

**DATED 7 JUNE 2023**

**CHINA ZHENG TONG AUTO SERVICES HOLDINGS LIMITED**

**中國正通汽車服務控股有限公司**

**and**

**HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED**

---

**PLACING AGREEMENT**

**RELATING TO 122,560,000 SHARES OF HK\$0.10 EACH IN THE CAPITAL OF  
CHINA ZHENG TONG AUTO SERVICES HOLDINGS LIMITED**

---

## TABLE OF CONTENTS

<u>CLAUSE</u>	<u>HEADING</u>	<u>PAGE</u>
1.	Definitions and Interpretation.....	1
2.	Appointment of the Sole Global Coordinator and the Placing .....	5
3.	Press Announcement .....	6
4.	Conditions.....	7
5.	Completion of the Placing .....	7
6.	Undertakings of the Company .....	8
7.	Payment of Fees, Commissions and Expenses .....	9
8.	Representations, Warranties and Undertakings .....	10
9.	Indemnity.....	17
10.	Termination.....	19
11.	Announcements .....	21
12.	Time of the Essence.....	21
13.	Notices .....	21
14.	Miscellaneous .....	22
15.	Applicable Law and Arbitration .....	23
	SCHEDULE	
	Professional Investor Treatment Notice .....	26

**THIS PLACING AGREEMENT IS MADE ON 7 JUNE 2023**

**BETWEEN:**

- (1) **CHINA ZHENG TONG AUTO SERVICES HOLDINGS LIMITED** 中國正通汽車服務控股有限公司, a company duly incorporated in the Cayman Islands with limited liability whose principal place of business in Hong Kong is at Flat C, 32/F, Lippo Centre Tower 1, 89 Queensway, Hong Kong (the “**Company**”); and
- (2) **Huatai Financial Holdings (Hong Kong) Limited**, whose principal place of business is at 62/F., The Center, 99 Queen's Road, Central, Hong Kong (“**Huatai**”, “**Overall Coordinator**” and “**Sole Global Coordinator**”).

**WHEREAS:**

- (A) As at the date hereof, the authorized share capital of the Company is HK\$2,000,000,000 divided into 20,000,000,000 ordinary shares of HK\$0.10 each (the “**Shares**”), 2,744,542,420 of which have been allotted and issued and are fully paid up and listed on the main board of the Stock Exchange with a stock code of “01728”.
- (B) The Company intends to allot and issue the Placing Shares (as defined below) pursuant to the general mandate granted to the Directors under the resolutions of shareholders of the Company at the annual general meeting of the Company held on 27 June 2022 to allot and issue up to a maximum of 548,908,484 additional Shares within the relevant period set out therein.
- (C) The Company has agreed to appoint Huatai, to the exclusion of all others, and Huatai has agreed to act as the CMI, Overall Coordinator and Sole Global Coordinator of the Company, for the purpose of procuring purchasers on a best effort basis to purchase the Placing Shares (on the terms and subject to the conditions herein contained).
- (D) The Placing Shares will be offered and sold by Huatai in compliance with the relevant selling restrictions of the applicable jurisdictions.
- (E) Huatai shall act as the settlement agent in relation to the Placing Shares.

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

**1. DEFINITIONS AND INTERPRETATION**

- 1.1. In this Agreement, the following expressions shall, unless the context requires otherwise, have the following meanings:

**“Affiliate”**

means any person that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with the Company. The term control (including the terms controlling, controlled by and under common with) means the possession, direct or indirect, of the power to direct or cause the direction of the management and

	policies of a person, whether through the ownership of voting securities, by contract, or otherwise;
<b>“AFRC”</b>	means Accounting and Financial Reporting Council;
<b>“Agreed Form”</b>	means such form agreed for and on behalf of the Parties prior to the execution of the Agreement;
<b>“Agreement”</b>	means this placing agreement (as may be amended or varied from time to time by an agreement in writing duly executed by the Parties);
<b>“Board”</b>	means the board of Directors;
<b>“Business Day”</b>	means any day (excluding a Saturday, Sunday, public holiday in Hong Kong and a day on which a tropical cyclone warning number 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is generally open for trading of securities in Hong Kong;
<b>“CCASS”</b>	means the Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited;
<b>“Capital Market Intermediary” or “CMI”</b>	means capital market intermediary as defined under Rule 1.01 of the Listing Rules;
<b>“Closing Date”</b>	means the second Business Day after the date on which the Conditions are fulfilled (other than those Conditions intended to be fulfilled on the Closing Date) but in any event no later 15 June 2023, or such other date as the Company and the Sole Global Coordinator may agree in writing;
<b>“Code of Conduct”</b>	means the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission;
<b>“Companies Ordinance”</b>	means the Companies Ordinance (Cap 622 of the Laws of Hong Kong) for the time being in force;
<b>“Companies (WUMP) Ordinance”</b>	means Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32 of the Laws of Hong Kong) for the time being in force;
<b>“Conditions”</b>	mean the conditions to completion of the Placing set out in Clause 4.1;
<b>“CSRC”</b>	means the China Securities Regulatory Commission;

<b>“Director(s)”</b>	mean the directors of the Company for the time being;
<b>“Encumbrance”</b>	means any pledge, charge, lien, mortgage, option, warrant, security interest, claim, pre-emption rights, equity interest, third party rights whatsoever or interests or rights similar to the foregoing;
<b>“General Rules”</b>	means the General Rules of CCASS from time to time in force;
<b>“Group”</b>	mean the Company and its subsidiaries and jointly-controlled entities and the expression “member of the Group” shall be construed accordingly;
<b>“Hong Kong”</b>	means the Hong Kong Special Administrative Region of the PRC;
<b>“Hong Kong dollars” or “HK\$”</b>	means Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Listing Approval”</b>	means the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares;
<b>“Listing Rules”</b>	mean the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the time being in force;
<b>“Macau”</b>	means the Macau Special Administrative Region of the PRC;
<b>“NYSE”</b>	means the New York Stock Exchange;
<b>“Overall Coordinator” or “OC”</b>	means Huatai Financial Holdings (Hong Kong) Limited, overall coordinator as defined under Rule 1.01 of the Listing Rules;
<b>“Parties”</b>	mean the named parties to this Agreement and their respective successors and permitted assigns and “Party” means each one of them;
<b>“Placee”</b>	means any professional, institutional and other investor whom the Sole Global Coordinator have procured to subscribe for any of the Placing Shares pursuant to its obligations hereunder;
<b>“Placing”</b>	means the placing by or on behalf of the Sole Global Coordinator of the Placing Shares on the terms and subject to the conditions set out in this Agreement;
<b>“Placing Period”</b>	means the period commencing upon the execution of this Agreement and terminating at 8.00 a.m. (Hong Kong time) on the Closing Date (or such later time and date as the Company and the Sole Global Coordinator may agree in writing);

