

DATE: 17 January 2024

PACIFIC LEGEND GROUP LIMITED
(as Company)

AND

KGI ASIA LIMITED
(as Placing Agent)

PLACING AGREEMENT
relating to the placing of up to
38,016,000 new shares in the share capital of
Pacific Legend Group Limited

THIS AGREEMENT is made on the 17th day of January 2024

BETWEEN:

1. **PACIFIC LEGEND GROUP LIMITED**, a company incorporated in the Cayman Islands and whose registered office is situated at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business in Hong Kong at Units 1202-04, Level 12, Cyberport 2, 100 Cyberport Road, Hong Kong (the “**Company**”); and
2. **KGI ASIA LIMITED**, a company incorporated in Hong Kong with limited liability and having its registered address at 41st Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong (the “**Placing Agent**”).

WHEREAS:

- (A) As at the date of this Agreement, the Company has an authorised share capital of HK\$100,000,000 divided into 1,000,000,000 Shares (as defined hereinafter) with par value of HK\$0.10 each and an issued share capital of HK\$19,008,000 divided into 190,080,000 Shares. All the issued Shares are currently listed on the GEM of the Stock Exchange (as defined below) (Stock Code: 8547).
- (B) At the annual general meeting of the Company held on 12 May 2023, an ordinary resolution was passed pursuant to which a general mandate (the “**Previous General Mandate**”) was unconditionally given to the directors of the Company to allot, issue and deal with new shares of the Company of up to 20% of the aggregate number of the issued shares of the Company as at the date of passing of the resolution, i.e. up to 316,800,000 new shares with par value of HK\$0.01 each of the Company.
- (C) The Previous General Mandate has been fully utilised as to 230,700,000 shares with par value of HK\$0.01 each of the Company have been placed to placees with completion took place on 27 July 2023 and as to the remaining balance of the shares under the Previous General Mandate with par value of HK\$0.01 each have been consolidated into 8,610,000 shares with par value of HK\$0.1 each pursuant to a share consolidation in the share capital of the Company which became effective on 28 July 2023 and such 8,610,000 shares have been placed to placees with completion took place on 13 September 2023.
- (D) At an extraordinary general meeting of the Company held on 8 January 2024, an ordinary resolution was passed pursuant to which a general mandate (the “**New General Mandate**”) was unconditionally given to the directors of the Company to (among other things) allot, issue and deal with up to 38,016,000 new Shares, representing 20% of the aggregate number of the issued Shares as at the date of passing of the resolution in the EGM. No new Shares have been issued under the New General Mandate since its grant on 8 January 2024.
- (E) The Company proposes to issue the Placing Shares (as defined hereafter) for subscription and the Placing Agent has agreed to procure, as placing agent of the Company, the Placees (as subscribers) (as defined below) to subscribe for the Placing Shares on a best effort basis on and subject to the terms and conditions of this

Agreement. The Placing Shares will be allotted and issued pursuant to the New General Mandate.

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS

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

“acting in concert”	has the meaning as ascribed to it in the Codes on Takeovers and Mergers issued by the SFC
“Affiliate”	in relation to a party, a corporation or any other form of entity directly or indirectly controlling, controlled by or under common control with such party
“Agreement”	this placing agreement (as may be amended or varied from time to time by an agreement in writing duly executed by the parties hereto)
“Announcement”	the announcement in relation to the Placing proposed to be issued by the Company as soon as practicable following the execution of this Agreement
“associate”	has the meaning as ascribed to it under the GEM Listing Rules
“Board”	the board of directors of the Company
“Business Day”	any day (not being a Saturday, Sunday or public holiday in Hong Kong or any day on which a tropical cyclone warning no. 8 or above or a black rainstorm warning signal is issued in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. on weekdays) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours and the Stock Exchange is open for business of dealing in securities throughout its normal trading hours
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)

