

Dated 17 June 2024

**KINGKEY FINANCIAL INTERNATIONAL (HOLDINGS) LIMITED**  
京基金融國際(控股)有限公司

**AND**

**Orient Securities Limited**  
東方匯財證券有限公司

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**PLACING AGREEMENT**

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**THIS PLACING AGREEMENT** is made on 17 June 2024

**BETWEEN:-**

- (1) **KINGKEY FINANCIAL INTERNATIONAL (HOLDINGS) LIMITED** 京基金融國際(控股)有限公司, a company incorporated in Cayman Islands whose registered office is at Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and whose headquarters and principal place of business is at 902, Harbour Centre, Tower 2, 8 Hok Cheung Street, Hung Hom, Kowloon, Hong Kong (the “**Company**”); and
- (2) **Orient Securities Limited** 東方匯財證券有限公司, a company incorporated in Hong Kong with limited liability whose registered office is situated at 8/F, Unit B, Hip Shing Hong Centre, 55 Des Voeux Road, Central, Hong Kong (the “**Placing Agent**”).

**WHEREAS:-**

- (A) The Company was incorporated in Cayman Islands with limited liability. As at the date hereof, the Company has an authorised share capital of HK\$100,000,000 divided into 100,000,000,000 Shares of HK\$0.01 each, out of which 9,155,955,680 Shares are issued and fully paid. All of the Shares are currently listed on the Main Board of the Stock Exchange (as defined hereinafter).
- (B) The Company has determined by resolution of its Board to increase the Company’s capital and shareholder base, and the Placing Agent, in reliance upon the representations, warranties and undertakings of the Company contained herein, has agreed to, as agent of the Company, procure on best efforts basis not less than six (6) Places (as defined hereinafter) to subscribe for the Placing Shares (as defined hereinafter) at the Placing Price (as defined hereinafter) upon the terms and subject to the conditions set out in this Agreement. The Placing Shares are to be allotted and issued pursuant to the Specific Mandate (as defined hereinafter).
- (C) The Company has agreed to appoint the Placing Agent and the Placing Agent has agreed to act as the Company’s placing agent for the Placing upon the terms and subject to the conditions set out in this Agreement.

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

## **1. INTERPRETATION**

1.1 In this Agreement (including the Recitals hereto) unless specifically provided otherwise or the context otherwise requires,

1.1.1 the following definitions are used:

“**Agreement**” means this placing agreement as amended or varied from time to time by an agreement in writing duly executed by the Parties;

“**Annual Accounts**” means the consolidated audited accounts of the Group for the year ended 31 March 2023;

**“Annual Accounts Date”** means 31 March 2023;

**“Authorised Share Capital Increase”** means the proposed increase in authorised share capital of the Company from HK\$100,000,000 (divided into 10,000,000,000 Shares) to HK\$1,000,000,000 (divided into 100,000,000,000 Shares) by the creation of an additional 90,000,000,000 new Shares;

**“associate”** has the same meaning as in the Listing Rules;

**“Business Day(s)”** means a day (excluding Saturday, Sunday, public holiday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours;

**“Board”** means the board of Directors;

**“CCASS”** means the Central Clearing and Settlement System established and operated by the HKSCC;

**“Companies Ordinance”** means the Companies Ordinance, Chapter 622, Laws of Hong Kong;

**“Companies WUMP Ordinance”** means the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32, Laws of Hong Kong;

**“Completion”** means completion of the Placing on the terms and subject to the conditions set out in this Agreement;

**“Completion Date”** means within five (5) Business Days after the day on which the Conditions have been fulfilled (or another time or date as the Company and the Placing Agent shall agree in writing) on which completion of the Placing shall take place pursuant to clause 4;

**“Directors”** means the directors of the Company;

**“Disclosed”** means disclosure by the Company against any of representations or warranties hereunder given by it, by way of disclosure in this Agreement or in any announcement, circular and/or report published or issued by the Company on the website of the Stock Exchange;

**“EGM”** means the extraordinary general meeting of the Company to be convened and held to consider and approve, among others, the Placing Agreement and the transactions contemplated thereunder including the grant of the Specific Mandate for the allotment and issue of the Placing Shares;

**“General Rules of HKSCC”** means the terms and conditions regulating the use of HKSCC’s services, as may be amended, supplemented and/or otherwise

modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures;

“**Group**” means the Company and its Subsidiaries;

“**HKSCC**” means the Hong Kong Securities Clearing Company Limited;

“**HKSCC Operational Procedures**” means the operational procedures of the HKSCC, containing the practices, procedures and administrative or other requirements relating to the operations and functions of CCASS, as from time to time in force;

“**HK\$**” means Hong Kong dollar;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the PRC;

“**Indemnified Party**” has the meaning given in clause 9;

“**Liens**” means liens, charges and encumbrances, claims, options, security interests, equities and other third party rights (including rights of pre-emption) of any nature whatsoever;

“**Listing Rules**” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

“**Participant**” means a person admitted for the time being by HKSCC as a participant of CCASS;

