

Date: 10 September 2025

China Automotive Interior Decoration Holdings Limited
中國汽車內飾集團有限公司
(as Company)

and

Astrum Capital Management Limited
阿仕特朗資本管理有限公司
(as Underwriter)

UNDERWRITING AGREEMENT

relating to a Rights Issue of
262,672,656 Rights Shares of HK\$0.025 each in
China Automotive Interior Decoration Holdings Limited
at HK\$0.13 per Rights Share payable in full on acceptance
(in the proportion of three (3) Rights Shares
for every two (2) Shares held
by the Qualifying Shareholders on the Record Date)

INDEX

Parties.....	1
Recitals.....	1

<u>Clause No.</u>	<u>Heading</u>	<u>Page</u>
1.	Definitions.....	4
2.	Conditions Precedent	9
3.	Publication of the Announcement.....	11
4.	Provisional Allotment of Rights Shares.....	11
5.	Non-Qualifying Shareholders and Fractional Entitlement	12
6.	Underwriting Obligations	12
7.	Representations and warranties of the Underwriter.....	15
8.	Fees and Expenses	15
9.	Announcements and Confidentiality.....	16
10.	Representations, Warranties and Undertakings	17
11.	Indemnity	21
12.	Rescission and Termination	22
13.	Time of the Essence	25
14.	Notices	25
15.	Miscellaneous	26
16.	Governing Law	26
	EXECUTION.....	28
	Annex “A” Placing Agreement	30
	Annex “B” Announcement	31

THIS AGREEMENT is dated 10 September 2025.

BETWEEN:

- (1) **China Automotive Interior Decoration Holdings Limited**, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on Main Board of the Stock Exchange (stock code: 48) and its principal place of business in Hong Kong is situated at Unit A, 7/F., Max Share Centre, 373 King's Road, North Point, Hong Kong (the "**Company**"); and
- (2) **Astrum Capital Management Limited** 阿仕特朗資本管理有限公司, a company incorporated in Hong Kong having its registered office and principal place of business at Room 2704, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong (the "**Underwriter**").

WHEREAS:

- (A) As at the date of this Agreement, the authorised share capital of the Company is HK\$1,000,000,000 divided into 40,000,000,000 ordinary shares of HK\$0.025 each (the "**Share(s)**"), of which 175,115,104 Shares have been issued and are fully paid or credited as fully paid.
- (B) As at the date of this Agreement, the Company has no other outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into or confer any right to subscribe for Shares.
- (C) The Company proposes to raise funds by way of the rights issue (the "**Rights Issue**") on the basis of three (3) Rights Shares for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price payable in full on acceptance or otherwise on the terms and subject to the conditions set out in the Prospectus. The Right Issue will raise up to approximately HK\$34.1 million before expenses by way of a right issue up to 262,672,656 Rights Shares at the Subscription Price of the HK\$0.13 per Rights Share.
- (D) On 10 September 2025, the Company and the Underwriter entered into the Placing Agreement, pursuant to which the Company has agreed to appoint the Underwriter as the sole and exclusive placing agent (the "**Placing Agent**") to conduct the Placing on best-effort basis, and the Placing Agent has agreed to act as placing agent in that capacity.
- (E) The Underwriter, a corporation licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong

Kong), has agreed to underwrite the Underwritten Shares on the terms and subject to the conditions hereinafter contained.

- (F) Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares (in each case, in their nil-paid and fully-paid forms).

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:

“acting in concert”	has the meaning as ascribed to in the Takeovers Code
“Agreement”	This underwriting agreement as amended or varied from time to time in writing duly executed and delivered by the Company and the Underwriter
“Announcement”	the announcement to be made by the Company concerning the Rights Issue substantially in the form of the draft annexed hereto marked “B” (subject to such amendments as the Company and the Underwriter may agree)
“Articles”	the articles of association of the Company for the time being and as amended from time to time
“associate”	has the meaning ascribed thereto in the Listing Rules
“Audited Accounts”	the audited consolidated accounts of the Group for the financial year ended on the Audited Accounts Date
“Audited Accounts Date”	31 December 2024
“Board”	the board of Directors
“business day(s)”	a day (other than Saturday, Sunday, public holiday or any day on which “extreme conditions” is announced by the Government of Hong Kong or 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 discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Compensatory Arrangements”	the arrangement involving the placing of Unsubscribed Rights Shares, if any, by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules
“Conditions Precedent”	the conditions set out in Clause 2.1 and each, a “Condition Precedent”
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company for the time being
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Rights Issue and the transactions contemplated thereunder (including this Agreement)
“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

