

DATE: 10 September 2024

DRAGON RISE GROUP HOLDINGS LIMITED
(as Company)

and

FAME CIRCLE LIMITED
(as Underwriter)
and

HEAD & SHOULDERS SECURITIES LIMITED
(聯合證券有限公司)
(as Underwriter)

UNDERWRITING AGREEMENT

**relating to a Rights Issue of 144,000,000 Rights Shares and
of HK\$0.10 each in DRAGON RISE GROUP HOLDINGS LIMITED
at the price of HK\$[0.20] per Share payable in full on acceptance
on the basis of one Rights Share for every Consolidated Share
held on the Record Date by the Qualifying Shareholders**

I N D E X

Parties		1
Recitals		1
<u>Clause No.</u>	<u>Heading</u>	<u>Page no.</u>
1	Definitions	1
2	Conditions	5
3	Publications of the Announcement and despatch of the Prospectus Documents	6
4	Provisional allotment of Rights Shares	7
5	Excluded Shareholders and fractional entitlements	8
6	Underwriting obligations	8
7	Obligations of the Underwriters	10
8	Fees and expenses	11
9	Announcements	12
10	Representations, warranties and undertakings	12
11	Indemnity	15
12	Rescission and termination	17
13	Time of the essence	18
14	Notices	18
15	Miscellaneous	19
16	Governing law	19
Schedule	Irrevocable Undertakings	21
Execution		

THIS AGREEMENT is dated 10 September 2024.

BETWEEN:

- (1) **DRAGON RISE GROUP HOLDINGS LIMITED**, a company continued in Cayman Islands and having its registered office at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands and having its principal place of business in Hong Kong at Unit 09, 28/F, North Tower, Concordia Plaza, 1 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong (the “**Company**”);
- (2) **FAME CIRCLE LIMITED**, a company incorporated under the laws of British Virgin Islands and having its registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (“**Fame Circle**”)
- (3) **HEAD & SHOULDERS SECURITIES LIMITED** (聯合證券有限公司), a company incorporated under the laws of Hong Kong and having its registered office at Unit 28/F, Queen’s Road Centre, 152 Queen’s Road Central, Hong Kong (“**H&S**”, together with Fame Circle, the “**Underwriters**”, each an “**Underwriter**”)

WHEREAS:

Unless otherwise defined, words and expressions used herein shall have the same meanings as those used in the Announcement.

- (A) The Company is continued in Cayman Islands whose securities are listed on the Main Board of the Stock Exchange having an authorised share capital of HK\$100,000,000 divided into 10,000,000,000 Shares, of which 1,440,000,000 Shares are in issue as at the date hereof. The Company intends to effect the Share Consolidation which involves the consolidation of every ten (10) issued and unissued Existing Shares of par value HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.10 each.
- (B) The Company proposes to offer to the Qualifying Shareholders, by way of rights issue, a total of 144,000,000 Rights Shares on the basis of one Rights Share for every Consolidated Share held on the Record Date by the Qualifying Shareholders.
- (C) As a condition to this Agreement, the Committed Shareholder shall irrevocably and unconditionally agree to accept or procure the acceptance 89,000,000 Rights Shares to be provisionally allotted to it.
- (D) The Underwriters have agreed to underwrite up to 55,000,000 Rights Shares to the Rights Issue subject to the conditions and terms of this Agreement.

NOW IT IS HEREBY AGREED as follows:

1. Definitions

- 1.1 In this Agreement including the Recitals hereto, unless the context otherwise requires,

the following expressions have the following meanings:

“Allocation Ratio”	<p>maximum of 55,000,000 Rights Shares (assuming no Shares will be issued or repurchased on or before the Record Date), as to up to 38,000,000 Rights Shares and 17,000,000 Rights Shares to be underwritten by Fame Circle and H&S respectively, representing approximately 69.1% and 30.9% of the total number of Rights Shares to be underwritten by the Underwriters respectively.</p> <p>Subject to the Company’s compliance with the public float requirement under Rule 8.08(1) of the Listing Rules, up to 38,000,000 Untaken Rights Shares will be firstly taken up by Fame Circle. Any Untaken Rights Shares in excess of 38,000,000 Untaken Rights Shares shall be underwritten by H&S which are intended to be taken up by subscribers procured by it and/or its sub-underwriters, who shall be Independent Third Parties and not acting in concert with the Company’s connected persons and the Underwriters.</p>
“Announcement”	<p>the announcement to be made by the Company concerning the Rights Issue substantially in the form of the draft annexed hereto marked “A” (subject to such amendments as the Company and the Underwriters may agree)</p>
“associates”	<p>has the meaning ascribed thereto in Chapter 1 of the Listing Rules</p>
“Audited Accounts”	<p>the audited consolidated accounts of the Group for the financial year ended on the Audited Accounts Date</p>
“Audited Accounts Date”	<p>31 March 2024</p>
“Board”	<p>the board of directors of the Company or a duly authorised committee thereof</p>
“business day”	<p>a day (excluding Saturday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not</p>

	discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“Bye-laws”	the bye-laws of the Company for the time being adopted by the Company and as amended from time to time;
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Committed Shareholder”	Fame Circle
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong
"Conditions Precedent"	the conditions set out in Clause 2.1
“Consolidated Share(s)”	new ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Directors”	directors of the Company for the time being
“Excluded Shareholders”	Overseas Shareholders whom the Board, based on legal opinions provided by legal advisers, considers it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Existing Share(s)”	The ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company prior to the Share Consolidation having become effective
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Time for Acceptance”	4:00 p.m. on Tuesday, 26 November 2024 or such other time as may be agreed between the Company and the Underwriters, being the latest