“**Placee(s)**” means professional, institutional and other investors selected and procured by or on behalf of the Placing Agent as contemplated by this Agreement;

“**Placing**” means the placing by or on behalf of the Placing Agent of the Placing Shares on the terms and subject to the conditions set out in this Agreement;

“**Placing Announcement**” means the announcement proposed to be issued by the Company in relation to the Placing;

“**Placing Period**” means the period commencing upon the execution of this Agreement and terminating at 5:00 p.m. on the Business Day prior to the Completion Date (or such other day as agreed between the parties hereunder), unless rescinded pursuant to clause 8;

“**Placing Price**” means HK\$0.25 per Placing Share;

“**Placing Shares**” means up to 1,000,000,000 new Shares to be placed, on a best effort basis, by or on behalf of the Placing Agent as agent for the Company pursuant to this Agreement, being approximately 10.9% of the number of issued Shares as at the date hereof;

“**PRC**” means the People's Republic of China, excluding, for the purposes of this Agreement, Hong Kong, Macau Special Administrative Region and Taiwan;

“**Previous Announcements**” means all announcements, reports and circulars issued by the Company on the website of the Stock Exchange since the Annual Accounts Date;

“**Proceedings**” means claims, actions, liabilities, demands, proceedings or judgments;

“**SFC**” means the Securities and Futures Commission of Hong Kong;

“**SFO**” means the Securities and Futures Ordinance, Chapter 571, Laws of Hong Kong;

“**Shareholders**” means the shareholders of the Company;

“**Shares**” means ordinary shares of HK\$0.01 each in the share capital of the Company;

“**Specific Mandate**” means the specific mandate to be granted by the Shareholders at the EGM to allot and issue a maximum of 1,000,000,000 new Shares, representing approximately 10.9 % of the issued share capital of the Company as at the date of this Agreement;

“**Stock Exchange**” means The Stock Exchange of Hong Kong Limited;

“**Subsidiary**” has the same meaning as in Section 4 of the Companies Ordinance;

“**Takeovers Code**” means the Hong Kong Code on Takeovers and Mergers; and

“**%**” means per cent.

- 1.1.2 references to “**Recitals**”, “**Clauses**” and the “**Schedules**” are to the recitals and clauses of and the schedules of this Agreement;
  - 1.1.3 words importing the singular include the plural and vice versa, words importing a gender include every gender and references to a person include bodies corporate or unincorporated;
  - 1.1.4 any document expressed to be “**in the agreed form**” means a document approved by the Parties hereto and for the purpose of identification signed by or on behalf of the Company and the Placing Agent; and
  - 1.1.5 the words “**include**”, “**includes**” and “**including**” as used herein shall be construed as if followed by the words, “**without limitation**”.
- 1.2 Headings are for convenience only and shall not affect the construction of this Agreement.

1.3 The Schedules shall constitute a part of, and are hereby incorporated into, this Agreement.

## **2. PLACING OBLIGATIONS**

2.1 Subject to the terms and conditions of this Agreement, the Company agrees to offer the Placing Shares for subscription and the Placing Agent agrees to use its best efforts, as agent of the Company, to procure, either by itself or through its sub-placing agents, currently expect to be not fewer than six (6) Placees to subscribe for the Placing Shares on the terms and subject to the conditions set out in this Agreement.

2.2 The obligations of the Placing Agent under this Agreement shall be on a best effort basis in the following amounts:

<u>Placing Agent</u>	<u>Number of Placing Shares to be placed</u>
Orient Securities Limited	1,000,000,000 Shares

2.3 The choice of the Placees for the Placing Shares shall be determined solely by the Placing Agent, subject to the requirements of the Listing Rules, in particular, Rule 5 of the Appendix F1 to the Listing Rules, and the Placing Agent shall use its best endeavour to ensure that Placees shall be parties independent of the Company and the connected persons (as defined in the Listing Rules) of the Company and shall not be parties acting in concert with each of the other Placees (within the meaning of the Takeovers Code). The Placing Agent will use all best endeavours promptly to provide to the Stock Exchange and/or the SFC such information with respect to the Placees and their independence as may be required by it in the ordinary course in connection with a “placing” transaction such as that contemplated under this Agreement.

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

3.1 The Company hereby appoints the Placing Agent to the exclusion of all others as its placing agent of the Placing and, relying on the representations, warranties and undertakings on the part of the Company contained herein, the Placing Agent agrees to use its best efforts, to procure the Placees to subscribe for the Placing Shares on the terms and subject to the conditions set out in this Agreement. Subject as specifically provided in this Agreement, any transaction carried out by the Placing Agent (or its sub-placing agents) pursuant to this Agreement shall constitute a transaction carried out by the Placing Agent at the request of the Company and as its agent and not on account of or for the Placing Agent. The Placing Agent shall not be responsible or liable for any loss or damage to any party in connection with the Placing or arising from any such transaction or for any alleged insufficiency of the price at which the Placing Shares are sold hereunder.