“Independent Shareholder(s)”	Shareholder(s) other than the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates who are required to be abstained from voting in favour of the resolutions regarding the Rights Issue at the EGM under Rule 7.27A(1) of the Listing Rules and persons (if any) who have a material interest in the Underwriting Agreement
“Latest Time for Acceptance”	4:00 p.m. on Tuesday, 4 November 2025 or such later time or date as may be agreed between the Company and the Underwriter, being the latest time for the application and payment for the 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 (i) at any time before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same business day; and (ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be extended to the next business day
“Latest Time for Termination”	4:00 p.m. on Thursday, 13 November 2025
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) (if any) whom the Board, after making enquiries regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange, considers it necessary or expedient not to offer the Rights Shares to them
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register at that time is (are) in (a) place(s) outside Hong Kong
“Placing”	the placing of a maximum of 262,672,656

	Unsubscribed Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agent(s) to the Placees pursuant to the Placing Agreement
“Placing Agreement”	the placing agreement dated 10 September 2025 entered into between the Company and the Placing Agent in relation to the Placing, a draft of which is set out in Annex A
“Placing Period”	the period commencing from Friday, 7 November 2025 and ending at 4:00 p.m. on Tuesday, 11 November 2025
“Prospectus”	the prospectus to be issued by the Company in connection with the Rights Issue in the agreed form on the Prospectus Posting Date
“Prospectus Documents”	the Prospectus together with the Provisional Allotment Letter
“Prospectus Posting Date”	Monday, 20 October 2025 or such later date as the Underwriter may agree with the Company in writing, being the date of the despatch of the Prospectus Documents
“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 at the close of business on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	Friday, 17 October 2025 or such other date as may be agreed between the Company and the Underwriter in writing, being the date by reference to which entitlements under the Rights Issue will be determined
“Registrars”	Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, being the branch share registrar and transfer office of the Company in Hong Kong

“Rights Issue”	the proposed offer by the Company of the Rights Shares on the basis of three (3) Right Shares for every two (2) existing Shares held on the Record Date at the Subscription Price pursuant to the Prospectus Documents and as contemplated under this Agreement
“Rights Shares”	up to 262,672,656 Right Shares proposed to be allotted and issued by the Company to the Qualifying Shareholders for subscription pursuant to the Rights Issue (assuming there is no change in the total number of issued Shares on or before the Record Date)
“Settlement Date”	Tuesday, 18 November 2025, being the fifth business day after the latest time of the Placing, or such other date as may be agreed by the Company and the Underwriter in writing
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	share(s) of HK\$0.025 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Specified Event”	an event occurring or matter arising on or after the date of this Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of this Agreement would have rendered any of the representations, warranties and undertakings 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\$0.13 per Rights Share at which the Rights Shares are proposed to be offered for subscription
“subsidiary”	has the same meaning as in section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“substantial shareholder”	has the meaning ascribed thereto in the Listing

Rules

“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwritten Shares”	the Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“Untaken Shares”	the Unsubscribed Rights Shares which are not placed by the Placing Agent under the Compensatory Arrangements
“Verification Notes”	the verification notes to be prepared by the legal advisers of the Company in the agreed form relating to the Prospectus

- 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 Underwriter, 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 Precedent

- 2.1 The obligations of the Underwriter under Clause 6 are conditional upon:
- (1) the passing by more than 50% of the votes cast by the Independent Shareholders at the EGM of ordinary resolution(s) to approve this Agreement and the transactions contemplated thereunder, including but not limited to the Rights Issue;
 - (2) 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 the 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 no later than the Prospectus Posting Date;

- (3) the posting of the Prospectus Documents to the Qualifying Shareholders by the Prospectus Posting Date;
- (4) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) the listing of and permission to deal in the Rights Shares (in both their nil-paid and fully-paid forms) no later than the first day of their dealings and the Stock Exchange not having withdrawn or revoked such listing and permission on or before the Latest Time for Termination;
- (5) the obligations of the Underwriter becoming unconditional and that this Agreement is not terminated in accordance with its terms on or before the Latest Time for Termination;
- (6) the compliance with and performance of all undertakings and obligations of the Company under this Agreement;
- (7) the Placing Agreement is not terminated in accordance with its terms on or before the Latest Time for Termination; and
- (8) all other necessary waivers, consent and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transactions contemplated thereunder having been obtained and fulfilled.