<b>“Placing Price”</b>	means HK\$0.48 per Share;
<b>“Placing Shares”</b>	mean 122,560,000 new Shares to be issued by the Company pursuant to Clause 2.1;
<b>“PRC”</b>	means the People’s Republic of China, excluding, for the purposes of this Agreement, Hong Kong, Macau and Taiwan;
<b>“Press Announcement”</b>	means the press announcement in the agreed form with the Sole Global Coordinator to be issued by or on behalf of the Company on the websites of the Stock Exchange and the Company as soon as possible following the execution of this Agreement;
<b>“Professional Investor Treatment Notice”</b>	means the notice from the Sole Global Coordinator in the form set out in Schedule to this Agreement;
<b>“Renminbi” or “RMB”</b>	means Renminbi, the lawful currency of the PRC;
<b>“Seller”</b>	has the meaning ascribed in Clause 2.5;
<b>“Settlement Agent”</b>	means Huatai Financial Holdings (Hong Kong) Limited;
<b>“SFC”</b>	means the Securities and Futures Commission of Hong Kong;
<b>“SFO”</b>	means the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) for the time being in force;
<b>“Share(s)”</b>	mean the ordinary share(s) issued by the Company with a nominal value of HK\$0.1 each, which are subscribed for or credited as paid up;
<b>“Sole Global Coordinator”</b>	means Huatai Financial Holdings (Hong Kong) Limited;
<b>“Stock Exchange”</b>	means The Stock Exchange of Hong Kong Limited;
<b>“Subsidiary”</b>	has the same meaning as in Section 15 of the Companies Ordinance;
<b>“Takeovers Code”</b>	means the Hong Kong Code on Takeovers and Mergers and Share Buy-backs issued by the SFC;
<b>“Taxation” or “Tax”</b>	means all forms of taxation whether of Hong Kong or elsewhere in the world whenever imposed and all statutory, governmental, state, provincial, local governmental or municipal impositions, duties and levies and all penalties, charges, costs and interests relating thereto;

**“U.S.” or “United States”**

mean the United States of America, its territories and possessions, any state of the United States, and the District of Columbia; and

- 1.2. Any reference to a document being “in the agreed form” means in the form of the draft thereof signed for identification on behalf of the Company and the Sole Global Coordinator with such alterations (if any) as may be agreed between the Company and the Sole Global Coordinator.
- 1.3. In this Agreement, references to any statute, statutory provision, Listing Rule or a rule of the Takeovers Code include a reference to that statute, statutory provision, Listing Rule or a rule of the Takeovers Code as from time to time amended, extended or re-enacted.
- 1.4. In this Agreement, references to persons include references to bodies corporate, references to singular include references to the plural and vice versa.
- 1.5. Headings in this Agreement are inserted for convenience only and shall not affect the interpretation of this Agreement.
- 1.6. All references in this Agreement in relation to any time, date or period shall mean Hong Kong time.
- 1.7. Unless the context otherwise specifies, references to Clauses, Sub-clauses and Schedule are references to the clauses and sub-clauses of, and schedule to, this Agreement.

**2. APPOINTMENT OF THE SOLE GLOBAL COORDINATOR AND THE PLACING**

- 2.1. Subject to the provisions of this Agreement, the Company hereby appoints the Sole Global Coordinator as agent to the exclusion of all others and the Sole Global Coordinator, relying on the representations, warranties and undertakings herein contained and subject to the conditions as hereinafter mentioned, agrees to act as agent for the Company during the Placing Period and to procure subscribers on a best efforts basis for the Placing Shares at the Placing Price. The Placing Price does not include, and the subscribers are responsible for and shall pay the Stock Exchange trading fee of 0.00565% and the SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% as may be payable by subscribers.
- 2.2. Subject to the terms and conditions of this Agreement, the Company shall issue and deliver the Placing Shares sold by the Sole Global Coordinator on its behalf pursuant to the Placing in accordance with the provision of this Agreement.
- 2.3. The Company hereby acknowledges that the Sole Global Coordinator are authorised to appoint one or more sub-placing agents or selling agents and that such agents shall be agents of the Company relating to the Placing, and the Company hereby authorises and confirms that it will ratify and approve all actions lawfully, properly and reasonably taken or to be taken by the Sole Global Coordinator and such agents in connection with the Placing in accordance with the terms of this Agreement. Subject to Clause 2.1, all fees of such agents shall be paid and borne by the Sole Global Coordinator.
- 2.4. For the avoidance of doubt, this Agreement should only require the Sole Global Coordinator to use its best efforts to procure the subscribers to subscribe or purchase the Placing Shares in compliance with the laws and regulations governing securities transactions of this type and shall not be done in a manner that would cause the Company to be in breach of any securities

laws and/or to issue a prospectus or incur costs in compliance with such local regulatory requirements in connection with the Placing.

- 2.5. Notwithstanding Clause 2.1, at any time the Sole Global Coordinator may elect that some or all of the Placing Shares be subscribed by it and/or its nominee as principal at the Placing Price and, in that event, the Placing Shares may subsequently be sold by the Sole Global Coordinator and/or its nominee (each, a “**Seller**”) as principal to purchasers on or prior to the Closing Date and after the Closing Date at any price(s) as the Seller in its discretion may determine, without being under any obligation to notify the Company of such election or of the number of Placing Shares so subscribed for as principal, or of the price(s) at which those Placing Shares are sold to purchasers provided that any seller’s stamp duty payable in respect of such sale by a Seller as principal made after the Closing Date shall be solely borne by the relevant Seller. For the avoidance of doubt, this Clause 2.5 does not impose an obligation on the Sole Global Coordinator to purchase the Placing Shares as principal.
- 2.6. The Company hereby confirms that this appointment confers on the Sole Global Coordinator all powers, authorities and discretions on behalf of the Company which are reasonably and properly necessary for, or incidental to, the Placing and hereby agrees to ratify and confirm everything which the Sole Global Coordinator has done prior to the date of this Agreement or may lawfully, reasonably and properly do in the exercise of such powers, authorities and discretion in accordance with or in anticipation of this Agreement.
- 2.7. The Placing Shares shall be allotted and issued fully paid and rank *pari passu* in all aspects with the other Shares then in issue free from all liens, charges and Encumbrances, and together with all rights attaching to them as at the date of issue of the Placing Shares, including the right to receive all dividends declared, made or paid on or after the date of issue of the Placing Shares.
- 2.8. The Placing Shares shall be offered to Placees in board lots of 500 Shares. The choice of Placees for the Placing Shares shall be determined solely by the Sole Global Coordinator, subject to the requirements of the Listing Rules and the Sole Global Coordinator shall not, as far as it is aware, place any of the Placing Shares to any “connected person” of the Company (as defined in the Listing Rules). The Company shall inform the Sole Global Coordinator as soon as possible in writing if it is aware of any connected person’s intention to acquire the Shares in the Placing. The Sole Global Coordinator shall provide the list of placees to the Company on or before the business day before closing.
- 2.9. The Sole Global Coordinator may, at no further cost to the Company, select brokers of its choice to report placing of the Placing Shares attributable to it to the Stock Exchange and to effect the placing of such Placing Shares on the Stock Exchange as a crossing on the Stock Exchange. Subject to Clause 2.1, all fees of such brokers shall be paid and borne by the Sole Global Coordinator.

### 3. **PRESS ANNOUNCEMENT**

The Company shall release or cause to be released for publication on its behalf, as soon as possible upon the execution of this Agreement, copies of the Press Announcement in accordance with the Listing Rules. In addition, the Company authorises that, after the Closing Date, the Sole Global Coordinator may, without prejudice to confidentiality of non-public published commercial terms, make advertisements or references in the published materials



prepared by the Sole Global Coordinator its role as placing agent in this Placing as part of its credentials.

