholders through the EAF(s).
- 4.7 In addition, under and/or pursuant to the Scaling-down, any application for Rights Shares, whether under PAL(s) or EAF(s), shall be subject to the scale-down mechanisms of the Rights Issue as determined by the Company to levels which do not trigger any MGO Obligation.
- 4.8 Qualifying Shareholders are entitled to apply for, by way of excess application (i) any unsold entitlements to the Rights Shares of the Excluded Shareholders (if any); (ii) any unsold Rights Shares created by aggregating fractions of the Rights Shares; (iii) any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise not subscribed for by renouncees or transferees of nil-paid Rights Shares; (iv) the Scale-down PAL Shares (if any); and (v) the Scale-down EAF Shares (if any).

5. UNDERWRITING OBLIGATIONS AND ACCEPTANCE OF RIGHTS SHARES

- 5.1 The Company shall in any event before the Record Date make such enquiry regarding the legal restrictions, if any, under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange in the place where the Overseas Shareholders reside.
- 5.2 Subject to the provision of this Agreement, the Underwriter's obligations under this Clause shall terminate if, before the Latest Time for Acceptance, PAL and EAF in

respect of all Rights Shares have been lodged 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 Rights Shares comprised in PAL (and EAF, as the case may be) which are so lodged together with such remittances are herein referred to as having been "accepted") and there are no Scale-down PAL Shares and/or Scale-down EAF Shares.

- 5.3 If, however, by the Latest Time for Acceptance any of the Underwritten Shares have not been taken up, the Company shall as soon as practicable thereafter and in any event before 4:30 p.m. on the first 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 taken up and the Underwriter shall, on a best-effort and non-fully underwritten basis, subscribe for or procure subscription for up to 1,014,300,462 Rights Shares pursuant to this Agreement on the terms of the Prospectus Documents (so far as the same are applicable) for such Underwritten Shares by 5:00 p.m. on the Settlement Date. For the avoidance of doubt, notwithstanding anything said herein to the contrary, the Underwriter has no obligation to subscribe such Underwritten Shares by itself and the Underwriter does not undertake, represent or warrant that any person procured by the Underwriter would subscribe any of such Underwritten Shares.
- 5.4 The Underwriter shall, not later than 5:00 p.m. on the Settlement Date, pay or procure payment to the Company by way of banker's draft or cashier's order drawn on a licensed bank in Hong Kong or by way of bank transfer of the aggregate Subscription Price in respect of the Underwritten Shares for which it has subscribed for or has procured subscription in accordance with this Clause, less any amounts payable to the Underwriter pursuant to Clause 8.1.
- 5.5 No later than 5:00 p.m. on the Settlement Date, the Company shall arrange for delivery to the Underwriter or its nominee of share certificates in respect of the fully paid Underwritten Shares for which the Underwriter have subscribed or procured subscription in such names and in such denominations as the Underwriter may reasonably require or, where the Underwriter have designated an investor participant or CCASS participant stock account for deposit of all or part of the Rights Shares, 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.
- 5.6 The Underwriter undertakes to Company that, other than the transactions contemplated under this Agreement and as disclosed (or will be disclosed) in the Announcement and/or the Prospectus Documents, save with the prior consent of the Company, the Underwriter or any of its associates will not deal in the Shares or other securities of the Company from the date of this Agreement to the Settlement Date, provided that the Underwriter may, before the Settlement Date, enter into agreement with any other person(s) in respect of (a) the sub-underwriting of the Rights Shares; (b) the subscription of the Underwritten Shares not taken up, so long as such transactions are in compliance with applicable laws and regulations, (c) the dealing of the Shares as part of the brokerage business of the Underwriter on behalf of its clients.
- 5.7 In the event of the Underwriter subscribing or procuring the subscriptions of the Underwritten Shares pursuant to this Agreement, the Underwriter has irrevocably undertaken to the Company that:
- (a) without affecting the Underwriter's obligation to underwrite on a best-effort

basis all the Underwritten shares under this Agreement (whether to underwrite the same by itself or procure sub-underwriting of the same), the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares, which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to trigger a MGO Obligation on the part of the Underwriter and parties acting in concert (within the meaning of the Takeovers Code) with it upon completion of the Rights Issue;