2.2 The Company shall use all reasonable endeavours to procure the fulfilment of all the Conditions Precedent to the extent it is within its power to do so, by the respective dates set out in Clause 2.1 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 Underwriter shall use its best endeavours to procure that all information and documents relating to itself and parties acting in concert with it reasonably required by the Company:

- (1) for the purposes of preparing any announcements required pursuant to the Listing Rules or at the request of the Stock Exchange and/or the SFC to be made by the Company after the signing of this Agreement in connection with the transactions contemplated by this Agreement; or
- (2) for the purposes of preparing the Prospectus Documents; or
- (3) as otherwise may reasonably be required by the Stock Exchange and/or the SFC,

are made available to the Company in a timely manner upon request from the Company.

- 2.4 The Company shall make an application to the Stock Exchange for the listing of, and permission to deal in, all the Rights Shares (in both of their nil-paid form and fully-paid form) in accordance with the Listing Rules.
- 2.5 None of the Conditions Precedent is capable of being waived by any party to this Agreement.
- 2.6 If the Conditions Precedent are not satisfied by the respective dates set out in Clause 2.1 (or such later time and/or dates as the Underwriter may agree with the Company in writing), this Agreement shall terminate and (save in respect of any provisions of Clauses 1, 8.2, 9, 11, 13 to 16 and any rights or obligations which may accrue under this Agreement prior to such termination) no party will have any claim against any other party for costs, damages, compensation or otherwise.

3. Publication of the Announcement

- 3.1 Subject to approval by the Stock Exchange (if required), the Company shall use its reasonable endeavour to procure the publication of the Announcement on the websites of the Company and the Stock Exchange respectively as soon as reasonably practicable following the signing of this Agreement.

4. Provisional Allotment of Rights Shares

- 4.1 Subject to fulfilment of the Conditions Precedent specified in Clause 2.1(1) and Clause 2.2(2), on or before the Prospectus Posting Date, the Company shall procure that the Rights Shares will be provisionally allotted by a resolution of the Board on the terms set out in the Prospectus Documents to the Qualifying Shareholders on the basis and in the proportion of three (3) Rights Shares for every two (2) existing Shares held on the Record Date, provided that fractional entitlements (if any) shall not be issued to the Qualifying Shareholders but shall be aggregated and sold as provided in Clause 5.3.
- 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 Rights Shares shall be offered to the Qualifying Shareholders on the basis that payment for the Rights Shares shall be made in full on application not later than the Latest Time for Acceptance.

5. Non-Qualifying Shareholders and Fractional Entitlement

- 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 three business days after the Prospectus Documents are posted to the Qualifying Shareholders, post copies of the Prospectus only (without the Provisional Allotment Letter) marked “For Information Only” to the Non-Qualifying Shareholders.
- 5.2 The Company shall provisionally allot the Rights Shares which represent the entitlements of the Non-Qualifying 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 of the Company 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 Non-Qualifying Shareholders shall be distributed pro rata to their shareholdings as at the Record Date (but rounded down to the nearest cent) to the Non-Qualifying Shareholders provided that individual amounts of HK\$100 or less shall be retained by the Company for its own benefit.
- 5.3 No fractional entitlements to a Rights Share will be allotted to any Shareholder. All fractions of Rights Shares will be aggregated (and rounded down to the nearest whole number) (if applicable) and all nil-paid Rights Shares arising from such aggregation will be sold in the market for the benefit of the Company if a premium (net of expenses) can be obtained.
- 5.4 Any of such nil-paid rights which are not sold as set out in Clauses 5.2 and 5.3 will be dealt with as Rights Shares not taken up in accordance with Clauses 6.3 and 6.4.