#### **4. CONDITIONS**

- 4.1. Completion of the Placing is conditional upon the fulfilment or waiver (in respect of sub-Clauses 4.1.2 to 4.1.4 only) of the following conditions:
  - 4.1.1 the Listing Approval having been obtained and not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares under Clause 5.2 hereof, and the delivery to the Sole Global Coordinator of a copy of the Listing Approval;
  - 4.1.2 the representations, warranties and undertakings made by the Company pursuant to this Agreement being true, accurate, complete in all material respects and not misleading as of the date of this Agreement and the Closing Date;
  - 4.1.3 the Company having complied with all of the undertakings and satisfied all of the conditions on its part to be complied with or satisfied under this Agreement on or before the Closing Date;
  - 4.1.4 the Sole Global Coordinator having received on the Closing Date an opinion from Conyers Dill & Pearman, the Cayman legal counsel for the Company, such opinion to be in the Agreed Form.
- 4.2. The Company shall apply to the Stock Exchange for the Listing Approval and shall use its best endeavours to obtain the Listing Approval as soon as is practicable, and will inform the Sole Global Coordinator promptly following the granting of the same. The Company shall furnish such information, supply such documents, pay such fees and do all such acts and things as may be required by the Sole Global Coordinator and/or the regulatory authorities (including the Stock Exchange) in connection with the fulfilment of the Conditions. The Sole Global Coordinator shall ensure that the Placee list and all related information required by the Stock Exchange in respect of the places, is provided as soon as reasonably practicable to the Stock Exchange, and acknowledges that such information is typically required before the Listing Approval is issued.
- 4.3. If the Conditions are not fulfilled or waived (in respect of sub-Clauses 4.1.2 to 4.1.4 only) on or prior to 8:00 a.m. (Hong Kong time) on 15 June 2023 or such later time as may be agreed between the Company and the Sole Global Coordinator, this Agreement shall terminate with immediate effect and the provisions of Clause 10.3 shall apply.

#### **5. COMPLETION OF THE PLACING**

- 5.1. Completion of the Placing shall take place on the Closing Date or as soon as practicable thereafter or such other time and/or date as the Sole Global Coordinator and the Company may agree in writing.
- 5.2. On completion, the Company shall: (A) allot and issue to HKSCC Nominees Limited the Placing Shares and deliver to the Sole Global Coordinator (i) certified copies (by director or secretary of the Company) of the resolutions by the Board or the committee authorised by the Board authorising the issue and allotment of the Placing Shares, and (ii) copies of irrevocable instruction letters, placing forms and other documents issued by the Company to its share

registrars required for the deposit by the Sole Global Coordinator of the Placing Shares into CCASS; and (B) deliver to the Sole Global Coordinator a copy of its written instruction to its share registrars to update the register of members to reflect the issue of the Placing Shares.; and (C) deliver to the Sole Global Coordinator a copy of the Listing Approval.

- 5.3. The Company shall procure satisfaction of the events set out in Clause 5.2 at or prior to 8:00 a.m. (Hong Kong time) on the Closing Date.
- 5.4. The Sole Global Coordinator (or its nominee or agent) shall on or before 9 a.m. (Hong Kong time) on the Closing Date make or procure the making of payment in Hong Kong dollars in immediately available funds to the Company of an amount equivalent to the Placing Price multiplied by the number of Placing Shares as placed by the Sole Global Coordinator (or subscribed by any of the Sole Global Coordinator or its nominee(s) pursuant to Clause 2.5) (less the amounts payable to the Sole Global Coordinator referred to in Clause 7.1) to the bank account as may be notified by the Company to the Sole Global Coordinator at least three business days before the Closing Date, and the payment shall constitute a complete discharge of the obligations of the Sole Global Coordinator under this Agreement.
- 5.5. The Placing Shares shall be offered by the Sole Global Coordinator as agent for the Company at the Placing Price (together with such SFC transaction levy and Stock Exchange trading fee payable by subscribers) during the Placing Period.

## **6. UNDERTAKINGS OF THE COMPANY**

- 6.1. The Company will promptly make all notifications, registrations and filings as may from time to time be required in relation to the Placing Shares and the transactions contemplated under this Agreement including, without prejudice to the generality of the foregoing, the filings with the Stock Exchange and the filing with the CSRC.
- 6.2. The Company shall make all appropriate disclosures pursuant to, and will comply in all respects with applicable law, regulation or direction (including without limitation the Cayman Law, the rules and regulations of the CSRC, the Listing Rules, the Takeovers Code and the SFO) in connection with the Placing.
- 6.3. The Company shall promptly provide the Sole Global Coordinator with all such information known to it or which on reasonable enquiry ought to be known to it relating to the Group or otherwise as may be required by the Sole Global Coordinator 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.
- 6.4. Without prejudice to the foregoing obligations, the Company undertakes with the Sole Global Coordinator that it shall do all such other acts and things as may be required to be done by it to carry into effect the Placing in accordance with the terms of this Agreement.
- 6.5. The Company undertakes to the Sole Global Coordinator that for a period from the date of this Agreement up to 30 days after the Closing Date, neither the Company nor any of its subsidiaries or Affiliates over which it exercises management or voting control, nor any person acting on its or their behalf will, except for the Placing Shares and any other shares or options which have been or may be granted under the Company's share schemes and those disclosed by the Company prior to the Closing Date:

- 6.5.1 sell, transfer, dispose, allot or issue or offer to sell, transfer, dispose, allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares; or
  - 6.5.2 agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in Clause 6.5.1 above; or
  - 6.5.3 announce any intention to enter into or effect any such transaction described in Clause 6.5.1 or 6.5.2 above without first having obtained the written consent of the Sole Global Coordinator.
- 6.6. The Company has not sought and will not seek any Placees or seek to influence or control any person who might be a Placee, and, as far as the Company is aware, none of the Placees (and, for the avoidance of doubt, their respective beneficial owners) is or will be (i) a connected person of, (ii) acting in concert with, the Company or Xiamen ITG Holding Group Co., Ltd. (厦门国贸控股集团有限公司) and the Placees (and, for the avoidance of doubt, their respective beneficial owners) are independent of, and not connected with the Company or, so far as the Company is aware, any of the above persons. The Company has not funded or backed (directly or indirectly) the subscription of the securities of the Company by any Placees nor has the Company and, so far as it is aware, its connected persons instructed or will instruct any Placee in relation to the acquisition, disposal, voting or other disposition of securities of the Company.
- 6.7. For the purpose of the above, “connected person” has the meaning as defined in the Listing Rules and “acting in concert” has the meaning defined in the Takeovers Code.
- 7. PAYMENT OF FEES, COMMISSIONS AND EXPENSES**
- 7.1. In consideration of the services of the Sole Global Coordinator in relation to the Placing, the Company shall pay to the Sole Global Coordinator no later than 30 days after the Closing Date:
- 7.1.1 provided that completion of this Agreement occurs in accordance with Clause 5, a commission, in the amount of 0.7% of the aggregate value of the Placing Shares at the Placing Price, which total amount the Settlement Agent is hereby authorised to deduct from the payment to be made by it to the Company pursuant to Clause 5.4;
  - 7.1.2 all costs, charges, fees and expenses of the Company’s share registrars in Hong Kong including (without limitation) their fees and expenses in effecting the issue of the Placing Shares, and certificates therefor, and all costs, charges, fees and expenses in connection with the deposit of the Placing Shares into CCASS, which amounts the Settlement Agent is hereby authorised to deduct from the payments to be made by it to the Company pursuant to Clause 5.4 for the purposes of paying on the Company’s behalf such costs, charges, fees and expenses; and
  - 7.1.3 all out-of-pocket expenses incurred by the Sole Global Coordinator (including but not limited to legal and any costs provided that such costs have been approved by the Company before they were incurred) and the Settlement Agent is hereby authorised

to deduct from the payments to be made by them to the Company pursuant to Clause 5.4.