	time for acceptance of the offer of Rights Shares and if there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on such day before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be extended to 5:00p.m. on the same business day; or if there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on such day at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be postponed to the next business day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.
“Latest Time for Termination”	4:00 p.m. on Tuesday, 3 December 2024
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholders”	Shareholders with registered addresses (as shown in the register of members of the Company on the Record Date) which are outside Hong Kong
“Prospectus”	the Rights Issue prospectus in the agreed form expected to be dated the Prospectus Posting Date
“Prospectus Documents”	the Prospectus and the Provisional Allotment Letter
“Prospectus Posting Date”	Tuesday, 12 November 2024 or such later date as the Underwriters may agree in writing with the Company
“Provisional Allotment Letter”	the provisional allotment letter to be used in connection with the Rights Issue in the agreed form
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders
“Record Date”	Monday, 11 November 2024 or such other date as may be agreed between the Company and the Underwriters in accordance with the relevant regulations or requirements

“Registrars”	Boardroom Share Registrars (HK) Limited
“Rights Issue”	the proposed offer by the Company by way of rights issue of the Rights Shares at the Subscription Price pursuant to the Prospectus Documents and as contemplated under this Agreement
“Rights Shares”	a total of 144,000,000 new Shares proposed to be offered to the Qualifying Shareholders pursuant to the Rights Issue
“Settlement Date”	the date being the third business day after the Latest Time for Acceptance or such other date as may be agreed between the Company and the Underwriters
“Shareholder(s)”	holder(s) of Shares
“Share(s)”	ordinary share(s) in the share capital of the Company
“Share Consolidation”	the proposed consolidation of every ten (10) Existing Shares of par value of HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.10 each in the share capital of the Company
“Specified Event”	an event occurring or matter arising on or after the date hereof and prior to the Latest Time for Termination which if it had occurred or arisen before the date hereof would have rendered any of the warranties contained in Clause 10.1 untrue or incorrect in any material respect
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the issue price of HK\$0.20 per Rights Share at which the Rights Shares are proposed to be offered for subscription
“subsidiary”	has the same meaning as in section 2 of the Companies (WUMP) Ordinance
“Undertaking Letter”	the irrevocable undertaking to be given by the Committed Shareholder in the form set out in the Schedule
“Underwriting Commission”	commission payable to the Underwriters in

amount determined in accordance with Clause 8.1

“Underwritten Shares”

up to 55,000,000 new Shares, being the total number of Rights Shares to which holders of existing Shares are entitled pursuant to the Rights Issue less such number of Rights Shares as are agreed to be taken up or procured to be taken up pursuant to the Undertaking Letter, and as between the Underwriters, each Underwriter shall underwrite such number of Underwritten Shares at the Allocation Ratio

“Verification Notes”

the verification notes to be prepared by the legal advisers to the Company in the agreed form relating to the Prospectus

“HK\$”

Hong Kong dollars, the lawful currency of Hong Kong

- 1.2 References to the singular number include the plural and vice versa and references to one gender include every gender.
- 1.3 Any reference to a document being “in the agreed form” means in such form as may following the date of this Agreement be agreed between the Company and the Underwriters, both acting reasonably.
- 1.4 References to Clauses, Recitals and Schedules are to clauses of and recitals and schedules to this Agreement.
- 1.5 References in this Agreement to time are to Hong Kong time.

2. Conditions

- 2.1 The obligations of the Underwriters under Clause 6 are conditional upon:

- (1) the passing by the independent Shareholders at the extraordinary general meeting of the Company of ordinary resolutions to approve the Underwriting Agreement, the Rights Issue and the transactions contemplated thereunder in accordance with the Listing Rules by no later than the Prospectus Posting Date;
- (2) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms);
- (3) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by

resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies (WUMP) Ordinance not later than the Prospectus Posting Date;

- (4) the posting of the Prospectus to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
 - (5) this Agreement not being terminated in accordance with its terms;
 - (6) due compliance with and performance of all the undertakings and obligations of the Company in all material respects under the terms of this Agreement and all representations and warranties thereunder remain to be true and accurate in all material respects; and
 - (7) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect..
- 2.2 The Company shall use all reasonable endeavours to procure the fulfillment of all the Conditions Precedent to the extent it is within its power to do so, by the Latest Time for Acceptance and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary in connection with the terms of this Agreement.
- 2.3 The Company shall as soon as practicable after the signing of this Agreement make an application to the Stock Exchange for the listing of and permission to deal in all the Rights Shares in their nil-paid and fully-paid forms.
- 2.4 None of the above conditions is capable of being waived.
- 2.5 If any of the conditions precedent are not satisfied by the Latest Time for Termination (or where appropriate, the times stipulated above or such later time and/or date as the Underwriters may agree with the Company in writing), the Rights Issue shall terminate and no party will have any claim against any other party for costs, damages, compensation or otherwise.

3. Publication of the Announcement and despatch of the Prospectus Documents

- 3.1 Subject to approval by the Stock Exchange, the Company shall use its reasonable endeavours to procure the publication of the Announcement in accordance with the requirements of the Listing Rules as soon as reasonably practicable following the signing of this Agreement.
- 3.2 Prior to the despatch of the Prospectus Documents pursuant to Clause 4.1(4), the Company shall deliver to the Underwriters:
- (1) letters from the auditors of the Company addressed to the Company reporting on the working capital of the Group, confirming the indebtedness statement

and other financial information contained in the Prospectus and consenting to the issue of the Prospectus with the inclusion of their names and the references thereto in the form and context in which they are included;

- (2) the Verification Notes duly signed by parties named therein (other than the Underwriters and their respective legal advisers); and
- (3) a printed copy of each of the Prospectus Documents signed by all Directors and the secretary or their respective duly authorised agents and if signed by agent, the original of the relevant authorisation documents.