“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Completion”	completion of the Placing as provided in Clause 6
“Completion Date”	a date falling on the third Business Day following the conditions set out in Clause 3.1 in this Agreement being fulfilled or such later date as may be agreed between the Company and the Placing Agent in writing
“connected person”	has the meaning as ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Placee(s)”	any individual(s), corporate, institutional investor(s) or other investor(s) procured and selected by the Placing Agent in its sole discretion to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations hereunder, subject to compliance with Clause 2.3
“Placing”	the offer by way of private placing of the Placing Shares by or on behalf of the Placing Agent to the Placee(s) on the terms and subject to the conditions set out in this Agreement
“Placing Letter”	the letter in such form to be determined by the Placing Agent to be sent to the proposed Placee(s) whom the Placing Agent has procured to subscribe for any of the Placing Shares
“Placing Price”	the price of HK\$0.21 per Placing Share
“Placing Shares”	up to 38,016,000 new Shares to be allotted and issued by the Company pursuant to the terms and conditions of this Agreement which will rank pari

passu in all respects with the Shares in issue as at the date of allotment of the Placing Shares and each, a “Placing Share”

“SFC” the Securities and Futures Commission of Hong Kong

“Shares” ordinary shares with par value of HK\$0.1 each in the share capital of the Company and each, a “Share”

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“%” per cent

1.2 Words and expressions defined in the Companies Ordinance shall unless the context otherwise requires have the same meanings in this Agreement.

1.3 In this Agreement, including the Recitals:

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

2. APPOINTMENT OF THE PLACING AGENT

2.1 The Company hereby appoints the Placing Agent to the exclusion of all others as its sole placing agent of the Placing, upon and subject to the terms and conditions of this Agreement, and the Placing Agent, relying on the representations, warranties and undertakings on the part of the Company contained herein, agrees to act as the Company’s placing agent to procure the Placees to subscribe, at the Placing Price

(together with brokerage (if any), such transaction levy as may be payable to the SFC for the Placing Shares and such trading fee as may be payable to the Stock Exchange for the Placing Shares to be borne and payable by the Placees) for the Placing Shares on a best effort basis on and subject to the terms and conditions set out in this Agreement. The Placing Shares shall be offered by way of Placing Letter by the Placing Agent to the Placee(s) (other than as agreed between the Placing Agent and the Company). The Placing Agent may in turn, at its own expenses, appoint its sub-placing agent(s) to procure the Placee(s) to subscribe for the Placing Shares. Subject as specifically provided in this Agreement, any transaction properly and lawfully carried out by the Placing Agent (or its sub-placing agent(s)) pursuant to this Agreement shall constitute a transaction carried out by the Placing Agent (or its sub-agent) at the request of the Company and as its agent and not on account of or for the Placing Agent (or its sub-agent). Save and except for any loss or damage arising out of any fraud, wilful default or gross negligence on the part of the Placing Agent, the Placing Agent shall not be responsible or liable for any loss or damage to any party in connection with the Placing or arising from any such transaction or for any alleged insufficiency of the price at which the Placing Shares are sold hereunder.

- 2.2 The Placing Agent shall procure not less than six (6) Placees on a best effort basis for the subscription of the Placing Shares at the Placing Price.
- 2.3 The Placing Agent will use its reasonable endeavours to ensure that the Placee(s) to be procured by or on behalf of the Placing Agent shall be independent of, and not connected with or acting in concert with, the Company, its connected persons and their respective associates.
- 2.4 The Placing Agent undertakes to the Company that it will:
 - (1) procure the Placee(s) only in the course of communications with them over the telephone and without the despatch of documents until after legally binding commitments (which shall in all cases be conditional on the condition set out in Clause 3.1 of this Agreement to the extent that such condition has not been satisfied) to subscribe for the Placing Shares have been obtained from each Placee(s) in the course of such communications; and
 - (2) confine all statements it makes during the course of these communications strictly within the limits of the information contained in the Announcement.
- 2.5 The Placing Agent shall require any of its sub-placing agent(s) to or through whom it may effect the Placing or offer or sell any Placing Shares to comply with this Clause 2.
- 2.6 The Placing Agent shall have the right to charge the Placees with the commission or brokerage at rate(s) to be solely decided by the Placing Agent.
- 2.7 The Company hereby confirms that the appointment pursuant to this Agreement confers on the Placing Agent in accordance with the provisions hereof all powers, authorities and discretions on its behalf which are necessary for, or reasonably incidental to, the Placing (including the power and authority to delegate its functions hereunder to any other person(s) to act as agent(s) of the Placing Agent), and hereby agrees to ratify and confirm everything which the Placing Agent properly and lawfully does or has done in