- 7.2. In addition, the Company shall pay to the Sole Global Coordinator for onwards payment to the parties entitled thereto the SFC transaction levy, AFRC transaction levy where applicable, at the prevailing applicable rate and the Stock Exchange trading fee at the prevailing applicable rate on the amount equal to the Placing Price multiplied by the number of Placing Shares, which amounts the Settlement Agent is hereby authorised to deduct from the payments to be made by them to the Company pursuant to Clause 5.4.
- 7.3. If this Agreement is terminated pursuant to Clause 10 or if for any reason the Placing is not completed, the Company shall remain liable to the Sole Global Coordinator for the payment of all costs, charges, fees and expenses referred to in Clauses 7.1.2 and 7.1.3 and for the SFC transaction levy and the Stock Exchange trading fee referred to Clause 7.1 to the extent already incurred in accordance with this Agreement.
- 7.4. The Company hereby acknowledges that, in addition to the commissions, costs, charges and expenses referred to in Clause 7.1, the Sole Global Coordinator shall be entitled to keep for its own account any commission (if any) in excess of the Placing Price that the Sole Global Coordinator may receive from the Placees.
- 7.5. The Company shall be liable for the costs and expenses of its own legal and other professional advisers and out-of-pocket expenses incurred in connection with the Placing.

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

- 8.1. In consideration of the Sole Global Coordinator entering into this Agreement and agreeing to perform its obligations hereunder, the Company hereby represents, warrants and undertakes to the Sole Global Coordinator as follows:
  - 8.1.1 the information in Recitals (A), (B), (C) , (D) and (E) in relation to the Company is true and accurate;
  - 8.1.2 all statements of fact contained in the Press Announcement are true and accurate and not misleading in any material aspect and all statements of opinion, intention or expectation of the Directors in relation to the Company or the Group contained therein (if any) are truly and honestly held and have been made on reasonable grounds after due and careful consideration, and there is no other fact or matter omitted therefrom the omission of which would make any statement therein misleading in any respect or which is otherwise material in the context of the Placing. To the best knowledge of the Company, the Company is not in possession of any non-public information relating to the Company or its businesses, operations or financial condition the release of which could materially affect the market activity in and/or the trading price of the Shares and there is not in existence any material or information relating to the Company which is required to be disclosed by the Company under the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) and any other applicable laws, rules and regulations in Hong Kong and in the Cayman Islands;
  - 8.1.3 all materials provided by or on behalf of the Company for filing with the CSRC and all publicly available information and records of the Company (including information contained in annual reports, interim results release, announcement, statutory filings

and registrations), in each case as amended or supplemented, is true and accurate and not misleading in any material respect;

- 8.1.4 (i) the Company has made public all information required to be made public by applicable law and regulation including the Listing Rules and the SFO, and (ii) the information released publicly in Hong Kong, including without limitation the annual reports filed with the Stock Exchange, in each case as amended or supplemented, does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect, and to the best knowledge of the Company, save for the announcement and/or disclosure in relation to the Placing and/or disclosure required by laws and regulations, it is not aware of any announcement or disclosure by the Company that is reasonably anticipated to be made within 14 days after the date of this Agreement;
- 8.1.5 all information supplied or disclosed in writing or orally including, without limitation, the answers provided and documents presented by or on behalf of the Company or any of its officers, directors, supervisors, employees or advisers that participated in this Placing (hereinafter collectively known as “**Relevant Participants**”) at due diligence meetings, (and any new or additional information serving to update or amend such information supplied or disclosed by or on behalf of the Company or any Relevant Participants) are true and accurate in all material respects and not misleading and do not comprise or include any information relating to the Company which was not, or ought reasonably to have been, made available in the public domain at that time or which is not, or ought reasonably to be, made available in the public domain;
- 8.1.6 save as already disclosed to the public by the Company on the website of the Stock Exchange, there is no claim, litigation, arbitration, prosecution or other legal proceedings or investigation or enquiry in progress or pending or to the best knowledge of the Company, threatened against any member of the Group or any of their respective Directors, supervisors and officers nor is there any claim or any facts or circumstances of a material nature which would give rise to a claim against any member of the Group or any of their respective Directors, supervisors and officers, which in any such case would have or have had a material adverse effect on the condition, financial, trading or otherwise, or the earnings, business affairs or business prospects (whether or not arising in the ordinary course of business) of the Group as a whole or which is material for disclosure in the context of the Placing;
- 8.1.7 Save as already disclosed to the public by the Company, there has been no material adverse change in the condition, financial or otherwise, or the earnings, net assets, or business affairs (whether or not arising in the ordinary course of business) of the Group as a whole since 30 June 2022; the Placing Shares, when issued pursuant to this Agreement, will be fully paid and will rank *pari passu* in all aspects with the other Shares then in issue free from all liens, charges and Encumbrances, and together with all rights attaching to them as at the date of issue of the Placing Shares, including the right to receive all dividends declared, made or paid on or after the date of issue of the Placing Shares and duly listed on the Stock Exchange;
- 8.1.8 the Company and each member of the Group has been duly incorporated and validly existing under the laws of the place of its incorporation and there has been no petition filed, order made or effective resolution passed for the liquidation or winding up of

any member of the Group, no scheme of arrangement has been proposed by it with its creditors or shareholders and no notice of appointment of a liquidator, receiver, administrative receiver or administrator has been served on it;

- 8.1.9 each member of the Group has obtained such authorisations and licences (if any) as are required under the provisions of any applicable law in connection with the operation of its business and there is no material breach by any member of the Group of the provisions of any ordinance, statute or regulation governing such authorisations or licences nor is there any reason why any such authorisation or licence should be withdrawn or cancelled at the date of this Agreement;
- 8.1.10 save as already disclosed to the public by the Company on the website of the Stock Exchange, to the best knowledge of the Company, the Company is not in material breach of any rules, regulations or requirements of the Stock Exchange and the SFC and in particular, the Company has complied at all times with the disclosure requirements under the Listing Rules and other than the Listing Approval, each as referred to in the Conditions, all necessary consents (if any) have been obtained from the Stock Exchange and other authorities (including, without limitation, of Hong Kong and the Cayman Islands) to complete the Placing in the manner contemplated and none of the members of the Group, the Directors, supervisors or members of the senior management of the Group is the subject of any material proceedings or investigations initiated by the Stock Exchange or the SFC;
- 8.1.11 there are no material outstanding guarantees or contingent payment obligations in respect of third parties outside the ordinary course of its business, except as disclosed in the published financial reports of the Company or otherwise on the website of the Stock Exchange, and each members of the Group is in compliance with all of its respective obligations under any outstanding guarantee, or contingent payment obligations as detailed in the published financial reports;
- 8.1.12 there is no order, decree or judgment of any court or governmental agency or regulatory body outstanding or to the best knowledge of the Company, anticipated against any member of the Group, any Director, supervisor or member of the senior management of the Group which may have or has had a material adverse effect upon the condition, financial or otherwise or the earnings, business affairs or business prospects (whether or not arising in the ordinary course of business) of the Group (taken as a whole) or which is material in the context of the Placing;
- 8.1.13 except as disclosed in the published financial reports of the Company or public announcement by the Group, there is no material outstanding indebtedness of any member of the Group has become payable or repayable by reason of any default of any member of the Group and no event has occurred or is impending which may result in such indebtedness becoming payable or repayable prior to its maturity date, in a demand being made for such indebtedness to be paid or repaid or in any step being taken to enforce any security for any such indebtedness of any member of the Group;
- 8.1.14 save as disclosed to the public by the Company on the website of the Stock Exchange, to the best knowledge of the Company, no member of the Group is in breach of or in default of its constitutional documents or any contract or agreement which may have or has had a material adverse effect upon the condition, financial or otherwise or the earnings, business affairs or business prospects (whether or not arising in the ordinary

course of business) of the Group (taken as a whole) or which is material in the context of the Placing; neither this Agreement nor the Placing will constitute or give rise to a breach of or default under the constitutional documents or any agreement or other arrangement to which any member of the Group is party or give rise to any rights of any third party in respect of any assets of the Group;

8.1.15 the audited consolidated accounts of the Group for the year ended on 31 December 31 2022, a copy of which have been provided to the Sole Global Coordinator prior to the execution of this Agreement:

