

DATED 18th DAY OF October 2016

EXECUTION VERSION

冠輝集團控股有限公司
KING FORCE GROUP HOLDINGS LIMITED
(the “Company”)

- and -

信達國際證券有限公司
CINDA INTERNATIONAL SECURITIES LIMITED
(the “Placing agent”)

PLACING AGREEMENT

In respect of

Placing of new shares

in the share capital of the Company

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PLACING AGREEMENT

THIS PLACING AGREEMENT is made the 18th day of October 2016

BETWEEN:

- (1) 信達國際證券有限公司 **Cinda International Securities Limited**, a company duly incorporated in Hong Kong and having its registered address at 45/F., COSCO Tower, 183 Queen's Road Central, Hong Kong (the "**Placing Agent**"); and
- (2) 冠輝集團控股有限公司 **King Force Group Holdings Limited**, a company incorporated in the Cayman Islands with limited liability whose principal place of business in Hong Kong is at Room 1603, 16/F., China Building, 29 Queen's Road Central, Hong Kong (the "**Company**").

WHEREAS:

- (A) The Company was incorporated in the Cayman Islands and as at the date of this Agreement (as defined below). The Company has an authorised share capital of HK\$20,000,000 divided into 20,000,000,000 ordinary shares of HK\$0.001 each, of which 6,400,000,000 shares have been issued and fully paid up.
- (B) The shares of the Company are listed on the Stock Exchange (as defined below) with the stock code of 8315.HK.
- (C) The Company is desirous of issuing the Placing Shares (as defined below) and the Company has agreed to appoint the Placing Agent and the Placing Agent has agreed to act as placing agent for the purpose of placing the Placing Shares, on a best efforts basis, to the Placees, subject to the terms and conditions herein contained.

IT IS HEREBY AGREED:

1. DEFINITIONS AND INTERPRETATION

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

"Agreement"	means this placing agreement as amended or varied from time to time by an agreement in writing duly executed and delivered by the Parties;
"Announcement"	means the announcement relating to, among other matters, the proposed placing of the Placing Shares and this Agreement (subject to such amendments as the Stock Exchange may require or which the Company and the Placing Agent may agree);
"Business Day"	means any day (excluding Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business in Hong Kong;
"Companies Ordinance"	means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
"Completion"	means completion of the subscription of the Placing Shares pursuant to Clause 5 and Schedule I;
"Completion Date"	means a Business Day as soon as practicable following the satisfaction of the Conditions Precedent and in any event not later

	than the [third] Business Day immediately following the satisfaction of Conditions Precedent (unless the parties agree in writing to extend such date);
“Conditions Precedent”	means the conditions precedent to completion of the Placing as specified in Clause 2.1;
“Directors”	means the directors of the Company;
“General Mandate”	means the general mandate granted to the Directors at the annual general meeting of the Company held on 24 August 2016;
“Group”	means the Company and its subsidiaries and the expression “member of the Group” shall be construed accordingly;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange for the time being in force;
“Long Stop Date”	means [31 October] 2016 (or such other time and date as the Placing Agent and the Company shall agree in writing);
“Parties”	means the named parties to this Agreement and their respective successors and permitted assigns and “Party” means either of them;
“Placee(s)”	means any professional, institutional or other investors whom the Placing Agent and/or any of its agent(s) have procured to subscribe for any of the Placing Shares;
“Placing”	means the private placing of the Placing Shares to selected Placees on the terms and subject to the conditions to be set out in this Agreement;
“Placing Period”	means the period commencing from the date of this Agreement and terminating on the Long Stop Date (or such other termination date as the Placing Agent and the Company may agree in writing);
“Placing Price”	means the price of HK\$0.0704 per Placing Share;
“Placing Shares”	means 553,000,000 new Shares, the subject of the Placing;
“Shares”	means ordinary shares of HK\$0.001 each in the capital of the Company;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	means the Hong Kong Code on Takeovers and Mergers;
“Warranties”	means the representations, warranties and undertakings under Clause 8.1.