6. Underwriting Obligations

- 6.1 The Underwriter’s obligations under this Clause 6 shall terminate if, before the Latest Time for Acceptance, the Provisional Allotment Letters in respect of all the Underwritten Shares have been lodged for application 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 Company after consultation with the Underwriter, subsequent presentation (the Underwritten Shares comprised in the Provisional Allotment Letter(s) which

are so lodged together with such remittances are herein referred to as having been “**taken up**” and cognate expressions shall be construed accordingly).

- 6.2 If, however, after the Placing Period, any of the Unsubscribed Rights Shares has not been placed (i.e. the Untaken Shares), the Company shall as soon as practicable thereafter and in any event before 9:00 p.m. on the first business day after the Placing Period notify or procure the Registrars on behalf of the Company to notify the Underwriter in writing of the number of Underwritten Shares not taken up, and the Underwriter shall subscribe or procure subscription on the terms of the Prospectus Documents (so far as the same are applicable) for such Untaken Shares not later than 4:00 p.m. on the Settlement Date, subject to the terms and conditions of this Agreement.
- 6.3 The Underwriter shall, after the receipt of the notification referred to in Clause 6.2 but not later than 4:00 p.m. on the Settlement Date, pay or procure payment to the Company by way of depositing a cheque to the bank account designated by the Company or such other way as agreed between the Company and the Underwriter of the aggregate Subscription Price in respect of the Underwritten Shares for which it is obligated to subscribe or procure subscription in accordance with this Clause 6, less any amounts payable to the Underwriter pursuant to Clause 8.1 and any fee due to the Underwriter from the Company. The Company shall arrange for delivery to the Underwriter or its nominee of share certificates in respect of the fully paid Underwritten Shares for which the Underwriter has subscribed or procured subscription in such names and in such denominations as the Underwriter may reasonably require at the same time as share certificates are despatched generally to persons who have applied and paid for the Rights Shares or, where the 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 the 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.
- 6.4 If the Underwriter shall default in complying with its obligations under Clause 6.3, the Company, by giving written notice to the Underwriter, shall be entitled (and is hereby irrevocably authorised) to treat this Agreement as an application by the Underwriter for its Underwritten Shares 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 the Underwriter and register the same in the name of the Underwriter and payment therefor at the aggregate Subscription Price less any amounts payable to the Underwriter for its account pursuant to Clause 8.1 shall be made by the Underwriter forthwith. Subject to such payment in full by the Underwriter, the Company shall deliver to the Underwriter (or as it may direct) documentary evidence of entitlement to the Underwritten Shares reasonably satisfactory to the Underwriter.

- 6.5 In the event of the Underwriter being called upon to subscribe for or procure subscribers of the Untaken Shares pursuant to Clause 6.3:
- (1) no Untaken Shares shall be subscribed for in any jurisdiction (other than Hong Kong) except pursuant to an exemption from, or by a transaction not subject to, the registration requirements of the applicable securities laws of that jurisdiction;
 - (2) the Underwriter shall not subscribe, for its own account, for such number of the Untaken Shares which will result in the shareholding of it and parties acting in concert with it in the Company to be 29.9% or more of the then issued share capital of the Company;
 - (3) the Underwriter shall ensure that the subscribers of the Untaken Shares (including the Underwriter), together with parties acting in concert with it, shall not be holding 29.9% or more of the issued share capital of the Company upon the allotment and issue of the Rights Shares;
 - (4) the Underwriter shall use all reasonable endeavours to procure that each of the subscribers of the Untaken Shares (including any direct and indirect sub-underwriter), shall be third party independent of, not acting in concert with and not connected with the Company and its connected persons; and
 - (5) the Underwriter shall, and shall procure the sub-underwriter(s) to, procure independent subscribers to take such number of the Underwritten Shares as necessary to ensure sufficient public float be maintained upon the allotment and issue of the Rights Shares in compliance with Rule 8.08(1) of the Listing Rules.
- 6.6 The Underwriter shall use all reasonable endeavours to procure that each of the direct and indirect sub-underwriters, shall be third party independent of and not connected with the Company and its connected persons.
- 6.7 Without prejudice to Clauses 6.5 and 6.6, in performing its obligations hereunder, the Underwriter shall comply with all applicable laws and shall not do or omit anything, the doing or omission of which shall or may cause the Company or any of its Directors to be in breach of any applicable laws, rules and regulations.

