
Dated 12 April 2022

- (1) **CA CULTURAL TECHNOLOGY GROUP LIMITED**
 - (2) **RAFFAELLO SECURITIES (HK) LIMITED**
-

Underwriting Agreement

in relation to the proposed Rights Issue of
591,021,000 Rights Shares
(or 612,476,000 Rights Shares upon the full exercise of the
outstanding Share Options)
at HK\$0.143 per Rights Share payable in full on acceptance
(in the proportion of one (1) Rights Share
for every two (2) existing Shares held on the Record Date)

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THIS AGREEMENT is made on the 12th day of April 2022 (the “**Agreement**”).

BETWEEN:

- (1) **CA CULTURAL TECHNOLOGY GROUP LIMITED**, a company incorporated under the laws of Cayman Islands with limited liability whose registered office is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands and its principal place of business in Hong Kong at Suites 2905, 29/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong (the “**Company**”); and
- (2) **RAFFAELLO SECURITIES (HK) LIMITED**, a company incorporated in Hong Kong with limited liability and having its principal place of business at 7/F Central 88, 88-98 Des Voeux Road Central, Central, Hong Kong (the “**Underwriter**”).

(The Company and the Underwriter are collectively referred to as the “**Parties**”, and each or any one of them is referred to as the “**Party**”.)

WHEREAS:

- (A) As at the date of this Agreement, the Company has an authorised share capital of HK\$500,000,000 divided into 5,000,000,000 Shares (as defined hereinafter) of which 1,182,042,000 Shares have been issued and are fully paid up or credited as fully paid up. All the issued Shares are currently listed on the main board of the Stock Exchange (as defined hereinafter). Upon the full exercise of the Share Options (as defined hereinbelow) granted on 28 February 2022 according to the Share Option Scheme (as defined hereinbelow), the number of issued Shares would become 1,224,952,000 Shares.
- (B) The Company intends to offer, subject to the fulfillment or waiver of the Conditions Precedent, a total of 591,021,000 Rights Shares (or 612,476,000 Rights Shares upon the full exercise of the outstanding Share Options) by way of the Rights Issue, on the basis of one Rights Share for every two existing Shares held on the Record Date, at the Subscription Price of HK\$0.143 per Rights Share payable in full on acceptance and otherwise on the terms and subject to the conditions set out in this Agreement and the Prospectus Documents.
- (C) As at the date of this Agreement, the Fortune Trust Concert Parties are entities whom in aggregate beneficially own 290,752,000 Shares, representing approximately 24.60% of the entire issued share capital of the Company. Upon the full exercise of the Share Options granted to Mr. Ting (as defined hereinbelow), the Fortune Trust Concert Parties in aggregate beneficially own 293,969,000 Shares, representing approximately 24.00% of the entire issued share capital of the Company (immediately upon full exercise of the Share Options).
- (D) Pursuant to the Deeds of Irrevocable Undertaking, the Fortune Trust Concert Parties undertake to subscribe or procure the subscription of a total number of 145,376,000 Rights Shares (or 146,984,500 Rights Shares, subject to whether Mr. Ting fully

exercises his Share Options) to which the entire Fortune Trust Concert Parties are entitled under the Rights Issue.

- (E) The Underwriter has agreed to subscribe for, or procure the subscription for, on a fully underwritten basis, all the Underwritten Shares on the terms and subject to the conditions set out in this Agreement.

IT IS HEREBY AGREED between the Parties 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:

“ Announcement ”	means the announcement to be made by the Company concerning, among other things, the Rights Issue;
“ associates ”	has the meaning ascribed thereto under the Listing Rules;
“ Audited Accounts Date ”	means 31 March 2021;
“ Board ”	means the board of Directors or a duly authorised committee thereof;
“ BVI ”	means British Virgin Islands,
“ business day ”	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no.8 or above or black rainstorm signal is hoisted in Hong Kong between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours;
“ CCASS ”	means the Central Clearing and Settlement System established and operated by HKSCC;
“ Companies Ordinance ”	means the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended from time to time);
“ Companies (WUMP) Ordinance ”	means the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time);
“ Complying Applications ”	means valid applications under the PALs and/or EAFs made in accordance with the terms of the Prospectus Documents together with cheques or cashier’s orders

or other remittances for the full amount payable in respect of the Rights Shares being applied for under such PALs and/or EAFs which are honoured on first or, at the discretion of the Underwriter, subsequent presentation;

- “**Conditions Precedent**” means the conditions set out in Clause 2.1;
- “**Deeds of Irrevocable Undertaking**” means the seven deeds of irrevocable undertaking dated 12 April 2022 given by each of the Fortune Trust Concert Parties (being Bright Rise, Fortress Strength, Bonville Glory, East Jumbo, Dragon Year, Mr. Ikeda and Mr. Ting) in favour of the Company to subscribe for or procure the subscription for a total number of 145,376,000 Rights Shares (or 146,984,500 Rights Shares, upon Mr. Ting exercises his Share Options in full) to which the Fortune Trust Concert Parties are entitled under the Rights Issue;
- “**Directors**” means directors of the Company for the time being;
- “**EAF(s)**” or “**Excess Application Form(s)**” means the excess application form(s) to be issued to the Qualifying Shareholder(s) in connection with the Rights Issue;
- “**Fortune Trust Concert Parties**” means the parties acting in concert with the beneficiaries of the Fortune Trust (with Newgate (PTC) Limited as trustee), being the substantial Shareholder of the Company, which beneficially owns 290,752,000 Shares as at the date of this Agreement (representing approximately 24.60% of the entire issued share capital of the Company) (or 293,969,000 Shares, representing approximately 24.00% of the entire issued share capital of the Company (immediately upon full exercise of Mr. Ting’s Share Options)), comprises of the following members and their respective ultimate beneficial owners:
- (a) Bright Rise Enterprises Limited (“**Bright Rise**”), a company incorporated in the BVI with limited liability, the entire issued share capital of which is wholly-owned by Mr. Chong, and Bright Rise beneficially owns 177,056,000 Shares;
 - (b) Fortress Strength Limited (“**Fortress Strength**”), a company incorporated in the BVI with limited liability, the entire issued share capital of which is wholly-owned by Ms. Lee Sui Fong Fiona (spouse of Mr. Chong), and Fortress Strength beneficially owns 26,187,000 Shares;