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- 1.2 Interpretation: In this Agreement, including its recitals and schedules, unless otherwise defined or unless the context or subject matter otherwise requires:
- (A) any reference to the Parties shall include their respective permitted assignees and successors;
 - (B) any reference to Recitals, Clauses or Schedules is a reference to the recitals and clauses of, and the schedules to, this Agreement;
 - (C) the Recitals and Schedules form part of this Agreement and shall be construed as part thereof and shall have the same full force and effect as if expressly set out in the main body of this Agreement;
 - (D) words and phrases defined in the Companies Ordinance shall have the same meanings in this Agreement;
 - (E) any reference to a statutory provision shall include a reference to that provision as amended or re-enacted from time to time;
 - (F) headings are inserted for convenience only and shall be ignored in construing this Agreement;
 - (G) the singular includes the plural and vice versa, words importing gender or the neuter include both genders and the neuter;
 - (H) any reference to dates or times is a reference to a date or time in Hong Kong;
 - (I) any reference to persons shall include individuals, bodies corporate (wherever incorporated), unincorporated associations, all forms of governmental body or authority, or any association or partnership (whether or not having a separate legal personality) of two or more of the foregoing;
 - (J) any reference to this Agreement or any other agreement or document shall be construed as a reference to this Agreement or, as the case may be, such other agreement or document as it may have been, or may be, amended, varied, novated or supplemented;
 - (K) any reference to a document being "in the agreed terms" means documents in the terms agreed between the Parties and, for the purpose of identification, signed by them or on their behalf, or such document in such other terms as may be agreed in writing by the Parties from time to time in substitution for or in variation of such document;
 - (L) any reference to "best efforts basis" means the effort that a prudent placing agent desirous of achieving a result would reasonably use in similar circumstances to achieve that result;
 - (M) the rule known as the *ejusdem generis* rule shall not apply. Accordingly general words introduced or followed by the word "other" or "including" or "in particular" shall not be given a restrictive meaning because they are followed by particular examples intended to fall within the meaning of the general words;
 - (N) all warranties, representations, indemnities, covenants, agreements and obligations given or entered into by more than one person are given or entered into jointly and severally; and
 - (O) in relation to any warranty, term or undertaking contained in this Agreement, references to "material breach" or "material respect" or similar expressions which connote materiality of the degree of breach, non-performance or default shall mean any such breaches, non-performances or defaults, either singly or in aggregate, would have a material adverse effect on the business, operations, financial conditions or prospects of the Group as a whole or in the context of the Placing herein or the Placing Price to be paid hereunder.

2. CONDITIONS PRECEDENT

- 2.1 The Placing and the obligations of the Placing Agent under this Agreement are conditional upon the following conditions being fulfilled:
- (A) the Listing Committee of the Stock Exchange shall have granted or agreed to grant the listing of, and permission to deal in, the Placing Shares; and
 - (B) the Company obtaining all necessary consents and approvals (if any) in respect of the transactions contemplated under this Agreement, if applicable.
- 2.2 In the event that the conditions set out in Clause 2.1 are not fulfilled on or before the Long Stop Date, this Agreement and all rights and obligations hereunder will cease and lapse and neither of the Parties will have any claim against another for costs, damages, compensation or otherwise except for antecedent breach of provisions of this Agreement.
- 2.3 The Company shall use its best endeavours to procure the fulfilment of the conditions specified in Clause 2.1 on or prior to the Long Stop Date and in particular (without limiting the generality of the foregoing) shall furnish such information, supply such documents, pay such fees and do all such acts and things as may be reasonably required by the Placing Agent, the Stock Exchange and the relevant authorities in connection with the application for the listing of, and permission to deal in, the Placing Shares.

3. PLACING OF THE PLACING SHARES

- 3.1 Subject to the provisions of this Agreement, the Company hereby appoints the Placing Agent to the exclusion of others as placing agent and the Placing Agent agree to act as placing agent for the Company during the period between the date of this Agreement and the Completion Date to procure not fewer than six (6) Placees to subscribe for the Placing Shares, on a best efforts basis, at the Placing Price. For the avoidance of doubt, in the event the Placing Shares are under-subscribed, the Placing Agent shall have no obligation to take up any unsubscribed Placing Shares. For avoidance of doubt, in the event that the number of Placing Shares that the Placing Agent manage to procure Placees to subscribe turns out to be less than 467,000,000, then the Company shall negotiate and discuss with the Placing Agent whether to proceed with completion of the Placing. If the Parties decide not to proceed with completion of the Placing, 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 save and except for the liabilities under Clause [7.1(C)], 7.2(A)(III) and [(V)], and 9.
- 3.2 Subject to the Conditions Precedent being fulfilled and the Placing Agent not having exercised their rights under Clause 10 to terminate this Agreement, the Company shall on Completion issue and allot the Placing Shares, and the Placing Agent shall procure the Placees to subscribe for the Placing Shares in accordance with the provisions set out in Clause 3.3.
- 3.3 The Placing Shares shall be offered to not fewer than six (6) Placees. The choice of the Placees and the quantity of the Placing Shares to be allocated to any particular Placee shall be determined by the Placing Agent at their sole discretion, subject to the requirement that, subject to Clause 3.4, each Placee and its ultimate beneficial owner(s) shall be individual, corporate, institutional or other investor independent of and not connected with the Company or any of its connected persons (as defined in the Listing Rules) or parties acting in concert with it (as defined under the Takeover Codes), or has not been financed directly or indirectly by the Company or any of its connected persons, or are not accustomed to taking instructions from the Company or any of its connected persons, or does not have any side arrangement with the Company or any of its connected persons to guarantee a return on their investment or arrangement of a similar nature, and subject to any objection (if any) which the Stock Exchange or the Company may have in respect of any particular person or company being a Placee.