7. Representations and warranties of the Underwriter

- 7.1 The Underwriter represents, warrants and confirms to the Company that:
- (1) it and parties acting in concert with it do not hold any other shares, convertible securities, warrants or options of the Company, or any outstanding derivative in respect of securities of the Company as at the date of this Agreement;
 - (2) it and each of its ultimate beneficial owners is not connected with the Company and its connected persons; and
 - (3) it has the authority and capacity to enter into and perform this Agreement and that this Agreement constitutes valid, binding and enforceable obligations of it.

8. Fees and Expenses

- 8.1 In consideration of the Underwriter's obligations under this Agreement to underwrite the Underwritten Shares and its 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 pay to the Underwriter an underwriting commission of an amount equal to four point five percent (4.5%) of the aggregate Subscription Price in respect of the number of the Underwritten Shares.
- 8.2 Payment of the amounts referred to in Clause 8.1 shall be made only if the obligations of the Underwriter under this Agreement have become unconditional or have not been terminated pursuant to Clause 12.
- 8.3 The amounts payable pursuant to Clause 8.1 may be withheld by the Underwriter from any payment to be made and/or procured by it to the Company pursuant to Clause 6. In the event of the Underwriter not being called upon to subscribe or procure subscribers pursuant to Clause 6.2 and/or the amount of the subscription moneys payable by the Underwriter or the sub-underwriter(s) to the Company being less than the full amount due from the Company to the 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 the Settlement Date or such other date as may be agreed between the Company and the Underwriter.
- 8.4 The Company shall bear its own legal fees, accountancy and other professional fees, the Registrars' fees, the cost of printing, publishing and distributing (as the case may be) 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).

9. Announcements and Confidentiality

- 9.1 Save as expressly required hereunder or as otherwise required by the Stock Exchange or the SFC, no public announcement or communication to 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 Underwriter between the date of this Agreement and, if all the Underwritten Shares are taken up, the Settlement Date or, in any other case, the time at which the Underwriter is obliged to make payment under Clause 6, without prior written approval from the Company and the Underwriter as to the content, timing and manner of making or despatch thereof.
- 9.2 Subject to Clause 9.3, each party shall treat as strictly confidential all information received or obtained as a result of entering into or performing this Agreement which relates to:
- (1) the provisions of this Agreement;
 - (2) the negotiations relating to this Agreement;
 - (3) the subject matter of this Agreement; and/or
 - (4) the information about the Group.
- 9.3 Any party may disclose information which would otherwise be confidential if and to the extent:
- (1) required by the law of any relevant jurisdiction;
 - (2) required by any securities exchange or regulatory or governmental body;
 - (3) the other party has given prior written approval to the disclosure;
 - (4) the information has come into the public domain through no fault of that party subject however to Clause 9.4; or
 - (5) disclosed to the professional advisers, auditors and bankers of the parties and as regards the Company, to its directors.

- 9.4 In the event that information has come into the public domain through no fault of any party, the parties shall not give any kind of comment with regard to such information or disclose any information without the prior written consent of the other party, such consent shall not be unreasonably withheld or delayed.
- 9.5 If any party is required by law or any rule of any relevant stock exchange or regulatory body to make any announcement, circular, report, independent advice or other document in connection with this Agreement, the other party agrees to supply all relevant information relating to itself that is within its knowledge or in its possession as may be reasonably necessary or as may reasonably be required by any exchange and regulatory body to be included in the announcement.
- 9.6 The restrictions contained in this Clause 9 shall continue to apply without limit in time.

10. Representations, Warranties and Undertakings

- 10.1 The Company represents, warrants and undertakes to the Underwriter in the following terms:
- (1) the facts stated in the Recitals to this Agreement (other than Recital (E)) 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 (other than those relating to the Underwriter, its sub-underwriter(s) and the subscribers to be procured by the Underwriter and its sub-underwriter(s)) 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, to the extent required by the Listing Rules and the Securities & Futures (Stock Market Listing) Rules (Subsidiary Legislation V of Chapter 571 of the Laws of Hong Kong), 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 accounting principles, standards and practices generally accepted in Hong Kong 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 and there has been no material adverse change in the financial or trading position of the Group taken as a whole since the Audited Accounts Date;