- (i) have been prepared on a recognised and consistent basis and in accordance with the Hong Kong Financial Reporting Standards (the “**HKFRS**”);
- (ii) comply with the Companies Ordinance, the Companies (WUMP) Ordinance and all other applicable ordinances, statutes and regulations and show a true and fair view of the state of affairs of the Group and of its results for the period in question, and all statements of fact contained therein were true and accurate in all material respects and not misleading in any respect in the form and context in which they appeared and all expressions of opinion, intention, or expectation contained therein were made on reasonable grounds and were truly and honestly held by the Directors and were fairly based;
- (iii) except as disclosed in the published financial reports of the Company, are not affected by any material unusual or non-recurring items and do not include transactions not normally undertaken by the relevant member of the Group (save as disclosed in the said relevant accounts);
- (iv) make adequate provision for Taxation whether in Hong Kong or any other part of the world in respect of all accounting periods ended on or before the respective date for which the relevant member of the Group was then or might at any time thereafter become or have been liable; and
- (v) give a true and fair view of the consolidated financial position of the Group and the consolidated results of operations, cash flows and changes in shareholders’ equity of the Group;

8.1.16 the Company has power under its constitutional documents to permit its entry into this Agreement in the manner set out herein and this Agreement (and its performance) has been duly authorised (such authorisation remaining in full force and effect) and executed by, and constitutes legally binding and enforceable obligations of the Company in accordance with its terms; subject to the Listing Approval referred to in the Conditions, there is no authorisation, consent, approval or notification required for the purposes of or as a consequence of the Placing either from governmental, regulatory or other public bodies (including, without limitation, the Stock Exchange) or authorities or courts or from any third party pursuant to any contractual or other arrangement to which the Company or any other member of the Group is a party and all necessary authorisations, approvals, consents and licences relating to the same have been (including without limitation the Listing Approval referred to in Clause 4.1.1) unconditionally obtained and are, and will be in full force and effect;

8.1.17 the compliance by the Company with all of the provisions of this Agreement, as well as the consummation of the transactions herein contemplated will not conflict with or

result in a breach or violation of, or to the best knowledge of the Company, result in any third party consent being required under, any of the terms or provisions of the constitutional documents or any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument, decree, regulation or law to which any member of the Group or by which any member of the Group is a party or to which any of the property or assets of any member of the Group is subject, or any statute or any order, rule or regulation, including, without limitation, to the extent applicable to the Listing Rules or any judgment, decree or order of any court or governmental agency or body or stock exchange having jurisdiction over any member of the Group or the property or assets of any member of the Group;

- 8.1.18 save for any other options already granted and disclosed in public returns by the Company to the Stock Exchange prior to the Closing Date, no unissued share capital of any member of the Group is under any option or agreed conditionally or unconditionally to be put under any option and no person has an outstanding warrant, pre-emptive right or any other right of any description to require shares to be allotted or issued by any member of the Group;
- 8.1.19 to the best knowledge of the Company after due and reasonable enquiries, none of the Company's connected persons (as defined in the Listing Rules), and no person with whom the Company can be said to be acting in concert, has participated in the Placing nor are there any reasons or circumstances known the Company which have made or would make the Company believe that any of such persons would participate in the Placing;
- 8.1.20 the Placing will not constitute a violation by the Company of any applicable "insider dealing", "insider trading" or similar legislation including under the SFO;
- 8.1.21 the Company will use the net proceeds from the Placing Shares entirely towards increasing general working capital and repaying bank loans of the Company;
- 8.1.22 the Company has read and understood the Professional Investor Treatment Notice and acknowledges and agrees to the representations, waivers and consents contained in the Professional Investor Treatment Notice, in which the expressions "you" or "your" shall mean "the Company", and "we" or "us" or "our" shall mean the Sole Global Coordinator;
- 8.1.23 (A) none of the Company, nor to the best of its knowledge, its supervisors, Directors, officers, employees, Affiliates, agents or any person acting on behalf of any of them, is currently the target of any of the Sanctions Laws and Regulations (as defined below) (as used herein, "**Sanctions Laws and Regulations**" means (i) any U.S. sanctions related to or administered or enforced by the Office of Foreign Assets Control of the United States Department of the Treasury (including, without limitation, the designation as a "specially designated national or blocked person" thereunder), (ii) any sanctions or requirements imposed by, or based upon the obligations or authorities set forth in, the United States Trading With the Enemy Act, the United States International Emergency Economic Powers Act, the United States United Nations Participation Act or the United States Syria Accountability and Lebanese Sovereignty Act, all as amended, or any of the foreign assets control regulations of the United States Department of the Treasury (including, without limitation, 31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto



and (iii) any sanctions measures imposed by the United Nations Security Council, the European Union or other relevant sanctions authority); (B) in the last five years, there have been no transactions or connections between the Company or any of the other members of the Group, on the one hand, and any country or territory that at the time of the transactions or connections is or was the target of broad, country-based Sanctions Laws and Regulations, or any person or entity in those countries or territories or which performs contracts in support of projects in or for the benefit of those countries or territories, or person or entity that at the time of the transactions or connections is or was the target of any of the Sanctions Laws and Regulations, on the other hand in a manner that would give rise to, or give rise to a material risk of, any violations of Sanctions Laws and Regulations by any party to this Agreement or would otherwise expose any person party to this Agreement to a material risk of becoming designated, penalized or liable under any Sanctions Laws and Regulations; (C) the Company will use the proceeds from the Placing exclusively in the manner as set forth in the Press Announcement, and will not, directly or indirectly, use, lend, contribute or otherwise make available such proceeds to any of the members of the Group or any other person or entity, for the purpose of financing any activities or business of or with any person or entity, or of, with or in any country or territory, that is the target of any Sanctions Laws and Regulations, or in any other manner that will result in a violation (including, without limitation, by the Sole Global Coordinator) of any of the Sanctions Laws and Regulations; (D) none of the sale of the Placing Shares, the execution, delivery and performance of this Agreement, the consummation of any other transaction contemplated hereby, or the provision of services contemplated by this Agreement to the Company, will result in a violation (including, without limitation, by the Sole Global Coordinator) of any of the Sanctions Laws and Regulations. For the past five years, to the best knowledge of the Company, the Group has not knowingly engaged in and is not now knowingly engaged in any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject to or the target of the Sanctions Laws and Regulations;

- 8.1.24 Since 1 January 2022, none of the Company or, to the best knowledge of the Company, any of its supervisors, Directors, officers, agents, employees or Affiliates has, directly or indirectly, made or authorized (A) any contribution, payment or gift of funds or property to any public official (as defined below) in any jurisdiction, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under any applicable law, rule, or regulation of such jurisdiction, or (B) any bribe, unlawful rebate, payoff, influence payment, kickback or other unlawful payment in connection with the business activities of the Company or any of the other members of the Group; without prejudice to the foregoing, none of the Company and its supervisors, Directors, officers, has or is aware that any of its agents, employees or affiliates has taken any action, directly or indirectly, that would result in a violation by such persons of any applicable anti-bribery laws, rules and regulations, including, but not limited to, the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder or any applicable law and regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and the United Kingdom Bribery Act 2010, as applicable; and the Company and the other members of the Group have instituted and maintain policies and procedures designed to ensure continued compliance therewith (as used herein, “**public official**” includes any official, agent, employee or representative of, or any person acting in an official capacity on behalf of, any of the

following parties: an administrative, governmental or regulatory commission, board, body, authority or agency, or any court, tribunal or arbitrator, in each case whether national, central, federal, provincial, state, regional, municipal, local, domestic, foreign or supranational, an agency, department or instrumentality of a government, a judicial body, a public international organization, a political party, a body that exercises regulatory authority over the Sole Global Coordinator, or an entity with an aggregate 50% or more government ownership or control by any one of the foregoing parties; and also includes any candidate for public office or for any political party position and any member of any royal or ruling family; the definition of “**public official**” further includes immediate family members and close associates of all parties mentioned above);