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- 3.4 The Placing Agent shall use its reasonable endeavours to ensure that it will not offer or place any of the Placing Shares to or with any person, firm or company which is connected with the Company or its connected persons (as is defined in the Listing Rules) or parties acting in concert with it (as defined under the Takeover Codes) (other than in situation where the consent from the Stock Exchange has been obtained and in compliance with the Listing Rules) by obtaining a confirmation from each Placee or each sub-placing agent (as the case may be) of such independence.
- 3.5 Within the Placing Period, the Placing Agent shall deliver to the Company a schedule showing names of the Placees as soon as practicable.
4. **AUTHORITY OF THE PLACING AGENT**
- 4.1 The Company hereby confirms that the appointment of the Placing Agent pursuant to Clause 3.1 confers on the Placing Agent all powers, authorities and discretions on behalf of the Company which are necessary for or reasonably incidental to, the lawful making of the Placing.
- 4.2 The Company hereby acknowledges that in performing its functions under this Agreement, the Placing Agent are authorised to appoint one or more sub-placing agent and that such sub-placing agent shall be agents of the Company in despatching documents and offering the Placing Shares to Placees and, subject to due compliance with all terms of this Agreement, the Company hereby agrees and confirms that it shall on demand (provided that the identity of the said sub-placing agent has been disclosed by the Placing Agent to the Company before the expiry of the Placing Period) ratify and approve all actions lawfully taken or to be taken by such sub-placing agent or in connection with the Placing in accordance with this Agreement. All fees of such sub-placing agent shall be paid and borne absolutely by the Placing Agent. The Placing Agent may enter into any agreements with any of the sub-placing agent for such purpose. Notwithstanding anything contained in this Agreement, the relevant Placing Agent appointing its sub-placing agent(s) shall continue to be bound by the terms of this Agreement and shall procure the compliance by any such sub-placing agent(s) with all relevant obligations and provisions to which such Placing Agent is subject or by which such Placing Agent is or will be bound, pursuant to this Agreement and all the applicable laws, rules and regulations to which such sub-placing agent is subject in its performance of such delegated duties or powers.
- 4.3 Any transaction properly carried out by the Placing Agent (and any sub-placing agent referred to in Clause 4.2) under and in accordance with this Agreement on behalf of the Company shall constitute a transaction carried out at the request of the Company and as its agent and not in respect of the Placing Agent's own account and the Placing Agent shall not be responsible for any loss or damage to any persons arising from any such transaction save and except for any loss or damage arising out of any wilful default, fraud, gross negligence of the Placing Agent and any sub-placing agent referred to in Clause 4.2.
- 4.4 Neither of the Placing Agent nor any of the sub-placing agent appointed by it pursuant to Clause 4.2 shall have any authority to make any representation or warranty on behalf of the Company in connection with the Placing other than to inform the Placees of the information, statements and forecasts (if any) in the Announcement.
- 4.5 The Placing Agent hereby represents, warrants and undertakes that:
- (A) it has not offered or sold and shall not offer or sell any of the Placing Shares and it has not distributed and shall not distribute any prospectus or similar document in any jurisdiction other than in compliance with all applicable laws and regulations of that jurisdiction; and
 - (B) it has not offered or sold (nor shall it offer or sell) any of the Placing Shares to any person whom to the actual knowledge of it is (a) a director, chief executive or substantial shareholder of the Company; or (b) connected with the directors, chief executives or

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substantial shareholders (as defined in the Listing Rules) of the Company or its subsidiaries or any of their respective associates (as defined in the Listing Rules).

- (C) it will promptly provide such information concerning itself and/or the Placees (which shall include their respective ultimate beneficial owners) to the Company to fulfil any requirement raised by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong and shall do all such other acts and things as may be reasonably required to be done by it to carry into effect the Placing in accordance with the terms thereof and the terms of this Agreement.

- 4.6 Each of the Placing Agent confirms and undertakes that it shall require any sub-placing agent (as referred to in Clause 4.2) or other person through whom it may effect the Placing or offer any Placing Shares to observe the provisions of this Agreement.

5. COMPLETION

Subject to Clause 10 below, Completion shall take place at the principal place of business of the Company in Hong Kong on the Completion Date (unless otherwise agreed between the Placing Agent and the Company in writing) provided that the Conditions Precedent have been fulfilled at the time of Completion. At Completion, each party shall perform its respective obligations set out in Schedule I.