3.2 Subject to the provisions of this Agreement, the Placing Agent shall be entitled to conduct and undertake the Placing in such manner as they think fit. The Company hereby confirms that the appointment pursuant to this Agreement confers on the Placing Agent in accordance with the provisions hereof all powers, authorities and discretions on its behalf which are necessary for, or reasonably incidental to, the Placing (including the power and authority to delegate its functions hereunder to any other person or persons to act as agent or agents of the Placing Agent), and hereby agrees to ratify and confirm everything which the Placing Agent may lawfully, reasonably and necessarily,

do or have done in the exercise of such powers, authorities and discretion in accordance with the terms of this Agreement. The Placing Agent shall not be responsible for any loss or damage to any party in connection with the Placing, provided that such loss or damage was not caused by negligence, fraud or default on the part of the relevant Placing Agent.

- 3.3 The Placing Shares shall be offered by the Placing Agent as agent for the Company at the Placing Price (exclusive of any such Hong Kong stamp duty (if any), brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee as may be payable by purchasers or subscribers) during the Placing Period, subject to clause 2. The offer of the Placing Shares to the Placees by the Placing Agent shall be conditional upon this Agreement not having been terminated in accordance with its terms prior to the Completion.
- 3.4 The Company shall procure that the Placing Shares shall be allotted and issued free and clear from all Liens and together with all rights attaching thereto at the date of their issue as provided under clause 5.3.5.
- 3.5 Placing Agent hereby warrants and undertakes to the Company that:-
  - 3.5.1 it shall use its best endeavours to ensure that the Placing will be a private placement of securities and not an offer to the public within the meaning of the relevant rules and regulations applicable to the Company in the Cayman Islands;
  - 3.5.2 subject to clause 3.6, it will use its best endeavours to ensure that it receives confirmation (oral or written) from the Placees that the relevant Placee is a third party independent of and not acting in concert with the Company or its connected persons (as defined in the Listing Rules);
  - 3.5.3 it will comply with the selling restrictions and other provisions set out in Schedule 2;
  - 3.5.4 except as required by the selling restrictions contained in this Agreement, the Placing will be effected by telephone conversation leading to concluded contracts without the despatch of documents (if any) until after legally binding commitments to purchase the Placing Shares have been obtained from each Placee in the course of such communications;
  - 3.5.5 it has full power to enter into and perform its obligations under this Agreement and this Agreement will, when executed, constitute binding obligations on the Placing Agent in accordance with its terms;
  - 3.5.6 it will use its best endeavours to procure that its sub-placing agents (if any) will observe, agree to and comply with, and will be bound by, the provisions of sub-clauses 3.5.1 to 3.5.6 (both inclusive) of this clause 3.5 as if such sub-placing agents were parties hereto for the purpose of the said sub-clauses; and
  - 3.5.7 the Placing Agent is a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).
- 3.6 The Company shall provide all necessary assistance to the Placing Agent to determine whether the Placees are or will be third parties independent of the Company and its



associates and not acting in concert with the Company or its connected persons (as defined in the Listing Rules). The Company undertakes that it will use its best endeavours to notify (i) any parties connected with the Company and (ii) its associates that they should not acquire any Placing Shares in the Placing. The Company shall notify the Placing Agent if it becomes aware that any party connected with the Company or any of its associates intends to acquire the Placing Shares in the Placing.

#### **4. COMPLETION**

4.1 Subject to the fulfilment of the conditions precedent to Completion as referred to in clause 6.1, Completion shall take place in the following manner:

4.1.1 at or before 4:00 p.m. on the Completion Date, the Company shall:

- (i) deliver to, or procure the delivery to the Placing Agent or as the Placing Agent may direct (a) a copy of the board minutes of the Company approving the entering into of this Agreement by the Company, the Placing and all transactions contemplated in connection with the Placing; and (b) a copy of the approval of the Stock Exchange granting the listing of and permission to deal in the Placing Shares; and
- (ii) either (a) deliver to the Placing Agent definitive share certificates issued in the names of the relevant Placees or in the name of the Placing Agent (who will hold the Placing Shares as nominee for relevant Placees), in respect of the relevant number of Placing Shares subscribed by each Placees or (b) allot and issue the Placing Shares and deposit all Placing Shares into the CCASS participant account designated by the Placing Agent and notified to the Company in writing at least three (3) Business Days prior to the Completion Date;

4.1.2 against compliance by the Company with its obligations pursuant to clause 4.1.1, at or before 4:00 p.m. on the Completion Date, the Placing Agent shall pay or procure payment to the following designated bank account of the Company in HK\$ in immediately available funds the Placing Price multiplied by the number of Placing Shares actually placed (less the commission and amounts referred to in clause 7), the payment of which shall constitute a complete discharge of the Placing Agent's obligations to purchase the Placing Shares hereunder:

Account Name:	Kingkey Financial International (Holdings) Limited
Bank:	Public Bank (Hong Kong) Limited
Account No.:	0714-377829-031
Swift Code:	CBHKHKHH

4.2 The Placing Agent shall, within the Placing Period, provide particulars of the Placees to the Stock Exchange and the Company and such information as may be required by the Stock Exchange and/or the relevant regulatory authority or governmental agency in Hong Kong.