4. Provisional Allotment of Rights Shares

4.1 Subject to fulfillment of the Conditions Precedent, on or before the Prospectus Posting Date:

- (1) the Company shall procure that the Rights Shares are provisionally allotted by a resolution of the Board on the terms set out in the Prospectus Documents to the Qualifying Shareholders;
- (2) the Company shall, following the issue of a certificate of authorisation of registration under section 342C of the Companies (WUMP) Ordinance, procure a copy of the Prospectus Documents (duly signed by or on behalf of each of the Directors in accordance with section 342C of the Companies (WUMP) Ordinance) to be delivered to the Registrar of Companies in Hong Kong for registration together with any other documents required by applicable law or regulation to be annexed thereto;
- (3) where required, the Company shall procure a copy of the Prospectus Documents to be delivered to the Registrar of Companies in Cayman Islands for filing; and
- (4) the Company shall (subject to compliance by it with the provisions of Clauses 4.1(2) and 4.1(3) and subject as hereinafter provided) procure the posting of the Prospectus Documents to the Qualifying Shareholders.

4.2 The Rights Shares, when allotted and fully-paid, shall rank *pari passu* in all respects with the then existing Shares in issue on the date of allotment of the Rights Shares in fully-paid form, including the right to receive all dividends and distributions which may be declared, made or paid on or after such date.

4.3 The Company shall make available for subscription by the Qualifying Shareholders by means of the Excess Application Form Rights Shares representing:

- (1) any Rights Shares for which Provisional Allotment Letters have not been lodged prior to the Latest Time for Acceptance;
- (2) any Rights Shares for which Provisional Allotment Letters have been lodged prior to the Latest Time for Acceptance but the accompanying remittances have not been honoured on first, or at the discretion of the Underwriters,

subsequent presentation or are not otherwise in compliance with the procedures for such acceptance and application as described in the Prospectus Documents; and

- (3) any Rights Shares provisionally allotted to a nominee of the Company but which cannot be sold at a net premium (nil-paid) as set out in Clause 5.2.

5. Excluded Shareholders and Fractional Entitlements

- 5.1 Unless the Board otherwise resolves having taken account of the opinion of its legal advisers of the relevant jurisdictions in which the Overseas Shareholders are situate, the Company shall, on or within two business days after the Prospectus Documents are posted to Shareholders in accordance with Clause 4.1(4), post copies of the Prospectus (without the Provisional Allotment Letter) marked “For Information Only” to the Excluded Shareholders.
- 5.2 The Company shall provisionally allot the Rights Shares, which represent the entitlements of the Excluded Shareholders to a nominee of the Company in nil-paid form and the Company shall procure that such nominee shall endeavour to sell the rights as soon as practicable after dealings in nil-paid Rights Shares commence and in any event on or before the last day of dealings in nil-paid Rights Shares at a net premium (nil-paid). If and to the extent that such rights can be so sold, the nominee shall account to the Company for the net proceeds of sale (after deducting the expenses of sale, if any), on the basis that the net proceeds after deducting the expenses of sale (if any) attributable to the sale of the Rights Shares that would otherwise have been allotted to the Excluded Shareholders shall be distributed pro rata (but rounded down to the nearest cent) to the Excluded Shareholders provided that individual amounts of less than HK\$100 shall be retained by the Company for its own benefit. Any of such nil-paid rights which are not sold as aforesaid will be dealt with as Rights Shares not accepted in accordance with Clauses 6.2 and 6.3.
- 5.3 No fractional entitlements to the Rights Shares will be allotted to the Shareholders. All such fractional entitlements will be aggregated and shall be dealt with as Rights Shares not taken up in accordance with Clauses 6.3 and 6.4.

6. Underwriting Obligations

- 6.1 The Underwriters obligations under this Clause shall terminate if, before the Latest Time for Acceptance:

Provisional Allotment Letters in respect of all the Underwritten Shares (including any Rights Shares falling within the provisions of Clause 5.2) have been lodged for acceptance (whether by the persons to whom the Underwritten Shares were provisionally allotted or by renounces of the right to accept allotment) in accordance with the terms of the Prospectus Documents, together with cheques or bankers’ cashier orders or other remittances for the full amount payable thereunder which are honoured on first or, at the discretion of the Underwriters, subsequent presentation (the Underwritten Shares comprised in Provisional Allotment Letters which are so lodged together with such remittances are herein referred to as having been “**accepted**” and cognate

expressions shall be construed accordingly).