6. UNDERTAKINGS

- 6.1 The Company hereby undertakes with the Placing Agent that the Company shall comply in all respects with the terms and conditions of the Placing and, in particular, that the Company shall have sufficient unissued share capital for the Placing Shares.
- 6.2 The Company hereby undertakes to comply with the laws of Hong Kong and Cayman Islands and all requirements of the Stock Exchange and other relevant governmental or regulatory authorities to enable the listing of, and permission to deal in, the Placing Shares is granted and maintained.
- 6.3 The Company hereby undertakes to provide the Placing Agent with all such information known to it or which on reasonable enquiry ought to be known to it and relating to the Group or otherwise as may be reasonably required by the Placing Agent in connection with the Placing for the purposes of complying with all requirements of applicable law or of the Stock Exchange or other regulatory authorities.
- 6.4 The Company hereby undertakes with the Placing Agent to comply with all obligations which may be imposed upon it by the Companies Ordinance, the Listing Rules, and all applicable laws or otherwise in respect of or by reason of the matters contemplated by this Agreement.
- 6.5 During the period from the date of this Agreement up to the Completion Date or the Long Stop Date (whichever is earlier), the Company undertakes to the Placing Agent and the Placees to procure that, at all times prior to the Completion Date, unless with the prior written consent of the Placing Agent each member of the Group shall:-
- (A) not issue, or agree to issue, any share or loan capital or grant, or agree to grant, any option (other than under the existing share option scheme adopted by the Company in compliance with Chapter 23 of the Listing Rules and the convertible bonds issued by the Company before the date of this Agreement) over or right to acquire or to subscribe for any share or loan capital of the Company;
- (B) not amend the memorandum and articles of association or bye-laws of any member of the Group save for the amendments in compliance with the applicable laws and/or the requirement of the Listing Rules.

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- 6.6 The Company shall procure that particulars of every significant new factor known to it which is reasonably capable of materially affecting assessment of the Placing Shares and which arises between the date of this Agreement and the Completion Date shall be promptly provided to the Placing Agent.
- 6.7 The Company hereby undertakes with the Placing Agent that the Placing Shares shall upon issue be duly authorised, validly issued, fully-paid and unencumbered and free and clear of any security interests, claims (including pre-emptive rights), liens or encumbrances and shall be freely transferable and shall rank *pari passu* in all respects with all other Shares then in issue.
- 6.8 The Company hereby undertakes with the Placing Agent that compliance by the Company with all 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 the constitutional documents of the Company, any of the terms or provisions of any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or by which the Company is a party or to which any of the property or assets of the Company is subject, or any statute or any rule or regulation, including, without limitation, to the extent applicable, the Listing Rules or any order of any court or governmental agency or body having jurisdiction over the Company or the property or assets of the Company.
- 6.9 [The Company undertakes that all the Placing Shares will be issued under the General Mandate granted by the shareholders of the Company at the annual general meeting of the Company held on 24 August 2016.]
- 6.10 Without prejudice to the foregoing obligations, the Company undertakes with the Placing Agent or the Placees that it shall do all such other acts and things as may be reasonably required to be done by it to carry into effect the Placing in accordance with the terms thereof and the terms of this Agreement.

7. PAYMENT OF FEES, COMMISSIONS AND EXPENSES

- 7.1 In consideration of the services of the Placing Agent in relation to the Placing, the Company shall pay to the Placing Agent and the Placing Agent are hereby authorised to deduct from the payment to be made by it to the Company at Completion pursuant to Clause 5 and Schedule I:
- (A) a placing commission equal to [2%] of the aggregate of the Placing Price of the Placing Shares actually placed by the Placing Agent, out of which the Placing Agent will meet its selling concession and sub-placing commission obligations (if any and including any fee to be charged by any sub-placing agent referred to in Clause 4.2);
 - (B) any such fee payable to the Stock Exchange, the Securities and Futures Commission of Hong Kong and any applicable authority in relation to the Placing and any such fee payable to the Placing Agent under Clause 7.2 and Clause 12; and
 - (C) other out-of-pocket charges and expenses reasonably incurred by the Placing Agent in relation to the Placing with prior written approval of the Company.
- 7.2 Without limiting the generality of the provisions of Clause 7.1, the Company shall also pay in relation to the Placing:
- (A) the costs, charges, fees and expenses of:
 - (I) the application to the Stock Exchange for the listing of, and permission to deal, in the Placing Shares, including the fees of the Stock Exchange in connection therewith;
 - (II) publishing the Announcement and other documents in connection with this Agreement or in relation to the Placing under the Listing Rules;