- (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 material respects up to date, correct and on a proper basis and are not the subject of any material dispute with the relevant revenue or other appropriate authorities;
- (6) the statements, forecasts, estimates and expressions of opinion, intention and expectation of the Company or the Board 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;
- (7) 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 reasonably 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;
- (8) 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;

- (9) except as previously disclosed by the Company by way of public announcement or other public documents, 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;
- (10) except as previously disclosed by the Company by way of public announcement or other public documents, 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;
- (11) except as previously disclosed by the Company by way of public announcement or other public documents, 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;
- (12) except as previously disclosed by the Company by way of public announcement or other public documents, 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;
- (13) 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;

- (14) except as previously disclosed by the Company by way of public announcement or other public documents, 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 fulfilment 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;
- (15) the Company shall not, without the prior consent of the Underwriter, from the date of this Agreement until the allotment and issue of the Rights Shares (in their fully-paid form), issue any Shares or issue or grant any share options or other securities convertible into, exchangeable for or which carry rights to acquire Shares (other than the Rights Shares) and there are no rights (whether conditional or unconditional) in existence which require the issue of any Shares or other securities of the Company now or at any time hereafter;
- (16) the Company has power under its memorandum of association and the Articles, 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 Clause 2.1:
 - (a) to allot and issue the Rights Shares required to be 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 Non-Qualifying Shareholders as may be specified in the Prospectus Documents; and
 - (c) to enter into and perform its obligations under this Agreement and to make the Rights Issue;
- (17) 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 shall rank *pari passu* in all respects among themselves and with the shares of the Company then in issue, including the right to receive all dividends and distributions which may be declared, made or paid on or after the date of issue of the Rights Shares;
- (18) the obligations of the Company under this Agreement constitute

legally valid and binding obligations of the Company enforceable in accordance with the terms herein;

- (19) the Company has available and sufficient authorised share capital to allot and issue the Right Shares; and
- (20) the Company shall not, from the date of this Agreement until completion of the Rights Issue, issue any Shares (other than the Rights Shares) or issue or grant any share options or other securities convertible into, exchangeable for or which carry rights to acquire the Shares.

10.2 The Company undertakes to use all reasonable 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 Underwriter of the same.

10.4 The foregoing provisions of this Clause 10 will continue in full force and effect notwithstanding the allotment and issue of the Rights Shares.

11. Indemnity

11.1 The Company shall on demand indemnify the Underwriter and shall on demand hold the Underwriter, its directors, officers, employees and agents 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 the 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 the Underwriter of its obligations hereunder (and provided that such loss or liability is not connected with any failure by the Underwriter to comply with its obligations under Clause 6.3), 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 and all amendments and supplements thereto (if any) 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 material respect;

- (2) any claims and proceedings arising out of matters which constitute a material breach of the representations and warranties in Clause 10; or
- (3) 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 the 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, intentional omission or wilful default, on the part of the Underwriter and that the conduct of the defence (including any settlement of any such claim) shall be carried out by the Underwriter after, and on the basis of, regular consultation with the Company.

- 11.2 The Company shall not make any claim against the Underwriter to recover any damages which the Company may suffer arising out of the performance by the Underwriter of its obligations hereunder, provided that such damages do not arise from any negligent act, intentional omission or wilful default on the part of the Underwriter.
- 11.3 If the 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 the 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.
- 11.4 This Clause 11 shall remain in full force and effect notwithstanding the allotment and issue of the Rights Shares (in their fully-paid form) in accordance with this Agreement or the termination of this Agreement.

12. Rescission and Termination

- 12.1 If, prior to the Latest Time for Termination:
 - (1) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new law or 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 absolute opinion of the Underwriter 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 of this Agreement) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), 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, in the absolute opinion of the Underwriter 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 adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction on trading in securities) occurs which in the absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (3) there is any change in the circumstances of the Company or any member of the Group which in the absolute opinion of the Underwriter will 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 similar event occurring in respect of any of members of the Group or the destruction of any material asset of the Group**; or
- (4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole, or the share price of the Company whether or not ejusdem generis with any of the foregoing; or

- (6) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the absolute opinion of the Underwriter, a material omission in the context of the Rights Issue; or
- (7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the announcement or the Prospectus Documents or other announcements or circular in connection with the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate this Agreement. In any event, the Underwriter reserves the right to, at its sole discretion, terminate this Agreement prior to the Latest Time for Termination.