**5. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS GIVEN BY THE COMPANY**

- 5.1 Save as Disclosed, the Company represents, warrants and undertakes to the Placing Agent as set out in Schedule 1 in all material respects. Such representations, warranties and undertakings shall remain in full force and effect notwithstanding completion of the Placing. The representations and warranties are given as at the date hereof and shall be deemed to be repeated by the Company on each day up to and including 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 shall not, and shall procure that no member of the Group shall at any time prior to or on the Completion Date, do or omit to do anything which may cause any of the representations, warranties and undertakings set out in this Agreement to be untrue in all material respects. The Company undertakes that up to and until Completion to notify the Placing Agent of any matter or event coming to its attention prior to the Completion Date which would or would be likely to render or have rendered any of the representations, warranties and undertakings made by it set out in Schedule 1 untrue, inaccurate, misleading or breached in any material respect.
- 5.2 The Company acknowledges that the obligations of the Placing Agent under this Agreement shall be subject among other things to (i) the representations, warranties and undertakings of the Company contained herein being true, accurate and not in breach or misleading in any material respect as of the Completion Date; (ii) the Company having complied with all of the agreements and undertakings and satisfied or performed all of the conditions and obligations on its part to be performed or satisfied under this Agreement on or before the Completion Date in all material respects; and (iii) the Placing Agent having received from the Company any authorisations, resolutions and officer's certificates which the Placing Agent may reasonably require for the purpose of the Placing.
- 5.3 The Company hereby represents and warrants to the Placing Agent that:-
- 5.3.1 subject to satisfaction of the conditions set out in clause 6.1, it has existing authority to allot and issue the Placing Shares in accordance with the terms of this Agreement;
- 5.3.2 the creation, allotment and issue of the Placing Shares will be within its powers and in accordance with its articles of association and will comply with all statutory requirements, including the Companies Ordinance (where applicable), the relevant rules and regulations applicable to the Company in the Cayman Islands and the Listing Rules;
- 5.3.3 the Placing Shares will be allotted and issued by the Company under the authority of the Directors pursuant to the Specific Mandate;
- 5.3.4 the creation of the Placing Shares and their allotment and issue pursuant to this Agreement will not cause any breach of any agreement to which it and/or any of its Subsidiaries is a party or by which it is or any of them is bound and will not infringe or exceed any limits on, powers of, or restrictions on or the terms of any contract, obligation or commitment whatsoever of, the Company and/or any of its Subsidiaries and/or their respective board of directors; and

- 5.3.5 the Placing Shares will be allotted and issued pursuant to this Agreement free from all Liens and equities and will rank pari passu in all respects with the Shares in issue and in particular will have the right to receive all dividends or other distributions hereafter declared paid or made on such Shares with reference to a record date occurring on or after the Completion.
- 5.4 The foregoing provisions of this clause shall remain in full force and effect notwithstanding the Placing.

## **6. CONDITIONS**

- 6.1 Completion of the Placing is conditional upon the satisfaction of the following conditions on or before 30 September 2024 (or such later date as may be agreed between the Placing Agent and the Company in writing):-
- 6.1.1 there shall not have occurred any breach or any event render untrue or inaccurate, any of the representations, warranties or undertakings under this Agreement in all material respects;
- 6.1.2 listing of and permission to deal in all the Placing Shares being granted (subject only to allotment) by the Listing Committee of the Stock Exchange in principle and dealings of the Placing Shares being allowed by the Stock Exchange (and such listing and permission not subsequently being revoked);
- 6.1.3 the passing of necessary resolution(s) by the shareholders of the Company who are allowed to vote under the Listing Rules of the relevant resolution(s) to approve the Placing Agreement and the transactions contemplated hereunder, including the grant of the Authorised Share Capital Increase and Specific Mandate at the EGM;
- 6.1.4 the Authorised Share Capital Increase becoming effective;
- 6.1.5 no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Placing void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to the Placing (other than such orders or decisions as would not have a material adverse effect on the legal ability of the Company to proceed with the Placing); and
- 6.1.6 this Agreement not being rescinded by the Placing Agent pursuant to clause 8 below.
- 6.2 If the conditions are not fulfilled by the date stated in clause 6.1, the obligations and liabilities of the Company under the Placing shall be null and void and the Company shall be released from all rights and obligations pursuant to the Placing except (i) the Company shall remain liable for the payment of all costs and expenses referred to in clause 7 already incurred or to be incurred in consequence of such termination; (ii) any antecedent material breach of any of the obligations and liabilities hereunder (including liabilities arising prior to such termination under the representations, warranties and undertakings referred to in clause 5.1); and (iii) that the provisions of clause 9 shall remain in full force and effect.

6.3 The Company and the Placing Agent shall use their respective best endeavours to procure that the conditions are fulfilled in accordance with their terms on or before the date set out in clause 6.1 and for that purpose will execute such documents and do such other things as may be necessary in connection with the fulfilment of the conditions set out in clause 6.1 above.