the exercise of such powers, authorities and discretion in accordance with the terms of this Agreement. The Company hereby further acknowledges that the Placing Agent in performing its obligations and functions under this Agreement is authorised to appoint one or more sub-placing or selling agents to be its delegates in respect of all or any of its relevant rights, duties, powers and discretions in such manner and on such terms as it thinks fit (with or without formality and without prior notice of any such delegation being required to be given to the Company).

- 2.8 Notwithstanding any provision contained in this Agreement to the contrary, the Company and the Placing Agent agree as follows:

In the event that (i) any of the conditions precedent as set out in Clause 3.1 below cannot be satisfied by the Company before the Long Stop Date, or (ii) Completion of the Placing does not take place before the Long Stop Date for whatever reasons which are not due to any breach of any term of this Agreement by the Placing Agent, the Company shall pay the Placing Agent a fixed fee of HK\$50,000 within 14 days after the date of issue of the invoice by the Placing Agent for the said fee.

3. **CONDITIONS**

- 3.1 Completion is conditional upon fulfilment of the following conditions precedent:

- (a) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Placing Shares and such listing and permission not subsequently being revoked;
- (b) all necessary consents and approvals to be obtained on the part of the Company in respect of this Agreement and the transactions contemplated hereunder having been obtained;
- (c) there shall not have occurred any material breach or any event which renders any of the representations, warranties or undertakings by the Company under this Agreement untrue, inaccurate or misleading; and
- (d) this Agreement not being terminated by the Placing Agent pursuant to Clause 11.

- 3.2 The Company shall use its best endeavours to procure the satisfaction of the conditions set out in Clause 3.1 on or before 2 February 2024 or such later date as agreed between the Company and the Placing Agent in writing ("**Long Stop Date**"), but if any of the conditions shall not be so satisfied, all rights, obligations and liabilities of the Placing Agent and of the Company hereunder shall cease and determine and none of the parties hereto shall have any claim against the other in relation thereto (save in respect of (i) any antecedent breach of any obligation under this Agreement; and (ii) any liabilities under Clauses 2.8, 7, 8, 9.2(2), 9.4 and 10).

- 3.3 As soon as reasonably practicable by the day which is the third Business Day before the Long Stop Date, the Placing Agent shall deliver to the Stock Exchange (and/or the SFC, if requested) details of the Placee(s) procured on a best effort basis to subscribe

for the Placing Shares and the number of Placing Shares which they have respectively agreed to subscribe, and (if requested by the Stock Exchange and/or the SFC) together with acknowledgments signed by each of the Placees confirming, inter alia, that such Placee (and any of such Placee's nominees or beneficial owners) is independent of and not connected with or acting in concert with the Company and any of its connected persons or their respective associates.

4. ANNOUNCEMENT

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

5. LISTING

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

6. COMPLETION

- 6.1 Completion shall take place at 12:00 noon at the principal place of business of the Company in Hong Kong at Units 1202-04, Level 12, Cyberport 2, 100 Cyberport Road, Hong Kong on the third Business Day after the fulfillment of the conditions precedent set out in Clause 3 (or such other date and place as the parties hereto may agree in writing).
- 6.2 At Completion:
- (1) the Placing Agent (or its nominees or agents) shall, upon receipt of the Placing Shares from the Company in the manner as set forth in Clause 6.2(2) below, pay the Company by way of a cashier order or telegraphic transfer or electronic transfer or bank transfer to the bank account of the Company (and such bank account shall be notified by the Company in writing to the Placing Agent at least two Business Days prior to the Completion Date) an aggregate amount equivalent to the aggregate Placing Price for all the Placing Shares successfully placed by the Placing Agent less all fees and expenses payable by the Company under Clause 9;