- (III) any professional advisers engaged in connection with the Placing or this Agreement [excluding the professional advisers of the Placing Agent but including the legal advisers of the Placing Agent;]
 - (IV) any approval, filing, registration with or other charges or fees imposed or charged by the Registrars of Companies in Hong Kong, Cayman Islands or other relevant governmental or regulatory authorities; and
 - (V) all transportation, telecommunication and courier costs and related charges reasonably incurred in connection with the Placing not already paid by the Placing Agent on the Company's behalf; and
- (B) any capital duty, premium duty and any other fees, charges and expenses payable on the increase in the share capital of the Company and the allotment and issue of the Placing Shares.
- 7.3 The Company hereby acknowledges that, in addition to the commissions, costs, charges and expenses referred to in Clause 7.1, the Placing Agent shall be entitled to keep for their own account any brokerage that it may receive from the Placees.

8. REPRESENTATIONS AND WARRANTIES

- 8.1 In consideration of the Placing Agent' entering into this Agreement and agreeing to perform its obligations hereunder, the Company hereby represents, warrants and undertakes to the Placing Agent as follows:
- (A) all facts stated in Recitals (A) and (B) are true and accurate;
 - (B) the Company is duly incorporated and validly existing under the laws of the place of its incorporation and 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 valid and legally binding obligations of the Company, enforceable in accordance with its terms;
 - (C) each member of the Group is duly incorporated and validly existing under the laws of the place of its incorporation with power to own its assets and to conduct its business in the manner presently conducted 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;
 - (D) all statements of fact contained in the Announcement are true and accurate and not misleading in all material respects 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 or which is otherwise material in the context of the Placing;
 - (E) the latest audited consolidated accounts of the Group and the most recently published unaudited interim results of the Company have been prepared on a recognized and consistent basis and in accordance with generally accepted accounting principles, standards and practice in Hong Kong;
 - (F) there is no litigation, arbitration or other legal proceedings in progress or pending against any member of the Group which if decided adversely to the relevant member of the Group would have or have had a material adverse effect on the financial position of the Group (taken as a whole) or the Company and which is material in the context of the Placing;

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- (G) there has been no material adverse change in the financial position of the Company since the date of its latest audited financial statements;
 - (H) to the best of the Company's information, knowledge and belief, the Company is not in breach in any material respect in the context of the Placing of any rules, regulations or requirements of the Listing Rules, the Takeover Code or any applicable law decree, judgment, legislation, order, regulation, statute, ordinance treaty or other legislative measure and the Company is not aware of any fact or matter which would or might result in any withdrawal or suspension of the listing or trading of Shares on the Stock Exchange;
 - (I) no material outstanding indebtedness of the Company has become payable or repayable by reason of any default of the Company and, to the best of the knowledge, information and belief of the Company, no event has occurred which with the lapse of time or the fulfilment of any condition or the giving of notice or the compliance with any formality, may result in such indebtedness becoming payable or repayable prior to its maturity date or in a demand being made for such indebtedness to be paid or repaid; and
 - (J) each such company has carried on its business in the ordinary usual course.
- 8.2 All Warranties are deemed to be made on the date of this Agreement and are repeated every day until Completion and on Completion. The Company undertakes to notify the Placing Agent upon it becoming aware prior to Completion of any event which could reasonably be expected as indicating that any of the Warranties may be or may have been incorrect, misleading or breached in any material respect.
- 8.3 If the Company fails to perform any of its obligations in any material respect (including its obligation at Completion) under this Agreement or breaches any of the terms or the Warranties set out in this Agreement in any material respect prior to the Completion, then without prejudice to all and any other rights and remedies available at any time to each of the Placing Agent (including but not limited to the right to damages for any loss suffered by it), each of the Placing Agent may, by notice either require the Company to perform such obligations or, insofar as the same is practicable, remedy such breach, or to the extent it relates to the failure of the Company to perform any of its obligations at or prior to Completion in any material respect, treat the Company as having repudiated this Agreement and rescind the same. Where the relevant breach is capable of remedy within 14 days after its occurrence and the Company is proceeding diligently to remedy such breach, the date for Completion shall be deferred to the first Business Day after such breach is remedied, which must be within 14 days, provided that the date for Completion shall not be so deferred more than once. The rights conferred upon the respective parties by the provisions of this Clause 8.3 are additional to and do not prejudice any other rights the respective parties may have. No failure to exercise any of the rights conferred in this Clause shall constitute a waiver of any such rights.
9. **INDEMNIFICATION AND NO CLAIM**
- 9.1 The Company undertakes to indemnify each of the Placing Agent and any person appointed as sub-placing agent pursuant to Clause 4.2 and each of their respective associates, directors and employees who shall have been involved in the Placing (the "**Indemnified Parties**") against all or any claims, actions, liabilities, demands, proceedings or judgments (the "**Proceedings**") brought or established against any of the Indemnified Parties by any Placee or subscriber or purchaser of any of the Placing Shares or by the Stock Exchange, any governmental agency, regulatory body or other person, directly or indirectly arising out of or in connection with the Placing or the performance or purported performance of any of the provisions of this Agreement and against all losses and all costs, charges and expenses (including legal fees as they are incurred) which any of the Indemnified Parties may suffer including without limitation the loss suffered by the Indemnified Parties due to disciplinary actions of the regulatory bodies, misrepresentation made by the Company and material breach of the Warranties by the Company or incur (except for any loss,