- (b) the Underwriter shall use best endeavours to ensure that (i) each of the sub-underwriters or subscribers or purchasers of the Underwritten Shares procured by it (a) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the Directors, chief executives of the Company or substantial shareholders of the Company or their respective associates; (b) shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold such number of Underwritten Shares which will trigger a MGO Obligation on the part of such sub-underwriters or subscribers or purchasers and parties acting in concert (within the meaning of the Takeovers Code) with it upon completion of the Rights Issue; and (ii) none of the subscribers of the Underwritten Shares shall own 10% or more of the total number of Shares in issue immediately upon completion of the Rights Issue or otherwise being a core connected person of the Company (as defined in the Listing Rules).

6. OBLIGATIONS AND UNDERTAKINGS OF THE UNDERWRITER

- 6.1 Any transaction carried out by the Underwriter pursuant to Clause 5 (other than the obligation to subscribe for or procure subscription for any Underwritten Shares pursuant to Clause 5.3 and the obligations contained in Clause 6.2) shall constitute a transaction carried out at the request of the Company and as its agent and not in respect of the Underwriter's own account. The Underwriter (in relation to Clause 5) shall not be responsible for any loss or damage to any persons arising from any such transaction, except where such loss or damage directly arises from the breach by the Underwriter of its obligations under this Agreement or the gross negligence or willful default or fraud of the Underwriter or any agent appointed by them for such purpose.
- 6.2 In acting as agent of the Company hereunder, the Company confers on the Underwriter all powers, authorities and discretions on behalf of the Company which are necessary for, or reasonably incidental to, the underwriting of the Underwritten Shares and the Company agrees to ratify and confirm everything which the Underwriter lawfully, properly and reasonably does in the proper exercise of such appointment, powers, authorities and discretion.
- 6.3 The Underwriter shall comply with all applicable laws and shall not do or omit anything, the doing or omission of which shall or may cause the Company or any of its directors to be in breach of any applicable laws, and in particular, but without prejudice to the generality of the foregoing, shall ensure that all offers made by it of the Rights Shares are made only in compliance with all applicable law and regulation and do not require the registration of the Prospectus Documents or any of them or any other document as a prospectus or otherwise in any jurisdiction other than Hong Kong and the Underwriter shall not make or purport to make on behalf of the Company any representation or warranty not contained in the Prospectus Documents.
- 6.4 In any event, and further to Clause 5, the Underwriter shall use its best endeavours to

ensure that (i) each subscriber of the Untaken Shares procured by it shall be an Independent Third Party, (ii) no subscriber of the Untaken Shares procured by it, together with any party acting in concert with it, will hold 30% (or such percentage which will trigger any MGO Obligation under the Takeovers Code) or more of the voting rights of the Company, and (iii) the Public Float Requirement remains to be fulfilled by the Company upon completion of the Rights Issue.

- 6.5 The Underwriter shall procure that all necessary consents are obtained from the subscribers and/or sub-underwriter(s) to be appointed by the Underwriter, where applicable, for the publication of its respective identity, and shall use its respective best endeavours to ensure that such information is available for incorporation in the announcements or prospectus relating to this Agreement and the Rights Issue required to be issued by the Company in accordance with the Listing Rules.
- 6.6 The Underwriters further represents, warrants and undertakes to the Company that:
- (a) it has the requisite power and authority to enter into and perform this Agreement;
 - (b) it has taken all necessary corporate or other action to enable it to enter and perform its obligations hereunder and no other consents, actions, authorisations or approvals are necessary to enable or authorise it to perform its obligations hereunder;
 - (c) this Agreement constitutes legal, valid and binding obligations of the Underwriter in accordance with its terms; and
 - (d) the execution of, and performance by the Underwriter of its obligations with this Agreement will not violate, conflict with or result in a material breach of or constitute default under the terms, provisions or conditions of its constitutional documents.