- 6.3 If, however, by the Latest Time for Acceptance any of the Underwritten Shares have not been taken up, the Company shall as soon as practicable thereafter and in any event before 5:00 p.m. on the first business day after the Latest Time for Acceptance notify or procure the Registrars on behalf of the Company to notify the Underwriters in writing of the number of Underwritten Shares not taken up, and the Underwriters shall subscribe or procure subscription on the terms of the Prospectus Documents (so far as the same are applicable) for such Underwritten Shares not taken up by 4:00 p.m. on the second business day after the Latest Time for Acceptance at the Allocation Ratio.
- 6.4 Subject to the receipt of the written notification as referred to in Clause 6.3, each Underwriter shall, not later than 12 noon on the next business day after the Settlement Date pay or procure payment to the Company by way of banker's draft or cashier's order drawn on a bank in Hong Kong or such other way as agreed between the Company and such Underwriter of the aggregate Subscription Price in respect of the Underwritten Shares for which it is obliged to subscribe or procure subscription in accordance with this Clause at the Allocation Ratio, less any amounts payable to such Underwriter pursuant to Clause 8.1. The Company shall arrange for delivery to each Underwriter or its nominee of share certificates in respect of the fully paid Underwritten Shares for which such Underwriter has subscribed or procured subscription in such names and in such denominations as such Underwriter may reasonably require at the same time as share certificates are despatched generally to persons who have accepted Rights Shares or, where such Underwriter has designated an investor participant or CCASS participant stock account for deposit of all or part of the Rights Shares, evidence to the satisfaction of such Underwriter that such documents and instructions required to effect the crediting of such Rights Shares have been signed or given, as the case may be, in each case, at or before the same time as share certificates are despatched generally to persons who have taken up the Rights Shares.
- 6.5 If any Underwriter shall default in complying with its obligations under Clause 6.4, the Company shall be entitled (and is hereby irrevocably authorised) to treat this Agreement as an application by such Underwriter for the Underwritten Shares at the Allocation Ratio which have not been taken up on the terms of the Prospectus Documents (so far as the same are applicable) and to allot and issue the same to such Underwriter and register the same in the name of the Underwriter and payment therefor at the aggregate Subscription Price less any amounts payable to such Underwriter for its account pursuant to Clause 8.1 shall be made by such Underwriter forthwith. The Company shall deliver to such Underwriter (or as it may direct) documentary evidence of entitlement to the Underwritten Shares reasonably satisfactory to such Underwriter.

7. Obligations of the Underwriters

- 7.1 Any transaction carried out by the Underwriters pursuant to Clause 6 (other than the obligation to subscribe or procure subscription for any Underwritten Shares pursuant to Clause 6.3 and the obligations contained in Clause 7.2) shall constitute a transaction carried out at the request of the Company and as its agent and not in

respect of any of the Underwriter's own account. None of the Underwriters (in relation to Clause 6) shall be responsible for any loss or damage to any persons arising from any such transaction or for any alleged insufficiency of any dealing price at which any of the Rights Shares may be sold by any such person or for the timing of any such transaction, except where such loss or damage arises from the negligence or default of that Underwriter or any agent appointed by them for such purpose.

7.2 In acting as agent of the Company hereunder, each Underwriter shall ensure that all offers made by it of the Rights Shares are made only in compliance with all applicable law and regulation and do not require the registration of the Prospectus Documents or any of them or any other document as a prospectus or otherwise in any jurisdiction other than Hong Kong and each Underwriter shall not make or purport to make on behalf of the Company any representation or warranty not contained in the Prospectus Documents.

7.3 The Underwriters' obligations and liabilities under this Agreement are several and each of the Underwriter is responsible for the obligations and liabilities hereunder severally.

8. Fees and Expenses

8.1 In consideration of the Underwriters' obligations under this Agreement to underwrite the Underwritten Shares and their services in connection with the issue of the Rights Shares, the Company shall by not later than the date of despatch of the share certificates in respect of the Rights Shares make the following payments as indicated below:

1. to H&S a commission of 2.0 per cent. of the aggregate Subscription Price in respect of the total number of Rights Shares underwritten (i.e. 55,000,000) to which holders of existing Shares are entitled pursuant to the Rights Issue as of the Record Date less such number of Rights Shares to be taken up or procured to be taken up pursuant to the Undertakings Letters;
2. no commission to Fame Circle; and
3. to each Underwriter of reasonable out-of-pocket expenses of such Underwriter in respect of the Rights Issue.

8.2 Payment of the amounts referred to in Clauses 8.1(1) and 8.1(2) shall be made only if the obligations of the Underwriters under this Agreement has become unconditional and has not been terminated pursuant to Clause 12 and payment of the amounts in Clause 8.1(3) shall be made whether or not the obligations of the Underwriters under this Agreement become unconditional or are terminated pursuant to Clause 12.

8.3 The amounts payable pursuant to Clause 8.1 may be withheld by any Underwriter from any payment to be made by such Underwriter to the Company pursuant to Clause 6. In the event of the Underwriters not being called upon to subscribe or procure subscribers pursuant to Clause 6.4 and/or the amount of the subscription

moneys payable by any Underwriter being less than the full amount due to such Underwriter, the amounts payable pursuant to Clause 8.1, or the balance thereof, shall be due and payable as soon as reasonably practicable and in any event not later than four business days after the Latest Time for Acceptance or such other date as may be agreed between the Company and such Underwriter.

- 8.4 The Company shall bear its own legal fees, accountancy and other professional fees, the Registrars' fees, the cost of printing, publication and distributing the Announcement and the Prospectus Documents and all other costs, charges and expenses relating to the issue of the Rights Shares and associated transactions (including, without limitation, all fees payable to the Stock Exchange in connection with the listing of the Rights Shares and capital duty (if any) payable on the increase or issue of its share capital). The Company shall forthwith upon request by any Underwriter reimburse such Underwriter for any such expenses as are referred to above which such Underwriter may have properly paid or incurred on behalf of the Company.
- 8.5 Out of the commission referred to in Clauses 8.1(1) and 8.1(2), the Underwriters will pay any commissions, costs and expenses in respect of the sub-underwriting of the relevant Underwritten Shares.