- 8.1.25 Since 1 January 2022, to the best knowledge of the Company, the operations of the Company and the other members of the Group are and have been conducted at all times in material compliance with applicable financial recordkeeping and reporting and all other requirements of the anti-money laundering laws, regulations or government guidance regarding anti-money laundering, and international anti-money laundering principles or, to the extent applicable, procedures of the PRC, Hong Kong, the United States, the United Kingdom, and any related or similar statutes, rules, regulations or guidelines, issued, administered or enforced by any applicable governmental authority, including, without limitation, the Anti-Money Laundering Law of the PRC, and to the extent applicable, the Bank Secrecy Act of 1970, as amended by Title III of the USA PATRIOT Act of 2001, the United States Currency and Foreign Transactions Reporting Act of 1970, as amended (collectively, the “**Money Laundering Laws**”) and the Group has instituted and maintains policies and procedures designed to ensure continued compliance with the Money Laundering Laws, and no action, suit, proceeding, investigation or inquiry involving the Company or any of the other members of the Group with respect to the Money Laundering Laws by or before any administrative, governmental or regulatory commission, board, body, authority or agency, or any stock exchange, self-regulatory organization or other non-governmental regulatory authority, or any court, tribunal or arbitrator, in each case whether national, central, federal, provincial, state, regional, municipal, local, domestic or foreign, is pending or, to the best of the Company’s knowledge, threatened;
- 8.1.26 the Company is not a party to any other agreement or arrangement relating to the ownership or allotment and issue of the Placing Shares other than this Agreement;
- 8.1.27 to the best knowledge of the Company, there are no contracts, agreements or understandings between the Company and any person that would give rise to a claim against the Company or any of the Sole Global Coordinator for a brokerage (if any), commission (if any), finder’s fee or other like payment in connection with the transactions contemplated under this Agreement;
- 8.1.28 in respect of the Placing, the Company is in compliance with all applicable legal and regulatory requirements including but not limited to those relating to insider dealing, market manipulation and other forms of market misconduct;
- 8.1.29 the Company undertakes to cooperate with and fully assist in a timely manner the Sole Global Coordinator, to facilitate its performance of its duties, as the case may be, as the CMI and the OC and to meet its obligations and responsibilities under all

applicable laws, regulations, rules and regulatory requirements (whether having the force of law or otherwise) from time to time in force, including, without limitation, the Code of Conduct and the Listing Rules;

8.1.30 the Company undertakes, at its own expense, to give every assistance to the Sole Global Coordinator to meet its obligations and responsibilities under the Code of Conduct and the Listing Rules to provide relevant information to the Hong Kong Stock Exchange, the SFC and other regulators (including but not limited to the information under paragraph 21.4.8(a) of the Code of Conduct, where applicable);

8.1.31 the Company shall comply with all applicable laws, rules and regulations (including but not limited to the Listing Rules, the Takeovers Code, the SFO and the Code of Conduct) and all applicable requirements of Hong Kong Stock Exchange, the SFC, the CSRC and any other applicable regulatory body (including all applicable filing, announcement and notice requirements) in connection with the transactions contemplated by this Agreement (including the Company shall document the rationale behind its decision on allocation and pricing, in particular where the decision is contrary to the advice, recommendation(s) and/or guidance of the Sole Global Coordinator;

8.1.32 the Placing is conducted in compliance with all applicable Cayman, PRC and Hong Kong laws, rules and regulations.

8.2. The representations, warranties and undertakings set out in Clause 8.1, are given as at the date hereof and shall remain true and accurate and not misleading in all material aspects and in force up to and including the Closing Date as if given or made on such date, with reference in each case to the facts and circumstances then subsisting. The Company undertakes to notify the Sole Global Coordinator of any matter or event coming to its attention prior to the completion of the Placing which, in the sole opinion of the Sole Global Coordinator, shows or may show any of the representations, warranties and undertakings set out in Clause 8.1 to be or to have been untrue, inaccurate or misleading in any material aspect.

8.3. The Sole Global Coordinator shall not be responsible for and no claim shall be made against the Sole Global Coordinator by the Company to recover any damage, cost, charge or expense which the Company or any other person may suffer or incur by reason of or arising out of the carrying out by the Sole Global Coordinator of any work pursuant to its obligations hereunder, or for any alleged insufficiency of the Placing Price or otherwise in connection with the Placing (except for those damage, cost, charge or expense by reason of any gross negligence and fraudulent actions by the Sole Global Coordinator).

8.4. The rights and remedies of each Party in respect of the representations, warranties and undertakings referred to in Clause 8 shall not be affected by (i) completion of the Placing (ii) any investigation made into the affairs of any Party or any knowledge held or gained of any such affairs by or on behalf of the other Parties or (iii) termination of this Agreement or any event or matter whatsoever, other than a specific and duly authorised written waiver or release by the other Party on several basis.

## 9. INDEMNITY

9.1. The Company undertakes to indemnify the Sole Global Coordinator (for itself and as trustee for each other Indemnified Party (as defined below)) its directors, officers and employees (the “**Indemnified Parties**”) against all or any losses, damages, liabilities, costs, expenses

(including legal fees as they are incurred), any applicable taxes, fees, claims, actions, liabilities, demands, proceedings, investigations, inquiries or judgments (including, but not limited to, all such losses, costs, charges or expenses suffered or incurred in investigating, disputing, defending or responding to any costs, fees, claims, actions, liabilities, demands, proceedings, investigations, inquiries or judgments, whether actual, pending or threatened (the “**Proceedings**”) and/or in establishing its rights to be indemnified pursuant to this Clause 9 and/or in seeking advice in relation to any Proceedings) as are or may reasonably be expected to be suffered or incurred by or brought or established or threatened to be brought or established against any of the Indemnified Parties:

- 9.1.1 which directly or indirectly arises out of or in connection with any breach or alleged breach of any of the representations, warranties and undertakings contained in Clauses 6 and 8;
  - 9.1.2 any failure or alleged failure of the Company to perform its obligation under this Agreement;
  - 9.1.3 whose obligations and roles in connection herewith, including but not limiting to its respective roles and responsibilities under the Code of Conduct as the OC, the CMI or otherwise (including, in each case, actions arising out of any of Placing contemplated by this Agreement but excluding, in the case of 9.1.3 only, any losses, claims, damages, liabilities or expenses finally judicially determined by a court of competent jurisdiction to have resulted from (and then only to the extent of) such Indemnified Parties’ gross negligence, wilful default or fraud), and the Company shall reimburse any Indemnified Parties for all properly incurred expenses (including legal fees and any applicable taxes) as they are incurred by such Indemnified Parties in connection with investigating, preparing or defending any such action or claim, whether or not in connection with a pending or threatened litigation;
  - 9.1.4 which are, directly or indirectly, occasioned by or resulting from or are attributable to the performance by the Sole Global Coordinator of its obligations under this Agreement in relation to the Placing or otherwise related to the Placing or any transactions contemplated by this Agreement; or
  - 9.1.5 which are in respect of any breach or alleged breach of any applicable laws or regulations of any jurisdiction resulting from the Placing.
- 9.2. If an Indemnified Party is subject to tax in respect of any indemnity payable under this Clause 9, the sum payable shall be increased to such amount as will ensure that after payment of such tax, such Indemnified Party shall be left with a sum equal to the amount that it would have received in the absence of such charge to tax (after giving credit for any tax relief available in respect of the matter giving rise to the indemnity). The obligations of the Company under this Clause 9 shall be in addition to any liability that the Company may otherwise have.
- 9.3. The indemnities contained in Clause 9.1 shall remain in full force and effect notwithstanding completion of the Placing in accordance with their respective terms, shall be in addition to any liability which the Company may have and shall extend to include all costs, charges and expenses which the Sole Global Coordinator and/or any of the Indemnified Parties may 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. The Company shall not, without the prior written consent of the Sole Global Coordinator,

settle or compromise or consent to the entry of any judgment with respect to any pending or threatened Proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the Indemnified Parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each Indemnified Party from all liability arising out of such Proceeding.