## **7. PLACING COMMISSION AND EXPENSES**

7.1 Provided that completion of the Placing occurs in accordance with clause 4, a placing commission of 1% of the aggregate Placing Price of the number of Placing Shares actually placed by the Placing Agent in the Placing shall be payable to the Placing Agent, which amount the Placing Agent is hereby authorised to deduct from the payment to be made to the Company under clause 4.1.2.

7.2 The Company shall bear any costs associated with the Placing, the deposit of the Placing Shares into CCASS and all charges, fees and expenses (if any) of the Company's share registrars in Hong Kong in connection therewith. The Placing Agent is hereby authorised to deduct the amount to be borne by the Company pursuant to this clause 7.2 and clause 7.4 from the payments to be made by it to the Company pursuant to clause 4.1.2 for the purposes of paying on the Company's behalf such costs, charges, fees and expenses.

7.3 The Company shall bear all reasonable costs and expenses, incurred by (i) the Placing Agent; and (ii) the Company in relation to the Placing (including the costs and expenses in connection with obtaining any necessary consents and authorisations in respect of the placing, allot and issue of the Placing Shares). The Placing Agent is hereby authorised to deduct the said amount to be borne by the Company pursuant to this clause 7.3 from the payments to be made by it to the Company pursuant to clause 4.1.2 for the purposes of paying on the Company's behalf such costs and expenses.

7.4 The Company hereby acknowledges that, in addition to the commissions, costs, charges and expenses referred to in this clause, Placing Agent shall be entitled to keep for its own account any brokerage that it may receive from the Placings.

## **8. RESCISSION**

8.1 Notwithstanding anything contained in this Agreement, if at any time on or prior to the Completion Date:-

8.1.1 there has come to the notice of the Placing Agent:-

- (i) that any statement contained in the Placing Announcement was, when the Placing Announcement was issued, or has become, untrue, incorrect or misleading in any material respect; or
- (ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of the Placing Announcement, constitute a material omission therefrom; or
- (iii) any material breach of the undertakings, warranties and representations set out in clause 5 or Schedule 1; or

- (iv) any material breach of any of the obligations imposed upon any Party to this Agreement (other than the Placing Agent); or
- (v) any of the undertakings, warranties and representations set out in clause 5 or Schedule 1 would be untrue or inaccurate or misleading in any material respect if given at that time; or
- (vi) any adverse change in the business or in the financial or trading position or prospects of any member of the Group taken as a whole which is material in the context of the Placing; or

8.1.2 there develops, occurs, or comes into effect:-

- (i) any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the sole and absolute opinion of the Placing Agent would prejudice the success of the Placing; or
- (ii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which, in the sole and absolute opinion of the Placing Agent, would prejudice the success of the Placing; or
- (iii) any change in conditions of local, national or international securities markets occurs which in the sole and absolute opinion of the Placing Agent would prejudice the success of the Placing; or
- (iv) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong and if in the sole and absolute opinion of the Placing Agent any such new law or change would materially and adversely affect the business or financial prospects of the Group and/or prejudice the success of the Placing; or
- (v) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong which would, in the sole and absolute opinion of the Placing Agent, prejudice the success of the Placing; or
- (vi) any litigation or claim of material importance of any third party being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial prospects of the Group and which in the sole and absolute opinion of the Placing Agent would materially prejudice the success of the Placing;

then and in any such case, with respect to the Placing, if any of the events set out above occur at any time on or prior to the Completion Date, the Placing Agent may, by giving a written notice to the Company signed by the Placing Agent, at any time prior to the Completion, rescind this Agreement without liability to the other Parties hereto and, subject to clauses 1, 6, 7, 8, 9, 10, 12, 13, 14, 15 and 16 which shall continue, this Agreement shall thereupon cease to have effect, and none of the Parties shall have any rights or claims by reason thereof.

## 9. INDEMNITY

9.1 The Company agrees and undertakes, to the fullest extent permitted by law, to indemnify the Placing Agent or any person appointed as a sub-agent pursuant to clauses 3.2 and any of their respective affiliates, and any of their respective officers, directors, employees and authorized representatives which shall have been involved in effecting the Placing (the “**Indemnified Parties**” and each an “**Indemnified Party**”):

9.1.1 against any loss, liability, cost, claim, action, demand or expense (including, but not limited to, all reasonable costs, charges and expenses paid or incurred in investigating, disputing or defending any of the foregoing) which any of them may incur or which may be incurred by any of them arising out of or in relation to or in connection with the Placing (except for any loss or damage determined by the final judgment of a court of competent jurisdiction to have arisen primarily from any fraud, wilful default, negligence of the Indemnified Parties); and

9.1.2 against all or any claims, actions, liabilities, demands, proceedings or judgments (“**Proceedings**”) brought or established against any of the Indemnified Parties by any purchaser of any of the Placing Shares or by any governmental agency, regulatory body, shareholders of the Company, investors or other person, directly or indirectly arising out of or in connection with the Placing and against all losses and all reasonable costs, charges, and expenses which any of the Indemnified Parties suffered or incurred (including, but not limited to, all such losses, legal fees, costs, charges or expenses suffered or incurred in disputing, settling or defending any Proceedings and/or in establishing its right to be indemnified pursuant to this clause and/or in seeking advice in relation to any Proceedings) (except for any loss or damage determined by the final judgment of a court of competent jurisdiction to have arisen primarily from any fraud, wilful default, gross negligence of the Indemnified Parties). This indemnity shall be in addition to any other liability which the Company may otherwise have.

