

EXECUTION COPY

DATE: 16 APRIL 2015

**A8 New Media Group Limited
(as company)**

AND

**First Shanghai Securities Limited
(as placing agent)**

PLACING AGREEMENT

**Leung & Lau
Solicitors**
Units 7208-10, 72nd Floor, The Center
99 Queen's Road C.
Central, Hong Kong
(PL/KC/VH/10097/15(ek))

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THIS AGREEMENT is made on the 16th day of April, 2015

BETWEEN:

- (1) **A8 New Media Group Limited**, a company incorporated in the Cayman Islands with limited liability with its registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong at Suites 06-12, 33/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong ("**Company**"); and
- (2) **First Shanghai Securities Limited**, a company incorporated in Hong Kong having its principal place of business at 1905 Wing On House, 71 Des Voeux Road Central, Hong Kong ("**Placing Agent**").

WHEREAS:

- (A) The Company has at the date of this Agreement an authorised share capital of HK\$30,000,000 divided into 3,000,000,000 Shares (as defined below) of which 1,428,847,128 Shares have been issued and are fully paid up or credited as fully paid up.
- (B) At the annual general meeting of the Company held on 22 May 2014, a resolution was passed pursuant to which a general mandate ("**General Mandate**") was unconditionally given to the directors of the Company to allot, issue and deal with new Shares up to 20% of the aggregate nominal amount of the issued share capital of the Company then existing, i.e. a total of 285,769,425 Shares. No new Shares have been issued under the General Mandate since its grant.
- (C) All the issued Shares are currently listed on the Main Board of the Stock Exchange.
- (D) The Company proposes to offer for subscription and the Placing Agent has agreed to procure, as agent of the Company, the Placees (as subscribers) to subscribe for the Placing Shares on a best endeavour basis on the terms and subject to the conditions hereinafter mentioned.
- (E) The Placing Shares will be issued pursuant to the General Mandate.

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS

- 1.1 In this Agreement (including the Recitals) the following expressions (except where the context otherwise requires) shall have the respective meanings set out below:

"acting in concert"	has the meaning as ascribed to it in the Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong.
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“Admission”	the grant by the Stock Exchange of the listing of, and permission to deal in, all of the Placing Shares.
“Announcement”	the announcement proposed to be issued by the Company as soon as practicable following the execution of this Agreement.
“associate”	has the meaning as ascribed to it under Rules 14A.12 to 14A.15 of the Listing Rules.
“Board”	the board of directors of the Company.
“Business Day”	any day (not being a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours.
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited.
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), or as the context may require, the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).
“Completion”	completion of the Placing as provided in Clause 6.
“Completion Date”	the date of Completion.
“connected person”	has the meaning as ascribed to it under Rules 14A.07 to 14A.11 of the Listing Rules.
“Constituent Documents”	the memorandum of association and the articles of association for the time being of the Company.
“Group”	the Company and its subsidiaries.
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange.
“Placee(s)”	any individuals, corporate, institutional investors or other investors procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s

obligations hereunder, subject to compliance with Clause 2.2.

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|--------------------------|--|
| “Placing” | the offer by way of private placing of the Placing Shares by or on behalf of the Placing Agent to the Placee(s) on the terms and subject to the conditions set out in this Agreement. |
| “Placing Letter” | the letter in such form to be determined by the Placing Agent to be sent to the proposed Placee(s) whom the Placing Agent has procured to subscribe for any of the Placing Shares. |
| “Placing Price” | the price of HK\$0.73 per Placing Share. |
| “Placing Shares” | up to 285,768,000 new Shares to be allotted and issued pursuant to the terms and conditions of this Agreement which will rank pari passu in all respects with the Shares in issue as at the date of allotment of the Placing Shares and each, a “Placing Share”. |
| “Previous Announcements” | all announcements and circulars issued by the Company to the Stock Exchange and/or the shareholders of the Company since the publication of the annual results announcement of the Company for the year ended 31 December 2014. |
| “SFC” | the Securities and Futures Commission of Hong Kong. |
| “Shares” | ordinary shares of HK\$0.01 each in the capital of the Company and each, a “Share”. |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited. |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong. |
- 1.2 Words and expressions defined in the Companies Ordinance shall unless the context otherwise requires have the same meanings in this Agreement.
- 1.3 In this Agreement, including the Recitals:
- (1) references to recitals and clauses are to recitals and clauses of this Agreement;
 - (2) a reference to a statute or statutory provision includes a reference:

- (a) to that statute or statutory provision as from time to time modified or re-enacted;
 - (b) to any repealed statute or statutory provision which it re-enacts (with or without modification); and
 - (c) to any subordinate legislation made under the relevant statute;
- (3) references to the singular include references to the plural and vice versa;
 - (4) references to any gender include references to all genders;
 - (5) references to persons include references to bodies corporate, unincorporated associations and partnerships; and
 - (6) headings to clauses are for convenience only and do not affect interpretation of this Agreement.