- 9.4. If the Sole Global Coordinator becomes aware of any Proceeding which is relevant for the purposes of Clause 9.1, it will, if and to the extent permitted by any law, as soon as reasonably practicable give notice in writing thereof to the Company and will consult with the Company and, subject to being indemnified against any additional or increased expenses it may suffer or incur as a result of so doing, give full consideration to the views of the Company in relation to the manner in which the Sole Global Coordinator shall conduct such Proceeding, provided that the omission to so notify the Company shall not relieve the Company from any liability which the Company may have to any Indemnified Party under Clause 9.1 or otherwise.
- 9.5. The Company shall not, and shall procure that no member of the Group shall, at any time prior to or on the Closing Date do or omit to do anything which may cause any of the representations, warranties and undertakings set out in Clause 8.1 to be untrue.

## 10. **TERMINATION**

- 10.1. Notwithstanding anything contained in this Agreement, if at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date:

10.1.1 there develops, occurs or comes into force:

- (i) any new law or regulation or any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in existing laws or regulations or the interpretation or application thereof by any court or other competent authority which in the sole opinion of the Sole Global Coordinator is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
- (ii) any event, or series of events beyond the control of the Sole Global Coordinator (including, without limitation, any calamity, act of government, strike, labour dispute, lock-out, fire, explosion, flooding, earthquake, civil commotion, economic sanctions, epidemic, pandemic, outbreak of infectious disease, outbreak or escalation of hostilities, act of terrorism and act of God) involving Hong Kong, the PRC or the U.S., or the declaration by Hong Kong, the PRC or the U.S. of war or a state of emergency or calamity or crisis; or
- (iii) any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in local, national or international financial, political, economic, legal, military, industrial, fiscal, regulatory, currency exchange rates, currency controls or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, interbank markets and credit markets) which in the sole opinion of the Sole Global Coordinator is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or

- (iv) any suspension of or limitation in dealings in the Shares during the Placing Period whatsoever (other than as a result of the Placing); or
- (v) any moratorium, suspension or material restriction on trading in shares or securities generally on the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the London Stock Exchange, the Singapore Stock Exchange, the Stock Exchange, NASDAQ or the NYSE due to exceptional financial circumstances or otherwise at any time prior to the Closing Date; or
- (vi) the commencement by any state, governmental, judicial, regulatory or political body or organisation of any action against any director or supervisor of the Company or an announcement by any state, governmental, judicial, regulatory or political body or organisation that it intends to take any such action which in the sole opinion of the Sole Global Coordinator is or is likely to be materially adverse to the success of the Placing or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or

10.1.2 (i) any breach of any of the representations, warranties and undertakings by the Company set out in Clause 6 or Clause 8 comes to the knowledge of the Sole Global Coordinator; or (ii) any event occurs or any matter arises on or after the date hereof and prior to the Closing Date which if it had occurred or arisen before the date hereof would have rendered any of such representations, warranties and undertaking untrue or incorrect in any material respect; or (iii) there has been a breach of, or failure to perform, any other provision of this Agreement on the part of the Company; or

10.1.3 there is any change, or any development involving a prospective change, in or affecting the business, general affairs, management, prospects, assets and liabilities, shareholders' equity, results of operations or position, financial or otherwise, of the Group (other than those already disclosed to the public on or before the date of this Agreement), whether or not arising out of ordinary course of business, which in the sole opinion of the Sole Global Coordinator is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith;

then and in any such case, the Sole Global Coordinator may terminate this Agreement without liability to the Company by giving notice in writing to the Company, which notice may be given at any time prior to 8.00 a.m. (Hong Kong time) on the Closing Date.

10.2. Without prejudice to any other provisions of this Agreement, the Sole Global Coordinator shall have the right exercisable at any time by notice in writing to the Company to terminate this Agreement if any of the Placing Shares are not delivered by or on behalf of the Company in accordance with Clause 5.

10.3. In the event that the Sole Global Coordinator terminates this Agreement in accordance with Clauses 10.1 or 10.2, all obligations of each of the Parties under this Agreement shall cease and determine and no Party shall have any claim against any other Party in respect of any matter arising out of or in connection with this Agreement except for:

10.3.1 any antecedent breach of any obligation under this Agreement; and

10.3.2 liabilities under Clauses 7.3, 8 and 9.

11. **ANNOUNCEMENTS**

Save for the Press Announcement and save as required by law or by the Stock Exchange or the SFC, the Company hereby undertakes to procure that no public announcement or communication to the press or to the Stock Exchange concerning the Placing or the Company and/or its subsidiaries which is material in relation to the Placing shall be made by or on behalf of the Company between the date hereof and the Closing Date without prior written approval from the Sole Global Coordinator as to the content, timing and manner of making thereof.

12. **TIME OF THE ESSENCE**

Any time, date or period mentioned in this Agreement may be extended by mutual agreement between the Company and the Sole Global Coordinator but as regards any time, date or period originally fixed or any date or period so extended as aforesaid, time shall be of the essence.

13. **NOTICES**

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

If to the Company, to

Baoze Plaza  
No. 59 West Third-Ring South Road  
Beijing, the PRC

Email: yinyd@zhengtongauto.com

Attention: YIN Yadong

If to the Sole Global Coordinator,

**Huatai:**

62/F, The Center,  
99 Queen's Road Central,  
Hong Kong

Email: huangjiayi@htsc.com

Attention: Huang Jiayi

- 13.2. Any such notice shall be served either by hand or by email. Any notice shall be deemed to have been served, if served by hand, when delivered and if sent by email, when duly sent. Any notice received on a Sunday or public holiday shall be deemed to be received on the next Business Day.

14. **MISCELLANEOUS**

- 14.1. Each Party undertakes with the other Party that it shall execute and perform and procure that there are executed and performed such further documents and acts as the other Party may reasonably require to give effect to the provisions of this Agreement.
- 14.2. This Agreement constitutes the entire agreement and understanding between the Parties in connection with the Placing. This Agreement supersedes all previous agreements or understandings which shall cease to have any further force or effect and no Party has entered into this Agreement in reliance upon any representation, warranty or undertaking which is not set out or referred to in this Agreement.
- 14.3. No variation of this Agreement shall be valid unless it is in writing and signed by or on behalf of each of the Parties. The expression “variation” shall include any variation, supplement, deletion or replacement however effected.
- 14.4. This Agreement may be executed in any number of counterparts and by the Parties on separate counterparts, each of which is an original but all of which together constitute one and the same instrument.
- 14.5. No failure or delay by any Party in exercising any right or remedy provided by law under or pursuant to this Agreement shall impair such right or remedy or operate or be construed as a waiver or variation of it or preclude its exercise at any subsequent time and no single or partial exercise of any such right or remedy shall preclude any other or further exercise of it or the exercise of any other right or remedy.
- 14.6. The Company acknowledges and agrees that the Sole Global Coordinator is acting solely pursuant to a contractual relationship with the Company on an arm’s length basis with respect to the Placing (including in connection with determining the terms of the Placing) and that in connection with the Placing and the process leading to such transaction, the Sole Global Coordinator has not acted as or is not a financial adviser or a fiduciary of the Company or the Company’s stockholders, creditors, employees, affiliates or any other party. The Sole Global Coordinator has not assumed nor will assume an advisory or fiduciary responsibility in favour of the Company with respect to the Placing or the process leading to the Placing (irrespective of whether the Sole Global Coordinator has advised or is currently advising the Company on other matters) and none of the Sole Global Coordinator has any obligation to the Company with respect to the Placing except for the responsibilities and obligations set out in this Agreement. The Company further acknowledges and agrees that the Sole Global Coordinator and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company and that the Sole Global Coordinator has not provided any legal, accounting, regulatory or tax advice with respect to the Placing except for those set out in this Agreement. The Company confirms that it has consulted its own legal, accounting, regulatory and tax advisers to the extent it deemed appropriate.
- 14.7. If any provision of this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, under any enactment of rule of law, such provision or part shall to the 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.