9.2 No claim shall be made against any Indemnified Party by the Company to recover any damage, cost, 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 them pursuant hereto or the performance of their obligations hereunder or otherwise in connection with the Placing except for any loss or damage determined by the final judgment of a court of competent jurisdiction to have arisen primarily from any fraud, wilful default, negligence of the Indemnified Parties.

9.3 The Company shall not, without the prior written consent of the Indemnified Parties, settle or consent to the entry of any judgment with respect to any pending or threatened

Proceedings in respect of which indemnification or contribution may be sought hereunder (whether or not the Indemnified Parties are actual or potential parties to such Proceedings) unless such settlement or consent includes an unconditional release of each Indemnified Party from all liability arising out of such Proceedings.

- 9.4 The indemnities and contribution contained in clauses 9.1, 9.2 and 9.3 shall remain in full force and effect notwithstanding completion of the Placing in accordance with the terms hereof and shall extend to include all costs, charges and expenses which the Company or the Placing Agent and/or any of their respective officers, servants or agents may reasonably incur or pay in disputing, settling or compromising any matter to which the indemnity might relate and in establishing the right to indemnification pursuant to this clause in respect of any matter.

## **10. ANNOUNCEMENT**

- 10.1 Subject to the publication of the Placing Announcement and save as otherwise required by the Stock Exchange or the SFC or as required by any rules, regulations or laws to which any member of the Group is subject, the Company agrees that no public announcement or communication (the “**Communication**”) to Shareholders or to the Stock Exchange concerning the Placing shall be made or despatched by the Company or any other member of the Group between the date hereof and the date of the Placing without prior written notice to the Placing Agent as to the content, timing and manner of making or despatch thereof and thereafter that any announcement or communication proposed to be made by the Company or any other member of the Group.

- 10.2 Each of the Parties to this Agreement shall keep confidential and not at any time disclose or make known in any way to anyone or use for its own or any other person’s benefit any information of a confidential nature disclosed by one party to the others before or after the date of this Agreement, including any information received or obtained as a result of entering into or performing this Agreement relating to the other party, its business and affairs and its customers, suppliers and employees EXCEPT THAT a party may after consultation with the other parties (if legally permitted) disclose information which would otherwise be confidential if and to the extent required by law or by any securities exchange or regulatory body to which that party is subject or the information has come into the public domain through no fault of that party.

## **11. ASSIGNMENT**

- 11.1 The Company agrees and acknowledges that the Placing Agent shall be entitled at any time to assign, transfer or otherwise dispose of all or any of its rights and/or obligations under this Agreement or sub-contract or delegate the performance of any of its obligations under this Agreement to any person or persons. The Company further agrees and acknowledges that each such assignee, transferee, sub-contractor or delegate of the Placing Agent shall have the benefit of representations, warranties, covenants, agreements and indemnities given by it herein.

## **12. TIME OF THE ESSENCE**

Time will be of the essence of this Agreement.

### **13. COSTS**

Subject to the provisions of clause 7, each of the Parties to this Agreement will bear its own costs and expenses incurred in connection with the Placing.

### **14. NOTICES**

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

#### The Company

Address: Room 902, 9th Floor Harbour Centre  
Tower 2 8 Hok Cheung Street  
Hung Hom, Kowloon Hong Kong  
Fax No.: (852) 2334 4894

Attention: The Board of Directors

#### The Placing Agent

Address: 8/F, Unit B, Hip Shing Hong Centre, 55 Des Voeux  
Road, Central, Hong Kong  
Fax No.: (852) 2180 9288

Attention: Ms. Candy Lee

14.2 Any such notice shall be served either by hand, by post or by facsimile. Any notice shall be deemed to have been served, if served by hand, when delivered, if sent by facsimile, on receipt of confirmation of transmission, and two (2) days after posting if served by post. Any notice received on a day which is not a Business Day shall be deemed to be received on the next Business Day.

### **15. COUNTERPARTS**

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

### **16. GOVERNING LAW AND SUBMISSION TO THE JURISDICTION**

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

16.2 The Parties irrevocably agree that the courts of Hong Kong shall have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement. The Parties each submits irrevocably to the non-exclusive jurisdiction of the courts of Hong Kong in relation to such matters.