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costs, charge or expense suffered or incurred as a result of or in connection with any fraud, wilful default, or gross negligence on the part of the Indemnified Parties) arising out of and in connection with the Placing in the performance or purported performance of any of the provisions of this Agreement by the Placing Agent, including, but not limited to, all such losses, costs charge or expenses suffered or incurred in disputing or defending any Proceedings and/or in establishing its right to be indemnified pursuant to this Clause and/or in seeking advice in relation to any Proceedings.

- 9.2 No claim shall be made against either of the Placing Agent or any other Indemnified Parties 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 any of the Indemnified Parties of any act or omission in connection with the Placing except (a) for any loss or damage arising out of any fraud, wilful default, or gross negligence on the part of any of the Indemnified Parties and/or (b) as a result, directly or indirectly, or any non-compliance by the any of the Indemnified Parties with its obligations under this Agreement.

10. TERMINATION OF THE PLACING

- 10.1 If at any time prior to the Completion Date, in the reasonable opinion of the Placing Agent, the success of the Placing or the business or financial prospects of the Group would or is likely to be materially and adversely affected by:

- (A) any material breach of any of the representations, warranties or undertakings set out herein; or
- (B) any suspension in dealings in or the listing of the Shares on the Stock Exchange for a period of more than 5 trading days (other than in connection with the Placing and any announcement of the Company); or
- (C) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
- (D) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
- (E) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
- (F) a change or development involving a prospective change in taxation in Hong Kong, Cayman Islands, British Virgin Islands or the People's Republic of China or the implementation of exchange controls which shall or might materially and adversely affect the Group; or
- (G) any significant change or deterioration in the conditions of local, national or international securities markets,

then and in any such case, the Placing Agent may terminate this Agreement without liability to the Company by giving notice in writing to the Company.

- 10.2 In the event that the Placing Agent terminate this Agreement pursuant to Clause 10.1, all obligations of each of the Parties under this Agreement shall cease and determine and no Party

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shall have any claim against any other Party in respect of any matter arising out of or in connection with this Agreement except for:-

- (A) any antecedent breach of any obligation under this Agreement; and
- (B) liabilities under Clauses [7.1(C)], 7.2(A) (III) and [(v)], and 9 (which shall be borne by the e Company), and 11, 12, 13, 14 and 15.

11. ANNOUNCEMENTS

Save as required by law or by the Stock Exchange or other regulatory authority, no announcement or communication to the press or the shareholders shall be made by or on behalf of the Company relating to the Placing and its associated transactions unless in terms previously approved in writing by the Placing Agent.

12. COSTS

In the event Completion take places in accordance with the terms of this Agreement or Completion does not take place due to the default of the Company, the Company agrees to bear all the costs and expenses reasonably incurred in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated herein, and if any of such costs and expenses are incurred by the Placing Agent, the Company shall reimburse the Placing Agent of the same within [14] Business Days from day of receipt of notification by the Company from the Placing Agent. In the event that Completion does not take place due to any reason other than the default of the Company, each Party shall bear its own costs and expenses incurred in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated herein, save and except that the legal costs of the legal adviser of the Placing Agent shall be borne by the Company.

13. NOTICES

- 13.1 Manner of Notice: Any notice or other communication to be given under this Agreement shall be in writing and may be delivered personally or by courier or sent by prepaid letter (airmail if overseas) or facsimile transmission. A notice shall be sent to the addressee (marked for the attention of the appropriate person) at its address or facsimile number set out in Clause 13.2 below or to such other address or facsimile number as may be notified by such addressee to the other Party from time to time for the purposes of this Clause 13.