- (2) the Company shall allot and issue, and credited as fully paid, the Placing Shares to the Placee(s) or their respective nominee(s) in accordance with the details delivered by the Placing Agent to the Company pursuant to Clause 3.3 and shall promptly thereafter register such Placee(s) or their respective nominee(s) as holders of the Placing Shares; and
- (3) the Company shall deliver or cause to be delivered to the Placing Agent the share certificates in respect of the Placing Shares placed by it (each in a form complying with the GEM Listing Rules) in favour of the persons so registered pursuant to Clause 6.2(2) and in accordance with their respective entitlements thereto or, where the Placing Agent has designated an investor participant or CCASS participant stock account for deposit of the Placing Shares, evidence to the satisfaction of the Placing Agent that such documents and instructions required to effect the crediting of such Placing Shares in favour of the persons so registered have been signed or given, as the case may be.

7. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

7.1 The Company represents and warrants to the Placing Agent that:

- (1) each member of the Group (i) has been duly incorporated and is validly existing under the laws of the jurisdiction of its place of incorporation and establishment, and (ii) has the requisite power, right and authority to own, use and lease its assets and to conduct its business and is duly qualified to transact business and to own, use or lease its property in each jurisdiction in which the conduct of its business or its ownership, use or leasing of property requires such qualification, and no order has been made, petition filed or resolution passed for its winding up, no scheme of arrangement has been proposed by it with its creditors or shareholders and no notice of appointment of a liquidator, receiver, administrative receiver or administrator has been served on it;
- (2) the entire existing issued share capital of the Company is listed and will continue to be listed on the GEM of the Stock Exchange at Completion and there is no circumstance whereby such listing will be suspended, cancelled or revoked;
- (3) subject to the fulfilment of the conditions set out in Clause 3.1, the Company has full power and authority to issue the Placing Shares, and all authorisations, approvals, consents and licences required by it have been obtained and are in full force and effect, in each case, to permit the entry by the Company into this Agreement and the due performance by the Company of its obligations hereunder and to permit the Placing to be undertaken in the manner set out herein, and this Agreement will, when executed, constitute binding obligations on the Company in accordance with its terms and conditions;
- (4) all statements of fact (other than those relating to the Placing Agent) contained in the Recitals of this Agreement and the Announcement are true, accurate and not misleading in all or any material respects;

- (5) with respect to all announcements and circulars issued by the Company to the Stock Exchange and/or the shareholders of the Company since the publication of the annual report of the Company for the year ended 31 December 2022 (“**Previous Announcements**”), all statements of fact contained therein were true, accurate and not misleading in any material respects;
- (6) the Placing Shares, when issued and fully paid up, will rank pari passu in all respects with the existing Shares in issue as at the date of allotment and issue of the Placing Shares and the Placing Shares, when issued, will be free from all liens, charges, pledges, encumbrances, claims, options and other third party rights (including but not limited to rights of pre-emption and rights of first refusal) of any nature whatsoever and will be issued and allotted together with all rights attaching thereto as at the date of allotment and issue of the Placing Shares;
- (7) since 31 December 2022 (the “**Accounts Date**”), save and except those disclosed in the Previous Announcements, (i) the business of the Group has been carried on in the ordinary and normal course and no contracts or commitments of an unusual or materially onerous nature have been entered into by any member of the Group; (ii) there has been no material adverse change, nor any development reasonably likely to result in a material adverse change, in the condition, financial or otherwise, or in the assets, liabilities, revenues, earnings, business, operations or prospects of the Company or the Group taken as a whole;
- (8) neither the Company nor any of its subsidiaries is engaged in or the subject of any prosecution, material litigation, arbitration or governmental proceeding or investigation; to the best of the knowledge, information and belief of the directors of the Company, upon due and careful inquiry, no such prosecution, litigation, arbitration, proceeding or investigation is threatened or pending, nor are there any circumstances which may give rise to any such litigation, arbitration, proceeding or investigation, which will have an adverse impact on the Group taken as a whole.
- (9) the operations of the Group are and have been conducted at all times in compliance with all applicable laws, rules and regulations in each jurisdiction in which any member of the Group conducts business and no action, suit or proceeding involving any member of the Group with respect to any breach or non-compliance with any such laws, rules and regulations is pending, or to the best knowledge of the Company, threatened;
- (10) save for the matters set out in the Announcement, the Company is not in possession of any non-public information relating to the Company, any other member of the Group or their respective businesses the release of which could materially affect the trading price of the Shares and there is not in existence any material or information relating to the Company which will be required to be disclosed by the Company under the GEM Listing Rules. Without prejudice to the generality of the foregoing, there is no material information (including, without limitation, any information regarding any material adverse change or prospective material adverse change in the condition of, or any actual, pending or threatened litigation, arbitration or similar proceeding involving, the Group)