9. Announcements

Save as expressly required hereunder or as otherwise required by the Stock Exchange or the Securities and Futures Commission, no public announcement or communication to the Shareholders or to the Stock Exchange concerning the Company and/or its subsidiaries which is material in relation to the Rights Issue shall be made or despatched by the Company or the Underwriters between the date hereof and, if all the Underwritten Shares are taken up, the Latest Time for Acceptance or, in any other case, the time at which the Underwriters are obliged to make payment under Clause 6, without prior written approval from the Company and the Underwriters as to the content, timing and manner of making or despatch thereof.

10. Representations, Warranties and Undertakings

- 10.1 The Company represents and warrants to and undertakes with the Underwriters in the following terms:
- (1) the facts stated in the Recitals to this Agreement are true and accurate in all material respects;
 - (2) all statements of fact contained or to be contained in the Announcement or in the Prospectus Documents are and will at the date of issue thereof be true and accurate in all material respects and not misleading and all expressions of opinion, intention and expectation expressed therein are and will be fair and made after due and careful consideration;
 - (3) there will be no information not disclosed in the Prospectus Documents (i) the omission of which makes any statement therein misleading or which, in the context of the issue of the Rights Shares, might be material for disclosure

therein or (ii) which is necessary to enable investors to make an informed assessment of the activities, assets and liabilities, financial position, management, profits and losses and prospects of the Company and of the rights attaching to the Rights Shares;

- (4) save as disclosed in the Audited Accounts, the audited consolidated balance sheet of the Group as at the Audited Accounts Date, the audited consolidated profit and loss account of the Group for the financial year ended on such date (including the notes thereto) were prepared in accordance with the applicable law and on a basis consistent with that adopted in preparing the audited accounts for the previous financial year in accordance with International Financial Reporting Standards so as to give (except to the extent (if any) disclosed therein) a true and fair view of the state of affairs of the Group as at the relevant dates and the profit or loss of the Group for the relevant financial periods;
- (5) the returns for taxation purposes, which ought to have been made by or in respect of the companies in the Group in Hong Kong and any other part of the world, have been duly made and there are no circumstances known to any company in the Group or any of their respective directors, after making due and careful enquiry, which might be the occasion of any such dispute which is material and all such returns are in all respects up to date, correct and on a proper basis and are not the subject of any dispute with the relevant revenue or other appropriate authorities;
- (6) there are existing valid policies of insurance against all liabilities, risks and losses against which it is normal or prudent to insure in respect of all major property and assets owned by and all businesses carried on by the companies in the Group and nothing has been done or has been omitted to be done whereby any of the said policies has or may become void or is likely to be voided;
- (7) the statements, forecasts, estimates and expressions of opinion contained in the Announcement and to be contained in the Prospectus have been and will at the respective dates of issue thereof be made after due and proper consideration, are and will at the respective dates of issue thereof be fair and honest and represent reasonable expectations based on facts known to the Company and/or the Directors or any of them;
- (8) all information necessary for the purpose of, or in the course of preparation of, the Announcement and the Prospectus, and the replies to the Verification Notes, or which ought to have been disclosed or made available by the Company or the Directors was so disclosed or made available to its legal advisers (if any) fully, fairly and accurately and the replies to the Verification Notes (which will be prepared or approved by persons having appropriate knowledge and responsibility to enable them properly to provide such replies) given by the Company and the Directors will be true, accurate and complete in all material respects and will contain all material information and particulars with regard to the subject matter thereof;

- (9) each of the companies in the Group is duly incorporated in and under the laws of its place of incorporation and has full power and authority to conduct its business as now carried on;
- (10) except as previously disclosed to the Underwriters in writing prior to the signing of this Agreement, neither the Company nor any of its subsidiaries is engaged in any litigation, arbitration, prosecution or other legal proceeding of material importance nor is there any such proceeding pending or threatened against the Company or any of its subsidiaries, nor is there any claim or fact likely to give rise to any claim which in any such case may have or has had a significant effect on the financial position of the Company and its subsidiaries taken as a whole or which is material in the context of the Rights Issue;
- (11) except as having been disclosed by the Company by public announcement to the Shareholders, neither the Company nor any of its subsidiaries has entered into any contract or commitment of an unusual or onerous nature which, in the context of Rights Issue, might be material for disclosure;
- (12) except as will be disclosed in the Prospectus, since the Audited Accounts Date, the Company and its subsidiaries has carried on its business in the ordinary and usual course and there has been no material adverse change in the financial or trading position of the Company or any of its subsidiaries which has not been fully and properly disclosed by the Company in the form of an announcement in accordance with the Listing Rules or otherwise as required by the Listing Rules;
- (13) except as will be disclosed in the Prospectus, no order has been made and no resolution has been passed for the winding up of, or for a provisional liquidator to be appointed in respect of, the Company or any of its subsidiaries, and no petition has been presented and no meeting has been convened for the purpose of winding up any of the same; no receiver has been appointed in respect of the Company or any of its subsidiaries or all or any of its assets; none of the Company or any of its subsidiaries is insolvent, or unable to pay its debts within the meaning of section 178 of the Companies (WUMP) Ordinance, or has stopped paying its debts as they fall due; and no unsatisfied judgement which is material to the condition of the Company is outstanding against the Company or any of its subsidiaries;
- (14) the Prospectus Documents will contain all particulars and information required by, and will be in accordance with the Companies (WUMP) Ordinance, the rules and regulations of the Stock Exchange and all other relevant Ordinances and governmental regulations in Hong Kong and shall not involve any breach of or default under any agreement, trust deed or instrument to which any member of the Group is a party;
- (15) except as will be disclosed in the Prospectus, no material outstanding indebtedness or guarantee or indemnity of any liability of the Company or any of its subsidiaries has become payable by reason of default by the Company or any of its subsidiaries and no event has occurred or is pending which with the lapse of time or the fulfillment of any condition or the giving of notice or the

compliance with any other formality may result in any such indebtedness or guarantee or indemnity of any liability becoming so payable;