- 13.2 Address and Facsimile Number: The initial address and facsimile number of each of the Parties for the purposes of this Clause 13 are as follows:

- (A) To the Placing Agent:

Address: 45/F., COSCO Tower, 183 Queen's Road Central, Hong Kong

Facsimile:

For the attention of:

- (B) To the Company:

Address: Room 1603, 16/F., China Building, 29 Queen's Road Central, Hong Kong

Facsimile:

For the attention of:

- 13.3 Time of Service: A notice shall be deemed to have been served:

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- (A) if delivered personally or by courier, at the time of delivery;
- (B) if posted, if to an addressee within the same country, two (2) working days (or if to an addressee in a different country, five (5) working days, when it shall be sent airmail) after the envelope containing the notice was delivered into the custody of the postal authorities;
- (C) if communicated by facsimile transmission, at the time of transmission;

PROVIDED THAT where, in the case of delivery by hand or by courier or transmission by facsimile, such delivery or transmission occurs after 4 p.m. (local time) on a working day or on a day which is not a working day in the place of receipt, service shall be deemed to occur at 9 a.m. (local time) on the next following working day in such place; and for this purpose, in this Clause 13 “**working day**” means a day on which banks in the place of receipt are open for business in the ordinary course, other than Saturdays and Sundays.

- 13.4 Proof of Service: In proving service, it shall be sufficient to prove if personal delivery or courier delivery was made or if the envelope containing the notice was properly addressed and delivered into the custody of postal authorities authorized to accept the same, or if sent by facsimile, by receipt of automatic confirmation of transmission **PROVIDED THAT** a notice shall not be deemed to be served if communicated by facsimile transmission which is not legible in all material respects; such transmission shall be deemed to have been so legible if a request for retransmission is not made before the end of the next working day following the transmission.

14. GENERAL PROVISIONS

- 14.1 Further Assurance: Each Party agrees to perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents, as may be required by law or as may be necessary or reasonably desirable to implement and/or give effect to this Agreement and the transactions contemplated by it.
- 14.2 Entire Agreement: This Agreement (together with any document described in or expressed to be entered into in connection with this Agreement) constitutes the entire agreement between the Parties in relation to the transaction(s) referred to it or in them and supersedes any previous agreement between the Parties in relation to such transaction(s). It is agreed that:
- (A) no Party has entered into this Agreement in reliance upon any representation, warranty or undertaking of any other Party which is not expressly set out or referred to in this Agreement; and
 - (B) except for any breach of an express representation or warranty under this Agreement, no Party shall have any claim or remedy under this Agreement in respect of misrepresentation or untrue statement made by any other Party, whether negligent or otherwise, and whether made prior to or after this Agreement, **PROVIDED THAT** this Clause shall not exclude liability for fraudulent misrepresentation.
- 14.3 Remedies Cumulative: Any right, power or remedy expressly conferred upon any Party under this Agreement shall be in addition to, not exclusive of, and without prejudice to all rights, powers and remedies which would, in the absence of express provision, be available to it; and may be exercised as often as such Party considers appropriate.
- 14.4 Waivers: No failure, relaxation, forbearance, indulgence or delay of any Party in exercising any right or remedy provided by law or under this Agreement shall affect the ability of that Party subsequently to exercise such right or remedy or to pursue any other rights or remedies, nor shall such failure or delay constitute a waiver or variation of that or any other right or remedy. 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.

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- 14.5 **Severability:** The Parties intend that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws applied in each jurisdiction in which enforcement is sought. If any particular provision or this Agreement shall be held to be invalid or unenforceable, then such provision shall (so far as invalid or unenforceable) be given no effect and shall be deemed not to be included in this Agreement but without invalidating any of the remaining provisions of this Agreement. The Parties shall use all reasonable endeavours to replace the invalid or unenforceable provisions by a valid and enforceable substitute provision the effect of which is as close as possible to the intended effect of the invalid or unenforceable provision.
- 14.6 **Variation:** No variation of any of the terms of this Agreement (or of any document described in or expressed to be entered into in connection with this Agreement) shall be effective unless such variation is made 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.
- 14.7 **Assignment:** This Agreement shall be binding upon, and ensure to the benefit of, the Parties and their respective successors and permitted assigns. No Party shall take any steps to assign, transfer, charge or otherwise deal with all or any of its rights and/or obligations under or pursuant to this Agreement without the prior written consent of the other Party. In the absence of the prior written consent of the Parties, this Agreement shall not be capable of assignment.
- 14.8 **Counterparts:** This Agreement may be executed in any number of counterparts all of which, taken together, shall constitute one and the same agreement. Any Party may enter into this Agreement by executing any such counterpart.
- 14.9 **Punctual Performance:** Any time, date or period mentioned in any Clause in this Agreement may be varied by mutual agreement between the Parties, made in writing and signed by or on behalf of each of the Parties, but, as regards any time, date or period originally fixed and not so varied, or any time, date or period so varied, as aforesaid, time shall be of the essence of this Agreement.
- 14.10 **Continuing Obligations:** Each of the obligations, warranties, indemnities and undertakings accepted or given by the Parties pursuant to this Agreement, excluding those having been fully performed at Completion, shall continue in full force and effect notwithstanding Completion.