- 16.3 Each of the Parties irrevocably waives any objection it may now or hereafter have to the laying of venue of any action or proceeding in any court and any claim it may now or hereafter have that any action or proceeding has been brought in an inconvenient forum.
- 16.4 Each of the Parties agrees that in any legal action or proceedings against it or any of its assets in connection with this Agreement (i) no immunity from such legal action or proceedings (which shall include, without limitation, suit, attachment prior to judgment, other attachment, the obtaining of judgment, execution or other enforcement) shall be claimed by it or on its behalf or with respect to its assets; (ii) it irrevocably waives any such right of immunity which it or any of its assets now have or may hereafter acquire or which may be attributed to it or to its assets; and (iii) it consents generally in respect of any such legal action or proceedings to the giving of any relief or the issue of any process in connection with any such action or proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given to such action or proceedings.
- 16.5 Any failure to exercise, or delay in exercising, a right or remedy provided by this Agreement or by law shall not constitute a waiver of such right or remedy or a waiver of other rights of remedies. No single or partial exercise of a right or remedy provided by this Agreement or by law shall prevent further exercise of such right or remedy or the exercise of another right or remedy.
- 16.6 If any provision of this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, under any enactment or rule of law, such provision or part shall to that extent be deemed not to form part of this Agreement but the legality, validity and enforceability of the remainder of this Agreement shall not be affected.

**SCHEDULE 1**  
**REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

(a) **Information**

The Placing Announcement and each Previous Announcement, except to the extent such Previous Announcement was superseded by subsequent disclosure, all information (whether written, electronic or in any other form) supplied by the Company or any of its officers, directors, employees or advisers in connection with the Placing and all publicly available information and records of the Company (including statutory filings and registrations), as amended, are and were at the date of their respective publication accurate in all material respects and do not and as at the date of publication did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Upon due and careful inquiry, save for the Placing, the Company is not in possession of any non-public information relating to the Company or its business, operations or financial condition which, if made public, would or might reasonably be expected to have a material adverse effect upon the market activity in and/or the trading price of the Shares.

(b) **Accounts**

The consolidated balance sheet and profit and loss account of the Group as at the Annual Accounts Date as set out in the Group's annual report for the year ended on the Annual Accounts Date, except for the possible effects of the matters described in the basis for qualified opinion section of the auditor's report, present a true and fair view of the state of affairs and results of the Group as at the Annual Accounts Date and were prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") consistently applied (unless otherwise disclosed in the relevant report as published). Since the Annual Accounts Date, (i) there has been no material adverse change, nor any development reasonably likely to result in a material adverse change that will lead to the winding up or going concern on the operations or prospects of the Group taken as a whole; (ii) there has been no development or occurrence relating to the Company and/or the Group which is not in the public domain and which would reasonably be expected to be material to an investor in any Shares; and (iii) all announcements, reports, circulars and accounts to the Shareholders issued by or on behalf of the Company were true and accurate and not misleading in any respect in the context in which they were made.

(c) **Corporate power and consents**

The Company has full right, power and authority under its constitutional documents and all applicable laws and regulations to enter into this Agreement and the Placing and (subject to the conditions precedent to Completion as set out in sub-clauses 6.1.2 and 6.1.3 of clause 6 being fulfilled) to perform its obligations under this Agreement and the Placing in the manner set out herein and this Agreement (and its performance) has been duly authorised (such authorisation remaining in full force and effect), executed and delivered by, and constitutes a valid and legally binding obligation of, the Company enforceable in accordance with its terms; (subject to the conditions precedent to Completion as set out in sub-clauses 6.1.2 being fulfilled) there is no authorisation, consent, approval, concession, order, registration, clearance, qualification or notification, which has not already been unconditionally obtained, required for the purposes of or as a consequence of the Placing from the Company or its Shareholders from governmental, regulatory or other public bodies (including, without limitation, the Stock Exchange) or authorities or courts or from any third party pursuant to any contractual or other arrangement to which the Company or any other member of the Group is party; the execution, delivery and performance by it of this Agreement will not contravene the its constitutional documents, any provision of any applicable law and regulation, any agreement or other instrument binding upon it, or any judgment, order or decree of any governmental body, agency or court having jurisdiction over it or any of its assets; the Placing is not in contravention of any law or regulation binding on the Company or any member of the Group.

(d) **Placing Shares**

The Placing Shares, when issued, shall rank pari passu in all respects with the other issued Shares, and the Company represents that it is entitled to and will sell and transfer, or procure the sale and transfer of, the beneficial ownership of the Placing Shares in accordance with the General Rules of HKSCC and the HKSCC Operational Procedures, in all cases free from and clear of all Liens. No person has any pre-emptive or other rights with respect to the Placing Shares.

(e) **Taxes**

No stamp or other issuance or transfer taxes or duties and no capital gains, income, withholding or other taxes (other than SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee, to be payable by the Company) are payable to the government or to any political subdivision or taxing authority thereof or therein in connection with the Placing.

(f) **Stock Exchange and general compliance**

The Company is not in breach of any rules, regulations or requirements of the Stock Exchange (and, without limiting the foregoing, all announcements, other disclosures, registrations and filings required to be made by the Company under or in accordance with any such rules, regulations or requirements have been duly made) in all material respects; the Company has complied and will comply with all other applicable rules, regulations and other requirements material or relevant to the transactions contemplated

by this Agreement (including rules governing restrictions on and/or disclosure of dealings) in all material respects and is not aware of any material breach of any such rule, regulation or other requirement by any person.