- (16) save with the prior written consent from the Underwriters, the Company shall not from the date hereof until after the Latest Time for Acceptance issue any Shares;
 - (17) the Company has power under its Bye-laws, has taken all necessary corporate or other action, and no other consents, actions, authorisations or approvals are necessary to enable or authorise it other than the obtaining the consents and approvals referred to in Clauses 2.1(1) and (2):
 - (a) to allot and issue the Rights Shares required to be provisionally allotted pursuant to the terms of this Agreement in accordance with the Prospectus Documents without any sanction;
 - (b) to deal with the Rights Shares attributable to the Excluded Shareholders as may be specified in the Prospectus Documents;
 - (c) to enter into and perform its obligations under this Agreement and to make the Rights Issue;
 - (18) the Rights Shares, when fully paid, shall be free from all liens, charges, encumbrances and third party rights, interests or claims of any nature whatsoever; and
 - (19) the obligations of the Company under this Agreement constitute legal, valid and binding obligations of the Company enforceable in accordance with the terms herein.
- 10.2 The Company undertakes to use its best endeavours not to cause or permit any Specified Event to occur prior to the Latest Time for Termination, and, if this Agreement is not rescinded pursuant to Clause 12, all such warranties, representations and undertakings as are contained in Clause 10.1 above shall be deemed to have been repeated as at the Latest Time for Termination with reference to the facts and circumstances then subsisting.
- 10.3 If any Specified Event shall occur or come to the knowledge of the Company prior to the Latest Time for Termination, it shall forthwith give notice to the Underwriters of the same.
- 10.4 The Company undertakes with the Underwriters that it shall use its best endeavours to procure that the Registrars shall do all such acts and things as may be required to be done by them in connection with the Rights Issue and its associated transactions.
- 10.5 Without prejudice to the foregoing provisions, the Company undertakes with the Underwriters that it shall do all such other acts and things as may be required by the Underwriters to be done by it to carry into effect the Rights Issue in accordance with the terms hereof.

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

11. Indemnity

- 11.1 The Company shall on demand indemnify each Underwriter and shall on demand hold each Underwriter indemnified against all loss or liability of any nature (including, without limitation, claims, costs, charges and expenses) whatsoever arising from or in respect of any breach by the Company of any provision of this Agreement, or any claim which may be brought or threatened to be brought against any Underwriter (whether or not such claim is successfully compromised or settled) in each case arising out of or in relation to or by reason of the performance by such Underwriter of its obligations hereunder (and provided that such loss or liability is not connected with any failure by such Underwriter to comply with its obligations under Clause 6.4), by any subscriber of any of the Rights Shares or any subsequent purchaser or transferee thereof or any other person claiming that he has suffered loss in respect of them as a result of:

- (1) the Prospectus Documents not containing all the information required by law or pursuant to the rules of the Stock Exchange or other relevant authority or body to be stated therein or on the grounds that any statement, estimate or forecast contained in the Prospectus Documents is untrue, inaccurate or misleading in any respect;
- (2) the Prospectus Documents failing or being alleged to fail to disclose sufficient information necessary to enable an informed assessment to be made by a sophisticated investor of the assets and liabilities, financial position, profits and losses, and prospects of the Group or of the rights attaching to the Rights Shares;
- (3) any claims and proceedings arising out of matters which constitute a breach of the representations and warranties in Clause 10;
- (4) any breach of the laws or regulations of any country resulting from the allotment or issue of the Rights Shares or the distribution of the Prospectus Documents;
- (5) any misrepresentation by either the Company or any of the Directors or any employee of the Company in connection with the Rights Issue; or
- (6) the allotment or issue of the Rights Shares,

including in any such case (but without prejudice to the generality of the foregoing) all reasonable costs, charges and expenses of whatever nature which such Underwriter may properly incur or bear in disputing any such claim made against it or establishing any claim on its part under this Clause 11 provided that this indemnity shall not relate to any claims, proceedings, costs or expenses arising from any negligent act, omission or default, on the part of such Underwriter and that the conduct of the defence (including any settlement of any such claim) shall be carried out by such Underwriter after, and on the basis of, regular consultation with the Company.

- 11.2 The Company shall not make any claim against any Underwriter to recover any damages which the Company may suffer arising out of the performance by any of the Underwriter of its obligations hereunder, provided that such damages do not arise from any gross negligent act, wilful omission or default on the part of such Underwriter.
- 11.3 If any Underwriter becomes aware of any claim relevant for the purposes of Clause 11.1, it shall give notice in writing thereof to the Company and shall take such action as the Company may reasonably request to avoid, dispute, resist, defend or appeal against the claim and any adjudication in respect thereof but subject to such Underwriter being fully indemnified and secured to its satisfaction against all losses and expenses to which it might thereby render itself liable to suffer and incur including, without limitation, legal expenses properly incurred by its legal advisers.