that is not described in the Previous Announcements released through the Stock Exchange (the "**Company Information**") which information is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Group; the Company Information does not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein not misleading; and

- (11) the performance and compliance by the Company with all of the provisions of this Agreement, as well as the consummation of the transactions herein contemplated will not conflict with or result in a breach or violation of, or result in any third party consent being required under, any of the terms or provisions of their constitutional documents or any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument, decree, regulation or law to or by which any member of the Group is a party or to which any of the property or assets of any member of the Group is subject, or any statute or any order, rule or regulation, including, without limitation, to the extent applicable the GEM Listing Rules or any judgment, decree or order of any court or governmental agency or body having jurisdiction over any member of the Group or the property or assets of any member of the Group.

7.2 All the representations, warranties and undertakings set out in Clause 7.1 are given by the Company as at the date hereof and shall be deemed to be repeated by the Company on each day up to and including the Completion Date as if given or made on such date, with reference in each case to the facts and circumstances then subsisting. The Company shall not, and shall procure that no member of the Group shall at any time prior to or on the Completion Date, do or omit to do anything which may cause any of the representations, warranties and undertakings given by the Company under this Agreement to be untrue, inaccurate or misleading in any material respect. The Company undertakes that up to and until Completion to promptly notify the Placing Agent of any matter or event coming to its attention prior to the Completion Date which would or would be likely to render or have rendered any of the representations, warranties and undertakings made by it under this Agreement untrue, inaccurate or misleading in any material respect.

7.3 The Company acknowledges and agrees that in connection with the offering of the Placing Shares: (i) the Placing Agent has acted at arm's length and owe no fiduciary duties to the Company or any other person, (ii) the Placing Agent owes the Company only those duties and obligations set forth in this Agreement, and (iii) the Placing Agent may have interests that differ from those of the Company.

8. INDEMNITY

8.1 The Company agrees and undertakes to indemnify, upon demand, the Placing Agent, its Affiliates, person(s) lawfully appointed as sub-placing agent(s) pursuant to clause 2.1 and any of their respective officers, directors, employees, agents and authorised representatives which shall have been involved in effecting the Placing (together, the "**Indemnified Persons**" and each an "**Indemnified Person**"), against all or any losses, costs, expenses (including reasonable and proper legal fees), fees, claims, actions, liabilities, demands, proceedings or judgments (including, but not limited to, all such

losses, costs, charges or expenses suffered or incurred or which may suffer or incur in disputing or defending any proceedings and/or in establishing its rights to be indemnified pursuant to this Clause 8 and/or in seeking advice in relation to any proceedings) brought or established against the Indemnified Persons by any Placee or by any governmental agency, regulatory body or other person which, in any such case, arises out of or in connection with any breach of any of the terms, undertakings, warranties and representations contained in this Agreement by the Company except for the Placing Agent's gross negligence, breach of this Agreement, fraud, bad faith or wilful default under this Agreement.