2. APPOINTMENT OF THE PLACING AGENT

- 2.1 The Company hereby appoints the Placing Agent, upon and subject to the terms and conditions of this Agreement, as its placing agent to procure, on a best effort basis, Placees to subscribe at the Placing Price (together with brokerage (if any), such transaction levy as may be payable to the SFC for the Placing Shares and such trading fee as may be payable to the Stock Exchange for the Placing Shares to be borne and payable by the Placees) for the Placing Shares. The Placing Agent may in turn, at its own expenses, appoint its sub-placing agent(s) to procure the Placee(s) to subscribe for the Placing Shares. For the avoidance of doubt, the Parties agree that the Placing Agent is only obliged to use best efforts to procure Placees for the Placing Shares, and the Placing Agent itself has no obligation to acquire or take up all or any of the Placing Shares whether or not the Placing Agent fails to procure Placees to subscribe for the Placing Shares, and notwithstanding any other term or condition contained herein.
- 2.2 The Placing Agent will use its reasonable endeavours to ensure that the Placee(s) to be procured by or on behalf of the Placing Agent shall be independent of and not connected nor acting in concert with the Company and any of its connected persons or any of their respective associates.
- 2.3 The Placing Agent undertakes to the Company that no prospectus (as defined in the Companies Ordinance) or other document will be used to offer any of the Placing Shares to any person, and that the Placing Shares were and will only be placed through binding oral contracts, which terms may be confirmed by the Placing Agent issuing Placing Letters to such Placees.
- 2.4 The Placing Agent shall require any of its sub-placing agent(s) to or through whom it may effect the Placing or offer or sell any Placing Shares to comply with this Clause 2.
- 2.5 The Placing Agent, relying on the representations, warranties and undertakings of the Company, accepts the above appointment. Subject as provided in this Agreement, any transaction legally, properly and reasonably carried out by the Placing Agent (and any

sub-placing agent referred to in Clause 2.1 under and in accordance with this Agreement on behalf of the Company (and not as principal)) pursuant to this Agreement shall constitute a transaction carried out by the Placing Agent at the request of the Company and as its placing agent and not on account of or for the Placing Agent. The Placing Agent shall not be responsible for any loss or damage (except for any loss or damage arising out of any fraud, willful default or gross negligence on the part of the Placing Agent) to the Company arising from any such transaction or for any alleged insufficiency of the price at which the Placing Shares are sold hereunder.

- 2.6 The Company hereby confirms that the foregoing appointment 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 and the Company hereby approves, confirms and ratifies all such actions as may have been legally, duly, properly and reasonably taken by the Placing Agent. The Company agrees, promptly on request by the Placing Agent, to execute or do, or procure that there shall be executed and done, all such documents, and things as the Placing Agent may reasonably deem necessary for such purpose.

3. CONDITION

- 3.1 The Placing is conditional upon the Admission being obtained on or before 7 May 2015 (“Long Stop Date”).
- 3.2 Each of the Company and the Placing Agent shall use their respective best endeavours to procure the satisfaction of the condition set out in Clause 3.1 by the time stated therein, but if the condition shall not be so satisfied, all obligations of the Placing Agent and of the Company hereunder shall cease and determine and none of the parties hereto shall have any claim against the other in relation thereto (save in respect of (i) any antecedent breach of any obligation under this Agreement; and (ii) any liabilities under Clauses 7, 8, 9.2(2) and 10).
- 3.3 As soon as practicable and in any event no later than the day which is the fifth Business Day before the Long Stop Date, the Placing Agent will deliver to the Stock Exchange (and/or the SFC, if requested) details and such other documents as requested by the Stock Exchange of the Placee(s) procured to subscribe for the Placing Shares including, inter alia, their names and addresses and the number of Placing Shares which they have respectively agreed to subscribe

4. ANNOUNCEMENT

- 4.1 The Company shall release the Announcement for publication as soon as practicable after execution of this Agreement.
- 4.2 Subject to any requirements of the Stock Exchange or other regulatory authorities, none of the parties hereto shall, directly or indirectly, make any announcement or communication other than the Announcement in relation to this Agreement or any matter ancillary thereto without the prior written consent of the other (such consent not to be unreasonably withheld or delayed).