7. ALLOTMENT AND ISSUE

- 7.1 Subject to the fulfilment or waiver of the Conditions Precedent, the Company shall, no later than the date of despatch of certificates for fully-paid Rights Shares to be stated in the Prospectus, duly allot and issue the Rights Shares validly accepted and applied for and paid for and shall issue certificates for the Rights Shares to the relevant subscribers in accordance with the terms of the Prospectus Documents.
- 7.2 The Underwritten Shares taken up by the Underwriter or for which they have procured subscription as provided in Clause 5.3 will be duly allotted and issued and certificates in respect thereof, or evidence that the same has been deposited into investor participant or CCASS participant stock account designated by the Underwriter, will be delivered to the Underwriter or as they may direct as soon as is reasonably practicable but in any event no later than the date of despatch of certificates for fully-paid Rights Shares to be stated in the Prospectus upon the payment made by the Underwriter to the Company as provided in Clause 5.4, in accordance with Clause 5.5.

8. FEES AND EXPENSES

- 8.1 In consideration of the Underwriter having fulfilled its obligations under this Agreement to underwrite the Underwritten Shares on a best-effort basis and provided their services in connection with the issue of the Rights Shares, the Company shall by not later than the date of despatch of the share certificates in respect of the Rights Shares

pay an underwriting commission of 1% of the aggregate Subscription Price in respect of the actual subscription number of Underwritten Shares subscribed or procured to be subscribed by the Underwriter pursuant to the terms of this Agreement, and unless previously paid by the Company, any amount due to the Underwriter under this Clause may be deducted from the proceeds of the Rights Issue to be paid by the Underwriter to the Company.

- 8.2 The amount referred to in Clause 8.1 shall not be payable if this Agreement does not become unconditional or if it is terminated by the Underwriter pursuant to Clause 11.
- 8.3 Out of the commission referred to in Clause 8.1(a), the Underwriter will pay any commissions, costs and expenses reasonably incurred by it in respect of the sub-underwriting of the Underwritten Shares.
- 8.4 The amounts payable pursuant to Clause 8.1 may be withheld by the Underwriter from any payment to be made by the Underwriter to the Company pursuant to Clause 5.4. In the event of the Underwriter not being called upon to subscribe or procure subscription pursuant to Clause 5.3 and/or the amount of the subscription moneys payable by the Underwriter being less than the full amount payable by the Company under Clause 8.1, the amounts payable pursuant to Clause 8.1, or the balance thereof, shall be due and payable as soon as reasonably practicable and in any event not later than the date of despatch of the share certificate in respect of the Rights Shares or such other date as may be agreed between the Company and the Underwriter.
- 8.5 The Company shall bear its own legal fees, accountancy and other professional fees, the Registrars' fees, the cost of printing and distributing the Announcement 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).
- 8.6 The Underwriter may enter into sub-underwriting arrangement with sub underwriter(s) or appoint any person to be sub-agent(s) on its behalf for the purpose of arranging for the subscription of the Underwritten Shares with selected subscribers with such authority and rights as the Underwriter have pursuant to its appointment under this Agreement provided that all fees, commissions, costs, charges and expenses for, arising from or in connection with the engagement of such sub-underwriter(s) or sub-agent(s) shall be paid and borne by the Underwriter.

9. ANNOUNCEMENTS

Save as expressly required hereunder or as otherwise required by the Stock Exchange or the SFC, no public announcement or communication to Shareholders or to the Stock Exchange or to the SFC concerning the Company and/or its subsidiaries which is material in relation to the Rights Issue shall be made or despatched by the Company or the Underwriter 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 5.4, without prior written approval from the Company and the Underwriter as to the content, timing and manner of making or despatch thereof which approval shall not be unreasonably withheld or delayed.

10. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

- 10.1 The Company represents and warrants to and undertakes with the Underwriter in the

following terms:

- (a) the facts stated in the Recitals are true and accurate in all material respects;
- (b) all statements of fact contained or to be contained in the Announcement or in the Prospectus Documents 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 are and will be fair and made after due and careful consideration;
- (c) there will be no information not disclosed in the Prospectus Documents the omission of which makes any statement therein incorrect or misleading in any material respect or which, in the context of the issue of the Rights Shares, might be material for disclosure therein;
- (d) neither the Company nor any of its subsidiaries is engaged in any litigation, arbitration, prosecution or other legal proceeding of material importance nor to the best knowledge to the Company after making reasonable enquiries there is 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 material adverse effect on the financial position or business of the Company and its subsidiaries taken as a whole or which may have or has had a material adverse effect in the context of the Rights Issue;
- (e) the Company and its subsidiaries have 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 properly disclosed by the Company in accordance with the Listing Rules or otherwise as required by the Listing Rules;
- (f) 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 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 Companies (Winding Up and Miscellaneous Provisions) Ordinance, or has stopped paying its debts as they fall due; and no unsatisfied judgment which is material adverse to the condition of the Company is outstanding against the Company or any of its subsidiaries;
- (g) the Prospectus Documents will contain all particulars and information required by, and will be in accordance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Listing Rules, the rules and regulations of the Stock Exchange and all other relevant statutory provisions and governmental regulations in Hong Kong and Bermuda;
- (h) 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;
- (i) on the date of issue of the Rights Shares, the Company will have the power

under its memorandum and bye-laws, will have taken all necessary corporate or other action to enable it to, and no other consents, actions, authorisations or approvals are necessary to enable or authorise it other than the obtaining the consents and approvals referred to in Clauses 2.1:

- (i) to issue and allot the Rights Shares in accordance with the Prospectus Documents without any sanction; and/or
 - (ii) to enter into and perform its obligations under this Agreement and to make the Rights Issue;
- (j) the Rights Shares, when allotted, issued and fully-paid, will be issued free from all liens, charges, encumbrances and third party rights, interests or claims of any nature whatsoever and will rank pari passu in all respects among themselves and with the Shares then in issue on the date of allotment and issue of the Rights Shares;
- (k) the obligations of the Company under this Agreement constitute legally valid and binding obligations of the Company enforceable in accordance with the terms herein; and
- (l) the Company will comply in all material respects with the terms and conditions of the Rights Issue contained in the Announcement and the Prospectus Documents.

10.2 Each of the representations, warranties and undertaking contained in Clause 10.1 shall be construed separately and shall not be limited or restricted by reference to or inference from the terms of any other of the representations, warranties and undertaking or any other terms of this Agreement. If this Agreement is not rescinded pursuant to Clause 11, all such warranties, representations and undertakings as are contained in Clause 10.1 above shall be deemed to have been repeated as at the Latest Time for Termination with reference to the facts and circumstances then subsisting.

10.3 The foregoing provisions of this Clause 10 will continue in full force and effect notwithstanding the completion of the Rights Issue.

11. TERMINATION AND FORCE MAJEURE

11.1 If, at any time prior to the Latest Time for Termination there occurs, in the reasonable opinion of the Underwriter:

- (a) any of the following which will or is likely to materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudices the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
 - (ii) the occurrence, happening, coming into effect or becoming public knowledge of (1) any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military,

financial, economic or 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 such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; (2) a suspension or a material limitation in trading in securities generally on the Stock Exchange; (3) a suspension or a material limitation in trading in the Company's securities on the Stock Exchange for more than ten consecutive Business Days (other than pending publication of the Announcement or any other document relating to the Capital Reorganisation and Rights Issue); (4) a general moratorium on commercial banking activities in Hong Kong declared by the relevant authority or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong; or (5) a change or development involving a prospective change in taxation affecting the Company, the Shares or the transfer thereof; or

- (b) any change in the circumstances of the Company or any member of the Group occurs which in the reasonable 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 similar event occurring in respect of any member of the Group or the destruction of any material asset of the Group; or
- (c) any event of force majeure occurs, including without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, military conflict, strike or lock-out which in the reasonable opinion of the Underwriter materially or adversely affects the business or financial or trading position or prospects of the Group as a whole; or
- (d) the commencement by any third party of any litigation or claim against any member of the Group after the signing of the Underwriting Agreement which, in the reasonable opinion of the Underwriter, is or might be material to the Group taken as a whole; or
- (e) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole occurs, whether or not ejusdem generis with any of the foregoing,

the Underwriter shall be entitled by notice in writing issued by the Underwriter to the Company, served prior to the Latest Time for Termination, to terminate this Agreement.