- 8.2 No claim shall be made against any Indemnified Person by the Company to recover any damage, cost, charge or expense which the Company may suffer or incur by reason of or arising from the carrying out by the Placing Agent of the work to be done by it pursuant hereto or the performance of its obligations hereunder or otherwise in connection with the Placing except for any loss or damage arising out of the Placing Agent's gross negligence, breach of this Agreement, fraud, bad faith or wilful default under this Agreement.
- 8.3 The indemnities contained in Clauses 8.1 and 8.2 shall remain in full force and effect notwithstanding completion of the Placing in accordance with the terms hereof and shall extend to include all costs, charges and expenses which the Company or the Placing Agent and/or any of their respective officers, directors, employees, authorized representatives, servants or agents may reasonably incur or pay in disputing, settling or compromising any matter to which the indemnity might relate and in establishing the right to indemnification pursuant to this Clause in respect of any matter.

9. PLACING COMMISSION

- 9.1 In consideration of the services of the Placing Agent in relation to the Placing and provided that Completion occurs in accordance with Clause 6, the Company shall pay to the Placing Agent a commission of 2% of the aggregate Placing Price for the Placing Shares successfully placed by the Placing Agent in pursuance of its obligations herein, which the Placing Agent is hereby authorised to deduct from the payment to be made by it to the Company at Completion pursuant to Clause 6.2(1).
- 9.2 In addition to the placing commission referred to in Clause 9.1:
- (1) other than brokerage (if any), such transaction levy as may be payable to the SFC for the Placing Shares and such trading fee as may be payable to the Stock Exchange for the Placing Shares which shall be borne and payable by the Placees as specified in Clauses 2.1 and 9.3(2), the Company shall pay all fees payable to the Stock Exchange and the SFC arising from the creation and issuance of the Placing Shares in accordance with the terms of this Agreement, and all charges, fees and expenses of the Company's share registrar including (without limitation) their fees and expenses in allotting and issuing the Placing Shares and the issuance of definitive share certificates therefor; and
 - (2) the Company shall bear all out-of-pocket expenses (including but not limited to fees charged in respect of CCASS transactions and the legal fees) reasonably and

properly incurred by the Placing Agent in relation to the Placing (subject to the provision of official invoice), which, if ascertained at Completion, the Placing Agent is hereby authorised to deduct from the payment to be made to the Company pursuant to this Agreement.

- 9.3 Without prejudice to the generality of Clause 9.2(1), the Company shall be responsible to pay all reasonable costs and expenses (including legal expenses) incurred by it in connection with:
- (1) the preparation and release of the Announcement and the negotiation, preparation and completion of this Agreement; and
 - (2) the issue of the Placing Shares (excluding brokerage (if any), such transaction levy as may be payable to the SFC for the Placing Shares and such trading fee as may be payable to the Stock Exchange for the Placing Shares, which shall be borne and payable by the Placees as specified in Clause 2.1).
- 9.4 Payment of the amounts referred to in Clause 9.2(2) to the extent they have been reasonably and properly incurred, shall be made by the Company to the Placing Agent whether or not Completion takes place.
- 9.5 The Company hereby acknowledges that, in addition to the commissions, costs, charges and expenses referred to in this Clause, the Placing Agent shall be entitled to keep for its own account any brokerage fee or commission that it may receive from the Placees.

10. UNDERTAKINGS BY THE PLACING AGENT

- 10.1 The Placing Agent represents, warrants and undertakes to the Company that:
- (1) it has full power to enter into and perform its obligations under this Agreement and this Agreement will, when executed, constitute binding obligations on the Placing Agent in accordance with its terms and conditions;
 - (2) in each jurisdiction in which the Placing Agent solicits subscription for the Placing Shares, the Placing Agent will do so in accordance with all relevant laws or regulations in force in such jurisdiction. The Placing Shares shall not be offered to or placed in circumstances which would constitute an offer to the public in Hong Kong within the meanings of the Companies (WUMP) Ordinance or in any other place or in any manner in which the securities laws or regulations of any place may be infringed;
 - (3) the Placing Agent will use its reasonable endeavours to ensure that the Placee(s) and their respective ultimate beneficial owners will be third party(ies) independent of, and not connected with or acting in concert with, the Company, its connected persons and their respective associates;
 - (4) the Placing Agent will make available and promptly supply, or use its reasonable endeavours to procure the relevant Placee(s) to make available and promptly supply, to the Stock Exchange and the SFC or any other regulatory

authority all information in relation to the Placee(s) which may be required by the Stock Exchange, the SFC and/or any other regulatory authority;