5. **LISTING**

The Company undertakes to the Placing Agent that it will apply to the Stock Exchange for the Admission and the Placing Agent agrees to, or procure its sub-placing agent(s) to, sign any documents or take any action as may be required in connection with such application for the Admission (including but not limited to promptly supply to the Stock Exchange and/or the SFC such information as may be requested by the Stock Exchange and/or the SFC).

6. **COMPLETION**

6.1 Completion shall take place at 12:00 noon at the principal place of business of the Company in Hong Kong on the Completion Date i.e. fourth Business Day after the fulfillment of the condition set out in Clause 3 (or such other date and place as the parties hereto may agree in writing).

6.2 At Completion:

- (1) the Placing Agent will deliver to the Company payment (by either the delivery of one or more cashier's order(s) issued by a licensed bank in Hong Kong or payment of an amount in immediately available funds in such manner as shall be agreed by the Company) of an amount equivalent to the aggregate Placing Price payable for the aggregate number of Placing Shares so placed less all fees payable to the Placing Agent under Clause 9; and
- (2) the Company shall, against receipt of the cashier's order(s) or the copy of bank deposit slip by the Placing Agent, allot and issue the Placing Shares in the name of HKSCC Nominees Limited and cause share certificate of the Placing Shares to be delivered to the depositary of Hong Kong Securities Clearing Company Limited (HKSCC) no later than 12:00 noon on the Completion Date for credit to the CCASS participants' accounts of the Placing Agent (number B01686) (or as the Placing Agent may otherwise direct).

7. **REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

The Company represents and warrants to the Placing Agent as set out below and in Schedule 1 that:

- (1) the Company shall not from the date hereof until after completion of the issue and allotment of any Placing Shares, issue or grant any share options or other securities convertible into, exchangeable for or which carry rights to acquire Shares (other than any share options which may be granted under the share option scheme adopted by the Company pursuant to Chapter 17 of the Listing Rules and any Shares which may fall to be allotted and issued upon exercise of existing contractual rights and in respect of which the grant of listing of and permission to deal in such Shares having been obtained).
- (2) the Company shall procure that particulars of every significant new factor known to it which is in its reasonable opinion capable of materially affecting assessment of the Placing Shares in the context of the Placing which arises

between the date hereof and 8:00 a.m. on the Completion Date shall be promptly provided to the Placing Agent.

8. INDEMNITY

The Company undertakes to indemnify, upon demand, the Placing Agent, against all or any costs, expenses (including reasonable and proper legal fees), fees, claims, actions, liabilities, demands, proceedings or judgments (including, but not limited to, all such losses, costs, charges or expenses suffered or incurred in disputing or defending any proceedings and/or in establishing its rights to be indemnified pursuant to this Clause 8 and/or in seeking advice in relation to any proceedings) brought or established against the Placing Agent by any Placee or by any governmental agency, regulatory body or other person which, in any such case, arises out of or in connection with the performance by the Placing Agent of its obligation hereunder, any breach of any of the terms, warranties and representations, Listing Rules contained in this Agreement by the Company, any statement, estimate, forecast in the Announcement and the Previous Announcement and does not arise from the Placing Agent's or its respective sub-agent's gross negligence, fraud, bad faith or default.

No claim shall be made against the Placing Agent 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 it pursuant hereto or the performance of its obligations hereunder or otherwise in connection with the Placing provided that such damage, cost, charge or expense is not suffered or incurred directly as a result of any fraud and willful default on the part of the Placing Agent or in connection with a material breach by any of the provisions of this Agreement.

The protections and indemnities in this Clause 8 shall remain in full force and effect notwithstanding completion of the Placing or the rescission or termination of this Agreement.

9. PLACING COMMISSION

9.1 In consideration of the services of the Placing Agent in relation to the Placing and provided that Completion occurs in accordance with Clause 6, the Company shall pay to the Placing Agent a commission of 1.5% of the aggregate Placing Price for the Placing Shares placed by the Placing Agent on behalf of the Company pursuant to its obligations herein, which the Placing Agent is hereby authorised to deduct from the payment to be made by it to the Company at Completion pursuant to Clause 6.2(1).