12.2 The Underwriter shall be entitled by notice in writing 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 Underwriter.

Any such notice shall be served by the Underwriter 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 Underwriter, the obligations of all parties under this Agreement (save in respect of this Clause 12 and the provisions of Clauses 1, 8.2, 9, 11, 13 to 16 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 8.4)) shall terminate forthwith and neither party shall have any claim against the other in respect of any matter arising out of or in connection with this Agreement save for claim (if any) in respect of such continuing clauses or any antecedent breach of the terms of this Agreement. For the avoidance of doubt, the Underwriter 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 Underwriter at such time before the Latest Time for Termination but after the Underwriter has in accordance with Clause 6.3 paid or procured payment to the Company of the aggregate Subscription Price in respect of the Underwritten Shares for which the 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 Underwriter pursuant to Clause 12.1 or Clause 12.2, remit to the Underwriter and/or the sub-underwriter(s) such amount of the aggregate Subscription Price, without interest, which it has received from the Underwriter and/or the sub-underwriter(s). For the avoidance of doubt, notwithstanding the payment of any sum by or on behalf of the Underwriter and/or the sub-underwriter(s) to the Company, Clause 8.2 shall apply and the amount referred to in Clause 8.1 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 claim, demand, court process, document or other communication to be given under this Agreement (collectively “**communication**” in this Clause 14) shall be in writing in the English language and may be served or given personally or sent to the address or e-mail address (if any) stated as follows, or to such other address as may have been last notified in writing by such party to the party serving the communication specifically referring to this Agreement:

To the Company

Address : Unit A, 7/F., Max Share Centre, 373 King’s Road, North Point, Hong Kong
E-mail : guy.man@incorp.asia
Attention : The board of directors

To the Underwriter

Address : Room 2704, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong
E-mail : ecm@astrum-capital.com
Attention : Mr. Jackie Pan/ Mr. Kelvin Tsung

- 14.2 The addressee of a communication shall be deemed to have received the same

within the time stated adjacent to the relevant means of despatch:

<u>Means of despatch</u>	<u>Time of deemed receipt</u>
Local mail or courier	24 hours
E-mail	on despatch
Air courier/Speed post	4 days
Airmail	7 days

14.3 A communication served in accordance with Clause 14.1 shall be deemed sufficiently served. In proving service and/or receipt of a communication, it shall be sufficient to prove that such communication was left at the addressee's address or that the envelope containing such communication was properly addressed and posted or despatched to the addressee's address or that the communication was properly transmitted by e-mail to the addressee. In the case of e-mail, such transmission shall be deemed properly transmitted on receipt of a report of satisfactory transmission printed out by the sending machine indicating that the communication was properly transmitted.

14.4 Nothing in this Clause 14 shall preclude the service of communication or the proof of such service by any mode permitted by law.

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 seven 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 No third party rights: Unless otherwise provided herein, a person or company who is not a party to this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Ordinance (Cap. 623) to enforce any term of this Agreement.

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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK. SIGNATURE PAGE FOLLOWS]

EXECUTION

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

THE COMPANY

SIGNED

for and on behalf of

**China Automotive Interior Decoration
Holdings Limited**

中國汽車內飾集團有限公司

in the presence of :

)

)

)

)

)

)

)

)

)

)

)

)

)

)

)

)

)

)

For and on behalf of
CHINA AUTOMOTIVE INTERIOR DECORATION HOLDINGS LIMITED
中國汽車內飾集團有限公司


.....
Authorized Signature(s)

Signature of authorised person

NG Chung Ho

Name of authorised person

Executive Director

Office held

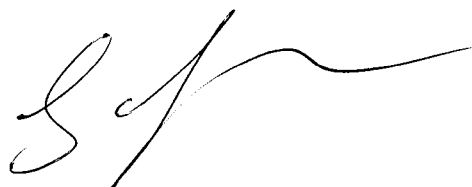
THE UNDERWRITER

SIGNED)
for and on behalf of)
Astrum Capital Management Limited)
阿仕特朗資本管理有限公司)

in the presence of :

TRANG PO WAN)

C.)



Signature of authorised person

PAN Chik

Name of authorised person

Director

Office held

Annex “A”

Placing Agreement

Annex “B”

Announcement