12. Rescission and Termination

12.1 If, prior to the Latest Time for Termination:

- (1) in the reasonable opinion of the Underwriters, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the opinion of the Underwriters materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the opinion of the Underwriters makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (3) there is any material litigation or claim or proceedings being instigated or

threatened against the Company or any of the members of the Group or any other change in the circumstances of the Company which in the opinion of the Underwriters will materially and adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or the destruction of any material asset of the Company; or

- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, outbreak or escalation of hostilities (whether or not war is declared), declaration of a national or international emergency, riot, public disorder, civil commotion, economic sanctions, fire, flood, explosion, epidemic, terrorism, calamity, crisis, strike or lock-out (whether or not covered by insurance) which in the opinion of the Underwriters will materially and adversely affect the success of the Rights Issue and/or the prospects of the Company taken as a whole; or
- (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Company as a whole whether or not ejusdem generis with any of the foregoing; or
- (6) there shall have occurred, developed, existed or come into effect any material breach by the Company of any representations, warranties, undertakings or any provisions of the Underwriting Agreement; or
- (7) there shall have occurred, developed, existed or come into effect any event, act or omission which gives or is likely to give rise to any material liability of the Company pursuant to the indemnities referred to in the Underwriting Agreement; or
- (8) the Circular or the Prospectus Documents when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the reasonable opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it; or
- (9) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than five consecutive Business Days, excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements and circulars in connection with the Rights Issue.

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

- 12.2 The Underwriters shall be entitled by notice in writing jointly to rescind this Agreement if prior to the Latest Time for Termination:

- (1) any material breach of any of the warranties or undertakings contained in Clause 10 above comes to the knowledge of the Underwriter; or
- (2) any Specified Event comes to the knowledge of the Underwriters.

Any such notice shall be served by the Underwriters prior to the Latest Time for Termination.

- 12.3 If prior to the Latest Time for Termination any such notice as is referred to above is given by the Underwriters, the obligations of all parties under this Agreement (save in respect of this Clause 12 and the provisions of Clause 11 which shall remain in full force and effect and save further that the Company shall pay the fees and expenses specified in Clause 8 (subject as provided in Clause 8.2)) shall terminate forthwith. For the avoidance of doubt, the Underwriters shall not be entitled to give a notice pursuant to Clause 12.1 or Clause 12.2 at any time after its obligations under Clause 6 have terminated pursuant to Clause 6.1.
- 12.4 If this Agreement is terminated by the Underwriters at such time before the Latest Time for Termination but after any Underwriter has in accordance with Clause 6.4 paid or procured payment to the Company of the aggregate Subscription Price in respect of the Underwritten Shares for which such Underwriter is obliged to subscribe or procure subscription under the provisions of Clause 6, the Company shall, not later than the end of the second business day after (but not including) the date of receipt of the notice of termination issued by the Underwriters pursuant to Clause 12.1 or Clause 12.2, remit to the relevant Underwriter such amount of aggregate Subscription Price which it has received from such Underwriter. For the avoidance of doubt, notwithstanding the payment of any sum by or on behalf of any Underwriter to the Company, Clause 8.2 shall apply and the amount referred to in Clauses 8.1(1) or 8.1(2) in any event shall not be payable.
- 12.5 Rescission or termination of this Agreement under this Clause 12 shall be without prejudice to any rights of any party in respect of any breach by the other prior to such rescission or termination.

13. Time of the Essence

- 13.1 Any time, date or period mentioned in this Agreement may be extended by mutual agreement between the parties hereto, but as regards any time, date or period originally fixed or any time, date or period so extended as aforesaid, time shall be of the essence.

14. Notices

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

<u>Party</u>	<u>Address</u>	<u>Facsimile number</u>
--------------	----------------	-------------------------

The Company Unit 09, 28/F, North Tower, Concordia Plaza, 1 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong Attn: The Board of Directors

Fame Circle Unit 09, 28/F, North Tower, Concordia Plaza, 1 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong Attn: The Board of Directors

Head & Shoulders 28/F, Queen's Road Centre (852) 31038399
Securities 152 Queen's Road Central
Hong Kong
Attn: ECM Department

- 14.2 Any such notice will be deemed to be served if sent by facsimile on receipt of answerback, if sent by hand at the time when the same is handed to or left at the address of the party to be served, and if sent by post on the day (excluding Sundays or Hong Kong public holidays) after the day of posting.

15. **Miscellaneous**

- 15.1 **Counterparts:** This Agreement may be executed in any number of counterparts which when executed and delivered is an original, but all the counterparts together constitute the same document. Any of the parties hereto may execute this Agreement on a facsimile copy counterpart and deliver its signature and seal by facsimile provided that a party executing this Agreement by facsimile shall deliver to all other parties such facsimile copy counterpart within 7 days after delivering the same by facsimile.
- 15.2 **Compromise or indulgence:** Any liability of any party hereunder to any other party may in whole or in part be released, compounded or compromised and time or indulgence may be given by any party hereunder as regards any other party under such liability without prejudicing that party's rights against any other person under the same or a similar liability.
- 15.3 **Rights of third parties:** Unless expressly provided to the contrary in this Agreement or the documents referred to herein, no person other than a party to this Agreement has any right under the Contracts (Rights of Third Parties) Ordinance (Cap 623, Laws of Hong Kong) to enforce or to enjoy the benefit of any term of this Agreement. Notwithstanding any term of this Agreement, no consent of any third party is required to rescind or vary this Agreement at any time.

16. **Governing Law**

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

- 16.2 The parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong but this Agreement may be enforced in any other court in competent jurisdiction.

(The remainder of this page is intentionally left blank)

SCHEDULE

Irrevocable Undertaking

Date [*]

To: DRAGON RISE GROUP HOLDINGS LIMITED
Fame Circle Limited
Head & Shoulders Securities Limited

Dear Sirs,

Rights issue of 144,000,000 new Shares of HK\$0.10 each in the share capital of DRAGON RISE GROUP HOLDINGS LIMITED (the "Rights Issue")

[I/We], [*], [am/are] interested in an aggregate of [*] shares of HK\$[*] each (the "**Shares**") in the issued share capital of DRAGON RISE GROUP HOLDINGS LIMITED (the "**Company**") in the capacity of [*].