9.2 In addition to the placing commission referred to in Clause 9.1:

- (1) other than brokerage (if any), such transaction levy as may be payable to the SFC for the Placing Shares and such trading fee as may be payable to the Stock Exchange for the Placing Shares which shall be borne and payable by the Placees, the Company shall pay all fees payable to the Stock Exchange and the SFC arising from the creation and issuance of the Placing Shares in accordance with the terms of this Agreement, and all charges, fees and expenses of the Company's share registrar including (without limitation) their fees and

expenses in allotting and issuing the Placing Shares and the issuance of definitive share certificates therefor; and

- (2) the Company shall bear all out-of-pocket expenses (including but not limited to fees charged in respect of CCASS transactions) reasonably and properly incurred by the Placing Agent in relation to the Placing (subject to the provision of official invoice), which, if ascertained at Completion, the Placing Agent is hereby authorised to deduct from the payment to be made to the Company pursuant to this Agreement.

9.3 Without prejudice to the generality of Clause 9.2(1), the Company will be responsible to pay all costs and expenses (including legal expenses) incurred by it in connection with:

- (1) the preparation and release of the Announcement and the negotiation, preparation and completion of this Agreement; and
- (2) the issue of the Placing Shares (excluding brokerage (if any), such transaction levy as may be payable to the SFC for the Placing Shares and such trading fee as may be payable to the Stock Exchange for the Placing Shares which shall be borne and payable by the Placees).

9.4 Payment of the amounts referred to in Clause 9.2(2) to the extent they have been reasonably and properly incurred, shall be made by the Company to the Placing Agent whether or not Completion takes place.

10. UNDERTAKINGS BY THE PLACING AGENT

10.1 The Placing Agent represents, warrants and undertakes to the Company that:

- (1) in each jurisdiction in which the Placing Agent solicits subscription for the Placing Shares, the Placing Agent will do so in accordance with all relevant laws or regulations in force in such jurisdiction. The Placing Shares shall not be offered to or placed in circumstances which would constitute an offer to the public in Hong Kong within the meanings of the Companies Ordinance or in any other place or in any manner in which the securities laws or regulations of any place may be infringed;
- (2) the Placing Agent will use best effort to procure not less than six Placees for the subscription of the Placing Shares at the Placing Price upon and subject to the terms and conditions of this Agreement;
- (2) the Placing Agent will use its reasonable endeavours to ensure that the Placee(s) and their respective ultimate beneficial owners will be third party(ies) independent of, and not connected with or acting in concert with, the Company, its connected persons and their respective associates;
- (3) the Placing Agent will make available and promptly supply, or use its reasonable endeavours to procure the relevant Placee(s) to make available and promptly supply, to the Stock Exchange and the SFC or any other regulatory authority all information in relation to the Placee(s) which may be

required by the Stock Exchange, the SFC and/or any other regulatory authority;

- (4) the Placing Agent will ensure the fulfillment and compliance of all applicable rules and regulations of the Stock Exchange in relation to its role as placing agent for the Placing;
- (5) the Placing Agent will use reasonable endeavours to ensure that none of the Placees to be procured by the Placing Agent are US person under the United States Securities Act of 1933; and
- (6) the Placing Agent will use its reasonable endeavours to ensure that none of the Placees to be procured by the Placing Agent will, immediately upon Completion, become a substantial shareholder (within the meaning of the Listing Rules) of the Company.

11. FORCE MAJEURE

11.1 The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate this Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the Completion Date if:

- (1) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent may be materially adverse in the consummation of the Placing; or
- (2) there is any breach of the warranties, representations and undertakings given by the Company in this Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (4) any statement contained in the Announcement or the Previous Announcements has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent may be materially adverse in the consummation of the Placing; or
- (5) there is any suspension of dealings in the Shares on the Stock Exchange for more than five consecutive Business Days (other than as a result of or in connection with the Placing); or
- (6) any event of force majeure (being an event beyond the control of the parties and which is unforeseeable or unavoidable), including but without limiting the generality hereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out, occurs which

prevents the performance of the contractual obligations of the parties hereunder or in the reasonable opinion of the Placing Agent may be materially adverse in the consummation of the Placing.