15. GOVERNING LAW AND JURISDICTION

- 15.1 **Governing Law:** This Agreement (together with all documents referred to in it) shall be governed by and construed and take effect in accordance with the laws of Hong Kong (which each of the Parties considers to be suitable to govern the international commercial transactions contemplated by this Agreement).
- 15.2 **Jurisdiction:** With respect to any question, dispute, suit, action or proceedings arising out of or in connection with this Agreement (the “**Proceedings**”), each Party irrevocably:
- (A) submits to the non-exclusive jurisdiction of the courts of Hong Kong; and
 - (B) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such Party.
- 15.3 **Other Jurisdictions:** Nothing in this Agreement precludes either Party from bringing Proceedings in any other jurisdiction nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

SCHEDULE I

Completion arrangements

1. OBLIGATIONS OF THE COMPANY

- (a) The Company shall, on the date of grant of listing approval for the Placing Shares (the "Listing Approval") by the Stock Exchange, gives its instructions letter to its branch share registrar to instruct it that the date of allotment of new shares (i.e. the Completion Date) shall fall on the second Business Days immediately following the date of such instructions letter. In addition to the abovesaid instructions letter, the Company shall also provide to its branch share registrar certified copy of its board resolution/minutes approving, inter alia, the allotment of the Placing Shares, copy of the Listing Approval and scanned copy of the completed and signed Placement Form.
- (b) The Company shall by 5:00 p.m. on the Completion Date, procure the branch share registrar of the Company to register the Placees as members of the Company in respect of the Placing Shares subscribed by them and inform the Placing Agent of the result of the allotment of the Placing Shares.
- (c) The Company shall, or through its branch share registration, by 12:00 noon on the Completion Date deliver to the Placing Agent or to CCASS (if directed by the Placing Agent) the share certificates duly issued in favour of the Placees or HKSCC Nominees Limited (as the case may be as advised by the Placing Agent).
- (d) The Company shall by 12:00 noon on the Completion Date deposit such quantity of Placing Shares subscribed by the Placees into such participant's accounts maintained with CCASS under the instruction of the Placing Agent and as advised by the Placing Agent.
- (e) For the purpose of paragraphs above, the Placing Agent shall specify the proportion of the Placing Shares subscribed by each Placee in writing to the Company before 5:00 p.m. on the Business Day immediately preceding the Completion Date (such written notice to the Company specifying such information and details relating to each Placee as is reasonably required to enable the branch share registrar of the Company, at the direction of the Company, to issue the necessary share certificates in respect of the Placing Shares).
- (f) In the event that the Placees choose to settle the placing money of the Placing Shares with the Placing Agent on a Delivery Against Payment ("DVP") basis through CCASS, the Company shall deposit such quantity of Placing Shares subscribed by the Placees into such participant's accounts maintained with CCASS as advised by the Placing Agent and at such time on the Completion Date as advised by the Placing Agent.

2. OBLIGATIONS OF THE PLACING AGENT

- 2.1 The Placing Agent shall on the Business Day immediately before the Completion Date provide to the branch share registrar of the Company the Deposit Form duly completed by it.

Upon fulfilment by the Company of its obligations in paragraph 1 above, by 5:00 p.m. on the Completion Date, the Placing Agent shall pay to the Company the net subscription monies in respect of the Placing (being the full amount of the Placing Price per new Share multiplied by the number of the Placing Shares actually issued by the Company less the aggregate amount of the commissions, costs, charges and expenses payable to the Placing Agent pursuant to Clause 7.1, 7.2 and 12) and such payment shall be made for value on the Completion Date to such bank account held with a bank in Hong Kong as may be notified by the Company to each of the Placing Agent at least 2 Business Days in advance in writing. Payment of the net subscription monies as

PLACING AGREEMENT

contemplated above shall constitute a complete discharge of the obligations of the Placing Agent hereunder.

execution page

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

THE COMPANY

SIGNED by)
for and on behalf of)
冠輝集團控股有限公司)
King Force Group Holdings Limited)
in the presence of :-



THE PLACING AGENT

SIGNED by)
for and on behalf of)
信達國際證券有限公司)
Cinda International Securities Limited)

in the presence of :-

execution page

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

THE COMPANY

SIGNED by _____)
for and on behalf of _____)
冠輝集團控股有限公司)
King Force Group Holdings Limited)
in the presence of :-

THE PLACING AGENT

SIGNED by _____)
for and on behalf of _____)
信達國際證券有限公司)
Cinda International Securities Limited)

in the presence of :-