[I/We] understand that the Company proposes to offer by way of rights of [*] new Shares (the "**Rights Shares**") to the shareholders of the Company (other than certain shareholders whose addresses as shown in the register of members of the Company on [*] (the "**Record Date**") are outside Hong Kong) whose names appear on the register of members of the Company on the Record Date in the proportion of one Rights Share for every [*] Shares then held and Head & Shoulders Securities Limited (the "**Underwriter**") has agreed to underwrite, subject to fulfilment of certain conditions, the Rights Issue, and in this regard the Underwriters and the Company entered into an underwriting agreement (the "**Underwriting Agreement**") on the same date as this letter.

In connection with the Rights Issue, in consideration of the Underwriters undertaking of their obligations under the Underwriting Agreement and of the Company undertaking the Rights Issue, [I/we] hereby irrevocably and unconditionally undertake to the Underwriters and the Company as follows:

- (i) to accept or procure the acceptance by 4:00 p.m. on [*] or such other date as may be agreed between the Company and the Underwriters pursuant to the Underwriting Agreement (the "**Acceptance Date**") of the _____ Rights Shares which will be provisionally allotted to [me/us] or [my/our] nominees) in respect of the _____ Shares registered in my name and/or in my nominees' names on the date of this letter (the "**Current Shares**");
- (ii) to procure that provisional allotment letters in respect of the _____ Rights Shares to be provisionally allotted to [my/our] and/or [my/our] nominees shall be lodged with the Company's branch share registrars in Hong Kong or the Underwriters with payment in accordance with the terms of the Prospectus Documents by 4:00 p.m. on the Acceptance Date;
- (iii) in the event that [I/we] should fail to comply with the undertakings given in (i) and (ii) above, [I/we] hereby irrevocably and unconditionally authorise the Company (unless

otherwise agreed in writing by the Underwriters):

- (a) to treat this letter as an application by [me/us] and/or [my/our] nominees for all the Rights Shares to be provisionally allotted to us and/or our nominees;
- (b) to allocate and procure the issue of the same to [me/us] and/or [my/our] nominees; and
- (c) to procure the registration of the same in [my/our] name and/or the names of [my/our] nominees (as the case may be),

and [I/we] hereby irrevocably undertake that [I/we] shall forthwith make payment for the same (on behalf of [myself/ourselves] and/or [my/our] nominees);

- (iv) that the _____ Shares will remain registered in the name of the common nominee of the Central Clearing and Settlement System until the close of business on the Record Date;
- (v) that, save and except any subsisting security interests created therein, [I/we] shall not, and shall procure that [my/our] nominees and/or companies controlled by [me/us] or by any of [my/our] nominees (whether directly or indirectly) shall not, during the period from immediately after the execution of the Underwriting Agreement and prior to or on the date the Underwriting Agreement becoming unconditional, without the prior written consent of the Underwriters (which consent shall not be unreasonably withheld) dispose of (including without limitation the creation of any option, charge or other encumbrances or rights over or in respect of) or transfer or acquire (except in circumstances which do not contravene the rules of the Stock Exchange) any Shares or any interests therein (except the acceptance of Rights Shares provisionally allotted pursuant to the Rights Issue) and notwithstanding the foregoing unless any third party to whom such Shares or interests are to be transferred shall undertake to give similar undertakings in favour of the Company and the Underwriters to those set out in this letter; and
- (vi) [I/we] shall not, and will procure that (so far as applicable) my nominees and any companies controlled by [me/us] shall not, without the prior written consent of the Underwriters, transfer or otherwise dispose of (including without limitation the creation of any option, charge or other encumbrances or rights over or in respect of) or acquire (except by taking up Rights Shares provisionally allotted to them pursuant to the Rights Issue) any Share, or any interest therein between the date hereof and the date the Underwriting Agreement becoming unconditional.

In witness whereof this letter has been executed by [me/us] as a deed the day and year first above mentioned.

[For [-]]

[SIGNED SEALED and DELIVERED by)
[-])
in the presence of:)]

[For [-]]

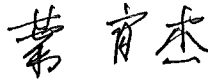
[EXECUTED AS A DEED by)

$$\begin{array}{l}) \\) \\)] \end{array}$$

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

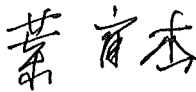
THE COMPANY

SIGNED by **YIP YUK KIT**
for and on behalf of
DRAGON RISE GROUP
HOLDINGS LIMITED
in the presence of:

)
) 
)
)
)

THE UNDERWRITERS

SIGNED by **YIP YUK KIT**
for and on behalf of
FAME CIRCLE
LIMITED
in the presence of:

)
) 
)
)
)

SIGNED by **CHAN WAI SANG**
for and on behalf of
HEAD & SHOULDERS SECURITIES
LIMITED
in the presence of:

)
)
)
)
)

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

THE COMPANY

SIGNED by YIP YUK KIT)
for and on behalf of)
DRAGON RISE GROUP)
HOLDINGS LIMITED)
in the presence of:)

THE UNDERWRITERS

SIGNED by YIP YUK KIT)
for and on behalf of)
FAME CIRCLE)
LIMITED)
in the presence of:)

SIGNED by CHAN WAI SANG)
for and on behalf of)
HEAD & SHOULDERS SECURITIES)
LIMITED)
in the presence of:)


Ivan Lau