- 11.2 Upon termination of this Agreement pursuant to this Clause 11, all liabilities of the parties hereto hereunder shall cease and determine and no party hereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with this Agreement save in respect of (i) any antecedent breach of any obligation under this Agreement; and (ii) any liabilities under Clauses 7, 8, 9.2(2) and 10.

12. GENERAL PROVISIONS RELATING TO AGREEMENT

- 12.1 Any date or period in this Agreement may be changed by written agreement of the parties but as regards any date or period (whether or not amended or changed as aforesaid) time shall be of the essence of this Agreement.
- 12.2 Each of the parties hereto undertakes to the other to execute all such documents and to do or procure to be done all such other acts and things as may be necessary to give the other party the full benefit of this Agreement.
- 12.3 This Agreement shall be binding on and endure for the benefit of the successors of the parties but assignment may only be made after prior written consent of the other party has been given.
- 12.4 Any right or remedy conferred on any party for breach of this Agreement (including the breach of any representations and warranties) shall be in addition and without prejudice to all other rights and remedies available to it in respect of that breach and the exercise of or failure to exercise any right or remedy in respect of such breach shall not, save as provided herein, constitute a waiver by such party of any other right or remedy it may have in respect of that breach.
- 12.5 Any provision of this Agreement which is capable of being performed after Completion but which has not been performed at or before Completion and all the representations and warranties contained in this Agreement shall remain in full force and effect notwithstanding Completion.
- 12.6 This Agreement constitutes the entire agreement between the parties hereto with respect to its subject matter (no party having relied on any representation or warranty made by the other party with respect thereto which is not contained in this Agreement) and this Agreement supersedes all and any previous agreements, arrangements or understandings between the parties hereto relating to the matters referred to in this Agreement and all such previous agreements, arrangements or understandings (if any) shall cease and determine with effect from the date hereof.
- 12.7 No variation of this Agreement shall be effective unless made in writing and signed by each of the parties hereto.
- 12.8 If at any time any provision of this Agreement is or becomes illegal, void or unenforceable in any respect, the remaining provisions hereof shall in no way be affected or impaired thereby.

- 12.9 This Agreement may be executed by the parties hereto in any number of counterparts and on separate counterparts, each of which when so executed shall be deemed an original but all of which shall constitute one and the same instrument and be binding on all parties. Any party executing this Agreement on a facsimile copy counterpart shall deliver the original of the counterpart to the other party within two days after the same was sent by facsimile.

13. **NOTICES**

- 13.1 All notices delivered hereunder shall be in writing and shall be delivered by hand or despatched by first class post or by facsimile transmission at the address or fax number of the relevant party set out below:

To the Company

Address : 23F, A8 Music Building, No. 1002 Keyuan Road, Hi-tech Park, Nanshan District, Shenzhen, PRC
Fax Number : +86 755 3330 3333
Attention : Mr. Anthony Liu

To the Placing Agent

Address : 19th Floor, Wing On House ,71 Des Voeux Road Central, Hong Kong
Fax Number : (852) 2810 6789
Attention : Equity Capital Markets

- 13.2 Any such notice shall take effect in the case of delivery by hand upon delivery, in the case of despatch by local mail 24 hours after posting, and in the case of facsimile, on production of a transmission report by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient specified in Clause 13.1.

14. **GOVERNING LAW, JURISDICTION AND SERVICE OF PROCESS**

- 14.1 This Agreement shall be governed by, and construed in accordance with, the laws of Hong Kong.
- 14.2 Each party hereto irrevocably agrees that the courts of Hong Kong (“Courts”) shall have non-exclusive jurisdiction in relation to any claim, dispute or difference concerning this Agreement and any matter arising therefrom.
- 14.3 Each party hereto irrevocably waives any right that it may have to object to an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.
- 14.4 Each party hereto agrees that without preventing any other mode of service, any document in an action (including, but not limited to, any writ of summons or other originating process or any third or other party notice) may be served on any party by

being delivered to or left for that party at its address for service of notices under Clause 14 and each party hereto undertakes to maintain such an address at all times in Hong Kong and to notify the other party in advance of any change from time to time of the details of such address in accordance with the manner prescribed for service of notice under Clause 13.

[Signature page to the Placing Agreement]

IN WITNESS the hands of the duly authorised representatives of the parties hereto the day and year first above written.