**15. APPLICABLE LAW AND ARBITRATION**

- 15.1. This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong for the time being in force.
- 15.2. Each party to this Agreement agrees, on behalf of itself and as agent for its respective Affiliates, that any dispute, controversy or claim arising out of or relating to this Agreement or its subject matter, existence, negotiation, validity, invalidity, termination or enforceability (including non-contractual disputes or claims, and disputes or claims against each party's affiliates) shall be referred to arbitration and finally settled under the Hong Kong International Arbitration Centre Administered Arbitration Rules (the "**Rules**") in force when the Notice of Arbitration is submitted in accordance with the Rules. The seat of arbitration shall be Hong Kong. The number of arbitrators shall be three. The arbitration proceedings shall be conducted in English. This arbitration agreement shall be governed by the laws of Hong Kong.
- 15.3. To the extent that the Company has or can in any proceedings in any jurisdiction (including, without limitation, arbitration proceedings) claim for itself or its assets, properties or revenues any immunity (on the grounds of sovereignty or crown status or otherwise) from any action, suit or proceeding (including, without limitation, arbitration proceedings), from set-off or counterclaim, from the jurisdiction of any court, from service of process, from attachment to or in aid of execution of judgment, or from other action, suit or proceeding for the giving of any relief or for the enforcement of any judgment or to the extent that in any such proceedings there may be attributed to itself or its assets, properties or revenues any such immunity (whether or not claimed), the Company irrevocably waives and agrees not to claim any such immunity and declares that such waiver shall be effective.
- 15.4. The Company agrees that the process by which any action, suit or other proceedings are begun in connection with this Agreement may be served on it by being delivered to its principal place of business in Hong Kong as specified above in this Agreement. If the Company ceases to have a place of business in Hong Kong, the Company shall forthwith appoint a person in Hong Kong to accept service of process on its behalf in Hong Kong and notify the Sole Global Coordinator of such appointment, and, failing such appointment within fifteen days, the Sole Global Coordinator shall be entitled to appoint such a person by notice to the Company. Nothing contained herein shall affect the Sole Global Coordinator's right to serve process in any other manner permitted by law.

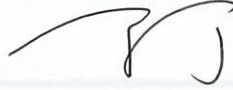
**16. THIRD PARTY RIGHTS**

- 16.1. Except as expressly provided elsewhere in this Agreement, a person who is not a party under this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce, or enjoy the benefit of, any term of this Agreement.
- 16.2. Notwithstanding any term of this Agreement, the rights of the Parties under this Agreement to rescind or agree any amendment or waiver under this Agreement are not subject to the consent of any other person.

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

SIGNED by Ding DING  
for and on behalf of  
**China ZhengTong Auto Services  
Holdings Limited**

}



in the presence of:



SIGNED by Howard WU  
for and on behalf of  
**Huatai Financial Holdings**  
**(Hong Kong) Limited**

in the presence of:

高远

} H.Wu

**SCHEDULE**  
**Professional Investor Treatment Notice**

1. You are a Professional Investor by reason of your being within a category of person described in the Securities and Futures (Professional Investor) Rules as follows:
  - 1.1. a trust corporation having been entrusted with total assets of not less than HK\$40 million (or equivalent in any foreign currency) as stated in its latest audited financial statements prepared within the last 16 months, or in the latest audited financial statements prepared within the last 16 months of the relevant trust or trusts of which it is trustee, or in custodian statements issued to the trust corporation in respect of the trust(s) within the last 12 months;
  - 1.2. a high net worth individual having, alone or with associates on a joint account, a portfolio of at least HK\$8 million (or equivalent in any foreign currency) in securities and/or currency deposits, as stated in a certificate from an auditor or professional accountant or in custodian statements issued to the individual within the last 12 months;
  - 1.3. a high net worth corporation or partnership having total assets of at least HK\$40 million (or equivalent in any foreign currency) or a portfolio of at least HK\$8 million (or equivalent in any foreign currency) in securities and/or currency deposits, as stated in its latest audited financial statements prepared within the last 16 months or in custodian statements issued to the corporation or partnership within the last 12 months; and
  - 1.4. a corporation the sole business of which is to hold investments and which is wholly owned by any of the following persons (i) a trust corporation that falls within the description in paragraph 1.1 above; (ii) an individual who, alone or with associates on a joint account, falls within the description in paragraph 1.2 above; and (iii) a corporation or partnership that falls within the description in paragraph 1.3 above.

We have categorised you as a Professional Investor based on information you have given us. You will inform us promptly in the event any such information ceases to be true and accurate. You will be treated as a Professional Investor in relation to all investment products and markets.

2. As a consequence of categorisation as a Professional Investor, we are not required to fulfil certain requirements under the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “Code”) and other Hong Kong regulations. While we may in fact do some or all of the following in providing services to you, we have no regulatory responsibility to do so.
  - 2.1. Client agreement

We are not required to enter into a written agreement complying with the Code relating to the services that are to be provided to you.

2.2. Risk disclosures

We are not required by the Code to provide you with written risk warnings in respect of the risks involved in any transactions entered into with you, or to bring those risks to your attention.

2.3. Information about us

We are not required to provide you with information about our business or the identity and status of employees and others acting on our behalf with whom you will have contact.

2.4. Prompt confirmation

We are not required by the Code to promptly confirm the essential features of a transaction after effecting a transaction for you.

2.5. Information about clients

We are not required to establish your financial situation, investment experience or investment objectives, except where we are providing advice on corporate finance work.

2.6. Nasdaq-Amex Pilot Program

If you wish to deal through the Stock Exchange in securities admitted to trading on the Stock Exchange under the Nasdaq-Amex Pilot Program, we are not required to provide you with documentation on that program.

2.7. Suitability

We are not required to ensure that a recommendation or solicitation is suitable for you in the light of your financial situation, investment experience and investment objectives.

2.8. Investor characterisation/disclosure of sales related information

We shall not be subject to the requirements of paragraph 5.1A of the Code relating to know your client investor characterisation and paragraph 8.3A of the Code relating to disclosure of sales related information.

3. You have the right to withdraw from being treated as a Professional Investor at any time in respect of all or any investment products or markets on giving written notice to our Compliance Departments.
4. By entering into this Agreement, you represent and warrant to us that you are knowledgeable and have sufficient expertise in the products and markets that you are dealing in and are aware of the risks in trading in the products and markets that you are dealing in.
5. By entering into this Agreement, you hereby agree and acknowledge that you have read and understood and have had explained to you the consequences of consenting to being treated as

a Professional Investor and the right to withdraw from being treated as such as set out herein and that you hereby consent to being treated as a Professional Investor.

6. By entering into this Agreement, you hereby agree and acknowledge that we (and any person acting as the settlement agent for the Placing) will not provide you with any contract notes, statements of account or receipts under the Hong Kong Securities and Futures (Contract Notes, Statements of Account and Receipts) Rules where such would otherwise be required.