- (5) the Placing Agent will ensure the fulfillment and compliance of all applicable rules and regulations of the Stock Exchange in relation to its role as placing agent for the Placing, and, if required, will issue appropriate written confirmation of such fulfillment and compliance;
- (6) the Placing Agent will use its reasonable endeavours to ensure that none of the Placees to be procured by the Placing Agent or any of their respective associates will, immediately upon Completion, become a substantial shareholder (within the meaning of the GEM Listing Rules) of the Company;
- (7) if the Placing Agent itself shall subscribe any of the Placing Shares unsubscribed by the Placees, the Placing Agent itself or any of its associates will not, immediately upon Completion, become a substantial shareholder (within the meaning of the GEM Listing Rules) of the Company, but for the avoidance of doubt the Placing Agent is not obliged to subscribe any of the Placing Shares unsubscribed by the Placees;
- (8) the Placing Agent and its ultimate beneficial owners are not connected with the Company and its connected persons or any of their respective associates; and
- (9) the Placing Agent is duly incorporated in Hong Kong and a licensed corporation (CE No.: BKJ214) to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

11. TERMINATION

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

- (1) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (2) there is any breach of the warranties, representations and undertakings given by the Company in this Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or

- (4) any statement contained in the Announcement or the Previous Announcements has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
 - (5) there is any suspension of dealings in the Shares on the Stock Exchange for more than five consecutive Business Days (other than as a result of or in connection with the Placing); or
 - (6) any event of force majeure (being an event beyond the control of the parties and which is unforeseeable or unavoidable), including but without limiting the generality hereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out, occurs which prevents the performance of the contractual obligations of the parties hereunder; or
 - (7) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in the Cayman Islands or Hong Kong and if in the reasonable opinion of the Placing Agent any such new law or change would materially and adversely affect the business or financial prospects of the Group taken as a whole and/or have an adverse impact on the success of the Placing; or
 - (8) any litigation or claim of material importance of any third party being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial prospects of the Group taken as a whole and which in the reasonable opinion of the Placing Agent would materially prejudice the success of the Placing.
- 11.2 Upon termination of this Agreement pursuant to this Clause 11, all rights, obligations and liabilities of the parties hereto hereunder shall cease and determine and no party hereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with this Agreement save in respect of (i) any antecedent breach of any obligation under this Agreement; and (ii) any liabilities under Clauses 2.8, 7, 8, 9.2(2), 9.4 and 10 under this Agreement.

12. GENERAL PROVISIONS RELATING TO THIS AGREEMENT

- 12.1 Any date or period in this Agreement may be changed by written agreement of the parties hereto but as regards any date or period (whether or not amended or changed as aforesaid) time shall be of the essence of this Agreement.
- 12.2 Each of the parties hereto undertakes to the other to execute all such documents and to do or procure to be done all such other acts and things as may be necessary to give the other party the full benefit of this Agreement.
- 12.3 This Agreement shall be binding on and endure for the benefit of the successors of the parties but assignment may only be made after prior written consent of the other party has been given.