THE COMPANY

SIGNED by
for and on behalf of
A8 New Media Group Limited
in the presence of:

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)



THE PLACING AGENT

SIGNED by
for and on behalf of
First Shanghai Securities Limited
in the presence of:

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)
)
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SCHEDULE 1

Representations, warranties and undertakings of the Company

1. Corporate power

- 1.1 The Company has the power under its Constituent Documents to permit its entry into this Agreement and the Placing in the manner set out in this Agreement and, subject to satisfaction of the condition set out in Clause 3.1, 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; (other than that as mentioned in Clause 3.1) there is no authorisation, consent, approval, registration or notification required for the purposes of or as a consequence of the Placing either from government department, regulatory bodies or other public bodies (including, without limitation, the Stock Exchange or the SFC) 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.

2. Placing Shares

- 2.1 Subject to satisfaction of the condition set out in Clause 3.1, the Placing Shares will be allotted and issued in accordance with the Constituent Documents, all relevant laws of Hong Kong and the Cayman Islands and the rules and regulations of the Stock Exchange and will rank *pari passu* in all respects *inter se* and with all other Shares in issue as at the Completion Date.
- 2.2 The Company has full power, authority and shareholders' consent to allot and issue the Placing Shares and does not require the consent thereto of any other party (save for the approval of the Listing Committee of the Stock Exchange referred to in Clause 3.1) of this Agreement and, subject as aforesaid, all consents and authorisations necessary to enable the Placing Shares to be allotted and issued by the Company under the Placing have been obtained.
- 2.3 Subject to satisfaction of the condition set out in Clause 3.1, 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 the Company and/or any member of the Group 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, obligations or commitment whatsoever of, the Company and/or any member of the Group and/or their respective boards of directors.
- 2.4 The Placing Shares will on allotment and issue be fully paid at the Placing Price per Share and free from all Encumbrances and together with all rights attaching thereto as at the Completion Date including the right to receive all dividends and other distributions which may be declared, made or paid in respect of the Shares, the record date for which shall fall on or after the Completion Date.

3. Announcements

- 3.1 All statements of fact contained in the Announcement are true and accurate in all material respects and not misleading in any material respect in the form and context in which they appear and in the context of the Placing and all expressions of opinion, intention or expectation contained therein are made on reasonable grounds and are truly and honestly held by the Directors and are fairly based, all forecasts, and estimates therein are honest and fair and there are no other facts omitted the omission of which makes any such statement or expression in the Announcement misleading in any material respect or which are or might be material in the context of the Placing.
- 3.2 The application of the net proceeds of the Placing as set out and contemplated by the Announcement will not (i) contravene any provision of the applicable law, rule and regulations or the Constituent Documents of the Company; (ii) contravene the terms or provisions of, or constitute a default under any indenture, mortgage, charge, deed of trust, loan agreement, note, lease or either agreement or instrument binding upon the Company or any members of the Group; or (iii) contravene any judgment, order, or decree of any government department, agency or court applicable to the Company or any member of the Group.
- 3.3 With respect to the Previous Announcements, all statements of fact contained therein were true and accurate in all material respects and not misleading in any material respect and all expressions of opinion or intention contained therein were made on reasonable grounds and were truly and honestly held by the Directors and were fairly based and there were no other facts omitted so as to make any such statement or expression in any such Previous Announcements misleading in any material respect or which would or might have been material in the context in which the announcements were made.
- 3.4 All material information (whether written or electronic) supplied by any Director on behalf of the Company for the purpose of or in connection with the Placing, and all publicly available information and records produced by the Company (including information contained in annual reports, statutory filings and registrations) is and was, to the best knowledge of the Company, when supplied or published, true and accurate in all material respects and not misleading in any material respect.

4. Incorporation and share capital

- 4.1 All members of the Group which are material to the assets, liabilities, revenues, earnings, business or operations of the Group has been duly incorporated and is validly existing under the laws of the jurisdiction of its incorporation.
- 4.2 The matters set out in the Recitals to this Agreement are true and accurate.
- 4.3 No order has been made and no resolution has been passed for the winding up of, or for a provisional liquidator to be appointed in respect of, the Company or any member of the Group and no petition has been presented and no meeting has been convened for the purpose of winding up the Company or any member of the Group; no receiver has been appointed in respect of the Company or any member of the Group or all or any of its assets; none of the Company or any member of the Group is insolvent, or unable to

pay its debts within the meaning in the Companies Ordinance or any analogous legislation elsewhere, or has stopped paying its debts as they fall due; and no unsatisfied judgment which is material to the financial position or prospects of the Group is outstanding against the Company or any member of the Group.