11.2 If, at or prior to the Latest Time for Termination:

- (a) the Company commits any material breach of or omits to materially observe any of the obligations, undertakings, representations or warranties expressed to be assumed by it under this Agreement, where, in the reasonable opinion of the Underwriter, such breach or omission will or is likely to have a material and adverse effect on its business, financial or trading prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue; or

- (b) the Underwriter shall receive notification pursuant to Clause 10.3 of, or shall otherwise become aware of, the fact that any of the representations, warranties or undertakings contained in Clause 10.1 was, when given, untrue or inaccurate or incomplete or would be untrue or inaccurate if repeated as provided in Clause 10.2, and the Underwriter shall, in its reasonable discretion, determine that any such untrue representation, warranty or undertaking represents or is likely to represent a material adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue; or
- (c) the Company's application to the Listing Committee of the Stock Exchange for the permission for the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) on the Stock Exchange is withdrawn by the Company and/or refused or revoked by the Stock Exchange;

the Underwriter shall be entitled (but not bound) by notice in writing issued by it to the Company to elect to treat such matter or event as releasing and discharging the Underwriter from its obligations under this Agreement and rescind this Agreement. Any such notice shall only be served by the Underwriter prior to the Latest Time for Termination.

- 11.3 Upon the giving of notice pursuant to this Clause 11, all obligations of the Underwriter hereunder shall cease and determine and no Party shall have any claim against the other Party in respect of any matter or thing arising out of or in connection with this Agreement, but without prejudice to any rights of any party in respect of any breach by the other prior to such rescission or termination.

12. TIME OF THE ESSENCE

Any time, date or period mentioned in this Agreement may be extended 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.

13. NOTICES

- 13.1 Any notice required to be given hereunder will be deemed to be duly served if left at or sent by hand or email or pre-paid post to the registered office or to the following addresses and email address and marked for the attention of the following persons:

<u>Party</u>	<u>Address</u>	<u>Email address</u>
The Company (attention to the Board of Directors)	Units 1412-1413, 14 th Floor, China Merchants Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong	enquiry@shw.com.hk

Underwriter Unit 1305, 13/F., West settlement@srw.com.hk
Tower, Shun Tak
(attention to Mr Centre, Nos. 168-200
Howard Wong) Connaught Road
Central, Hong Kong

- 13.2 Any such notice will be deemed to be served if sent by email on the day the email being sent, 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.

14. MISCELLANEOUS

- 14.1 This Agreement may be executed in any number of counterparts which when executed and delivered is an original, but all the counterparts together constitute the same document.
- 14.2 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.
- 14.3 This Agreement may only be varied in writing signed by all Parties.
- 14.4 If at any time any provision of this Agreement is or become illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair:
- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement;
 - (b) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Agreement.

15. CONTRACTS (RIGHTS OF THIRD PARTIES) ORDINANCE

No person other than the Parties (including their respective assigns and/or transferees) shall have any right under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce or enjoy the benefit of any provisions of this Agreement.

16. GOVERNING LAW AND JURISDICTION

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

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

IN WITNESS whereof the Parties have duly executed this Agreement the day and year first above written.

THE COMPANY

SIGNED by **Chan Mee Sze**)
)
its director(s) / authorised signature(s) (duly)
authorised by resolution of the board of)
directors) for and on behalf of **SHIN HWA)
WORLD LIMITED)
whose signature(s) is / are verified by / in the)
presence of:)**

For and on behalf of
Shin Hwa World Limited
神話世界有限公司


.....
Authorized Signature(s)

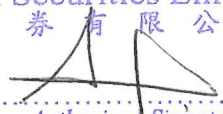
Signature of witness: 

Name of witness: NG WAI KEI

UNDERWRITER

SIGNED by _____)
)
its director(s) / authorised signature(s) (duly)
authorised by resolution of the board of)
directors) for and on behalf of)
SR WEALTH SECURITIES LIMITED whose)
signature(s) is / are verified by / in the presence)
of: _____)

For and on behalf of
SR Wealth Securities Limited
中富證券有限公司



.....
Authorized Signature(s)

Signature of witness: *Wai*

Name of witness: POON CHI WAI