- 12.4 Any right or remedy conferred on any party for breach of this Agreement (including the breach of any representations and warranties) shall be in addition and without prejudice to all other rights and remedies available to it in respect of that breach and the exercise of or failure to exercise any right or remedy in respect of such breach shall not, save as provided herein, constitute a waiver by such party of any other right or remedy it may have in respect of that breach.
- 12.5 Any provision of this Agreement which is capable of being performed after Completion but which has not been performed at or before Completion and all the representations and warranties contained in this Agreement shall remain in full force and effect notwithstanding Completion.
- 12.6 This Agreement constitutes the entire agreement between the parties hereto with respect to its subject matter (no party having relied on any representation or warranty made by the other party with respect thereto which is not contained in this Agreement) and this Agreement supersedes all and any previous agreements, arrangements or understandings between the parties hereto relating to the matters referred to in this Agreement and all such previous agreements, arrangements or understandings (if any) shall cease and determine with effect from the date hereof.
- 12.7 No variation of this Agreement shall be effective unless made in writing and signed by each of the parties hereto.
- 12.8 If at any time any provision of this Agreement is or becomes illegal, void or unenforceable in any respect, the remaining provisions hereof shall in no way be affected or impaired thereby.
- 12.9 This Agreement may be executed by the parties hereto in any number of counterparts and on separate counterparts, each of which when so executed shall be deemed an original but all of which shall constitute one and the same instrument and be binding on all parties. Any party executing this Agreement on a facsimile copy counterpart shall deliver the original of the counterpart to the other party within two days after the same was sent by facsimile.

13. NOTICES

- 13.1 All notices delivered hereunder shall be in writing and shall be delivered by hand or despatched by ordinary post or by facsimile transmission at the address or fax number of the relevant party to this Agreement set out below (or to such other address or fax number as may be notified by the relevant party to the other party from time to time for the purpose of giving notice under this Agreement):

To the Company

Address : Units 1202-04, Level 12, Cyberport 2, 100 Cyberport Road, Hong Kong
Fax Number : (852) 2552 3505
Attention : Board of Directors

To the Placing Agent

Address : 41st Floor, Central Plaza, 18 Harbour Road, Wanchai,
Hong Kong
Fax Number : (852) 2878 6833
Attention : Jeffrey Hui / Tim Leung
cc. Head of Legal Department (Fax no. 852-2878 4929)

- 13.2 Any such notice shall take effect in the case of delivery by hand upon delivery, in the case of despatch by ordinary post 24 hours after posting, and in the case of facsimile, on production of a transmission report by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient specified in Clause 13.1. Nothing herein shall affect the right of either party to this Agreement to serve notice in any other manner permitted by law.

14. GOVERNING LAW, JURISDICTION AND SERVICE OF PROCESS

- 14.1 This Agreement shall be governed by, and construed in accordance with, the laws of Hong Kong.
- 14.2 Each party hereto irrevocably agrees that the courts of Hong Kong (“**Courts**”) shall have non-exclusive jurisdiction in relation to any claim, dispute or difference concerning this Agreement and any matter arising therefrom.
- 14.3 Each party hereto irrevocably waives any right that it may have to object to an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.
- 14.4 Each party hereto agrees that without preventing any other mode of service, any document in an action (including, but not limited to, any writ of summons or other originating process or any third or other party notice) may be served on any party by being delivered to or left for that party at its address for service of notices under Clause 13 and each party hereto undertakes to maintain such an address at all times in Hong Kong and to notify the other party in advance of any change from time to time of the details of such address in accordance with the manner prescribed for service of notice under Clause 13.
- 14.5 Notwithstanding any provision contained herein to the contrary, a person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce any of the terms of this Agreement, save that any Indemnified Person who is not a party to this Agreement may rely on and enforce any such term which confers or purports to confer rights or benefits on any such Indemnified Person. No consent of third party is required for the amendment to (including the waiver or compromise of any obligation), rescission of or termination of this Agreement at any time.

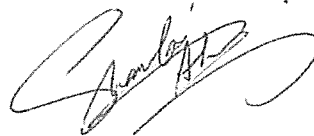
IN WITNESS the hands of the duly authorised representatives of the parties hereto the day and year first above written.

THE COMPANY

SIGNED by Shawlain AHMIN
for and on behalf of
PACIFIC LEGEND GROUP LIMITED
in the presence of: Raymond KM WONG



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THE PLACING AGENT

SIGNED by **Norris LAU**
for and on behalf of
KGI ASIA LIMITED
in the presence of: **Jeffrey HUI**

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A handwritten signature in blue ink, appearing to be 'Jeffrey Hui', written in a cursive style.A handwritten signature in blue ink, appearing to be 'Norris Lau', written in a cursive style.