- 4.4 All the issued shares of the Company and each other member of the Group (i) have been duly authorised; (ii) are validly issued and fully paid or credited as fully paid; (iii) were not issued in violation of any pre-emptive or similar rights.
- 4.5 Save as disclosed in the Previous Announcements, there are no outstanding securities issued by the Company convertible or exchangeable for rights, warrants or options to acquire or subscribe from the Company any share capital or debentures. Without limiting the foregoing, except 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 or any member of the Group.
- 4.6 Save for any temporary suspension for clearance of announcement(s), all the issued Shares are listed on Main Board and will continue to be so listed as at the Completion Date and there are no circumstances whereby such listing is likely to be suspended, cancelled or revoked.
- 4.7 The Company will not from the date of this Agreement until the Completion Date issue any Shares, issue or grant any share options or other securities convertible into, exchangeable for or which carry rights to acquire Shares, (other than any share options which may be granted under the share option scheme adopted by the Company pursuant to Chapter 17 of the Listing Rules and any Shares which may fall to be allotted and issued upon exercise of existing contractual rights and in respect of which the grant of listing of and permission to deal in such Shares having been obtained).

5. No litigation

- 5.1 Neither the Company nor any member of the Group is engaged in any litigation, arbitration or proceedings which (individually or in aggregate) may have or have had during the 12 months preceding the date hereof a significant adverse effect on the financial or trading position or prospects of the Group or which individually or collectively are material for disclosure in the context of the Placing and no such litigation, arbitration or proceedings is threatened or pending; nor, to the best of the knowledge, information and belief of the Company and its directors are there any circumstances which may give rise to any such litigation, arbitration or proceedings.

6. Indebtedness

- 6.1 No circumstances or events have arisen or occurred or are likely to arise or occur such that any person is (or could, with the giving of notice and/or lapse of time and/or fulfillment of any condition and/or the making of any determination, become) entitled to repayment of any material indebtedness prior to its due date for payment by the Company or any member of the Group, or to take any step to enforce any security for any such indebtedness of the Company or any member of the Group and no person to whom any such indebtedness for borrowed money of the Company or any member of

the Group which is payable on demand is owed has demanded or threatened to demand repayment of the same.

7. Taxes

- 7.1 No stamp or other issue or transfer taxes or duties and no capital gains, income, withholding or other taxes (other than stamp duty, SFC transaction levy and Stock Exchange trading fee) are payable by the Company to the government of Hong Kong or to any political subdivision or taxing authority thereof or therein in connection with the Placing, other than any liability to pay Hong Kong profits tax which may arise in respect of trading gains from sales of Placing Shares effected on the Stock Exchange realised by persons carrying on a business of trading or dealing in securities in Hong Kong.

8. Compliance with law and regulations

- 8.1 Each of the Company and other members of the Group have conducted its business in accordance with and is not in violation of any law, rule or regulation to which it is subject or by which it or any of its property is bound, such violation having a material adverse effect on the Group taken as a whole.
- 8.2 The Company is not in material breach of any law, rules, regulations or requirements of the Stock Exchange, the SFC or other government department and regulatory authorities.
- 8.3 Subject to satisfaction of the condition set out in Clause 3.1, the Company complies with all applicable law, rules, regulations and other requirements applicable 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 law, rule, regulation or other requirement by any person.

9. Dealings in and in relation to securities

- 9.1 The Company will not procure any of its connected persons to acquire or agree to acquire any of the Placing Shares from the Placing Agent.

10. Securities dealing code

- 10.1 The Company has adopted a code for transactions in its securities by its directors no less stringent than the requirements set out in the Listing Rules, and such code has been and will be fully complied with in connection with the Placing and the transactions contemplated under this Agreement.

11. Disclosures

- 11.1 The Company will make all appropriate disclosures pursuant to, and will comply in all respects with, the Listing Rules in connection with the Placing and the transactions contemplated under this Agreement.

12. Provision of information

- 12.1 Subject to the restrictions under the applicable laws and regulations, the Company will provide the Placing Agent, at its request, 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 reasonably required by the Placing Agent in connection with the Placing for the purpose of complying with any applicable law, rule, 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.