(g) **Dealings in and in relation to securities**

Each of the Company and its Directors, has not been, is not and will not be at any time engaged in “insider dealing” or any other form of “market misconduct” (each as defined in the SFO) in connection with the Placing and the related transactions entered into or to be entered into pursuant to this Agreement; neither the Company, the Directors, nor any person acting on its/their behalf or under its/their control has taken or will take, directly or indirectly, any action designed or which was designed, or which constitutes or has constituted or might reasonably be or have been expected to cause or result in, stabilisation or manipulation of the price of any shares or other securities of the Company.

(h) **Securities dealing code**

The Company has adopted a code for transactions in its securities by its directors no less stringent than required standard against which issuers and their directors must measure their conduct regarding transactions in securities of their issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules and such code has been and will be fully complied with in connection with the Placing and the related transactions entered into or to be entered into pursuant to this Agreement.

(i) **Disclosures**

The Company will make all appropriate disclosures pursuant to, and will comply in all respects with, the Listing Rules and the required standard of dealings in connection with the Placing and the related transactions entered into or to be entered into pursuant to this Agreement. All statements of fact contained in the relevant disclosures are true and accurate and not misleading in any respect in the form and context in which they appear, all expressions of opinion, intention or expectation contained therein are made on reasonable grounds and are truly and honestly held by the directors of the Company (as the case may be), and are fairly based, all forecasts, and estimates therein are honest and fair and there are no other facts known or which could on reasonable enquiry have been known to the Directors (as the case may be) the omission of which would make any such statement or expression in the relevant disclosures misleading in any respect and which are or might be material in the context of the Placing.

(j) **Incorporation and share capital**

Each member of the Group (i) has been duly incorporated and is validly existing under the laws of the jurisdiction of its incorporation and establishment; and (ii) has the requisite power, right and authority to own, use, lease and operate its respective assets and to conduct its respective business and is duly qualified to transact business in each jurisdiction in which the conduct of its business or its ownership, use or leasing of property requires such qualification (save for, in respect of its PRC business (if any), the lack of any such power, right, authority or qualification which is not, singly or in the aggregate, materially adverse in the context of this Agreement and the transactions contemplated hereunder), and no order has been made, petition filed or resolution

passed for its winding up, no scheme of arrangement has been proposed by it with its creditors or shareholders and no notice of appointment of a liquidator (save for the members' voluntary winding up), receiver, administrative receiver or administrator has been served on it. The information contained in the recitals to this Agreement is true and accurate; without limiting the foregoing, the existing employees share options of the Company in issue as at the date hereof or as specified in the Previous Announcements, no person has any outstanding warrant, option, pre-emptive right or any other right of any description to require Shares to be allotted or issued by the Company.

(k) **Provision of Information**

The Company will within a reasonable time provide the Placing Agent, at its request reasonably made, with all such information known to it or which on reasonable enquiry ought to be known to it relating to the Group as may be required by the Placing Agent in connection with the Placing for the purpose of complying with any applicable law, regulation or direction (including the establishment of any defence to any action under any of the same, whether relating to due diligence or otherwise) or any requirement of the Stock Exchange, the SFC or any other applicable regulatory body.

(l) **Dividends**

The Company shall promptly pay or transfer to or to the order of the subscribers of the Placing Shares upon receipt, any dividend or distribution declared or other rights declared or distributed by the Company in respect of the Placing Shares at any time after the date hereof.

**SCHEDULE 2**  
**SELLING RESTRICTIONS**

- (1) **Hong Kong:** (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any of the Placing Shares other than (a) to independent professional, institutional or other investor(s) who shall be third parties independent of and not acting in concert with the Company or its connected persons (as defined in the Listing Rules); or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies WUMP Ordinance or which do not constitute an offer to the public within the meaning of that ordinance; and (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Placing Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Placing Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under that ordinance.
- (2) **General:** it will not offer, sell or deliver any Placing Shares or distribute or publish any documents (including, without limitation to the foregoing, any prospectus, form of application, offering circular, advertisement or other offering material or any report or other document calculated to invite or lead to offers or agreements being made to purchase the Placing Shares) or make any representations or statements in relation to the Placing in any country or jurisdiction except such as, and under circumstances that, will not result in or constitute a breach of any applicable laws and regulations or give rise to a requirement for any prospectus to be published or filed or any registration or qualification to be made or obtained (other than such as are made or obtained by the Placing Agent).

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

**SIGNED** by MONG CHEUK WAI  
duly authorised for and on behalf of  
**KINGKEY FINANCIAL INTERNATIONAL  
(HOLDINGS) LIMITED**  
in the presence of:-

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SIGNED by CANDY LEE 李雅貞  
duly authorised for and on behalf of  
**ORIENT SECURITIES LIMITED**

in the presence of:-

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*For and on behalf of*  
**ORIENT SECURITIES LIMITED**  
東方匯理證券有限公司  
*Authorized Signature(s)*