- (c) Bonville Glory Limited (“**Bonville Glory**”), a company incorporated in the BVI with limited liability, the entire issued share capital of which is wholly-owned by Mr. Ting (who will personally own 3,217,000 Shares as beneficial owner upon his full exercise of Share Options granted to him), and Bonville Glory beneficially owns 12,900,000 Shares;
- (d) East Jumbo Development Limited (“**East Jumbo**”), a company incorporated in the BVI with limited liability, the entire issued share capital of which is wholly-owned by Ms. Or Deng Fung Bonnie, and East Jumbo beneficially owns 12,329,000 Shares; and
- (e) Dragon Year Group Limited (“**Dragon Year**”), a company incorporated in the BVI with limited liability, the entire issued share capital of which is wholly-owned by Mr. Shinichiro Ikeda (“**Mr. Ikeda**”, who personally owns 12,000,000 Shares), and Dragon Year beneficially owns 50,280,000 Shares.

“ Group ”	means the Company and its subsidiaries;
“ HKSCC ”	means Hong Kong Securities Clearing Company Limited;
“ Hong Kong ”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“ Latest Time for Acceptance ”	means 4:00 p.m. on 27 May 2022 or such other time and date as may be agreed between the Company and the Underwriter, being the latest time for application for, and payment for, acceptance and payment in respect of provisional allotments under the Rights Issue and for application and payment for excess Rights Shares as described in the Prospectus;
“ Latest Time for Termination ”	means 4:00 p.m. on 30 May 2022, being the second business day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriter, being the latest time to terminate the Underwriting Agreement;
“ Listing Committee ”	means the listing committee of the Stock Exchange;
“ Listing Rules ”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“ Mr. Chong ”	means Mr. Chong Heung Chung Jason, an executive

	Director, the chairman and a substantial Shareholder of the Company as one of the members of the Fortune Trust Concert Parties;
“Mr. Ting”	means Mr. Ting Ka Fai Jeffrey, an executive Director, and a substantial Shareholder of the Company as one of the members of the Fortune Trust Concert Parties;
“Non-Qualifying Shareholder(s)”	means Overseas Shareholder(s), to whom the Directors, based on legal opinion(s) provided by the legal adviser(s) to the Company, consider it necessary or expedient not to offer the Rights Issue on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place;
“Overseas Shareholders”	means 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 address(es) as shown on such register is / (are) outside Hong Kong;
“PAL(s)” or “Provisional Allotment Letter(s)”	means the provisional allotment letter(s) in respect of the Rights Issue to be issued to the Qualifying Shareholders;
“Prospectus”	means the prospectus to be despatched to the Shareholders on the Prospectus Posting Date in connection with the Rights Issue;
“Prospectus Documents”	means the Prospectus, the PAL and the EAF;
“Prospectus Posting Date”	means 13 May 2022 (or such later date as may be agreed between the Underwriter and the Company) for the despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus to the Non-Qualifying Shareholders (as the case may be);
“Qualifying Shareholders”	means Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders;
“Record Date”	means 12 May 2022 or such other date as may be agreed between the Company and the Underwriter for the determination of the entitlements under the Rights Issue;
“Registrars”	means Computershare Hong Kong Investor Services Limited of Shops 1712–1716, 17 th Floor Hopewell Centre, 183 Queen's Road East, Hong Kong, the branch share registrar of the Company in Hong Kong;

"Rights Issue"	means the proposed issue of one (1) Rights Share for every two (2) existing Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in this Agreement and the Prospectus Documents;
"Rights Share(s)"	means 591,021,000 new Shares (or 612,476,000 Rights Shares upon the full exercise of the outstanding Share Options) proposed to be offered to the Qualifying Shareholders pursuant to the Rights Issue;
"Settlement Date"	means the date being the second business day following (but excluding) the Latest Time for Acceptance or such later date as the Company and the Underwriter may agree;
"SFC"	means the Securities and Futures Commission;
"Share(s)"	means ordinary share(s) of HK\$0.1 each in the share capital of the Company;
"Share Options"	means options to subscribe for Shares granted under the Share Option Scheme;
"Share Option Scheme"	means the share option scheme adopted by the Shareholders on 16 February 2015;
"Shareholder(s)"	means holder(s) of Shares;
"Specified Event"	means an event occurring or matter arising on or after the date hereof and prior to the Latest Time for Termination which if it had occurred or arisen before the date hereof would have rendered any of the warranties contained in Clause 10.1 untrue or inaccurate in any material respect;
"Stock Exchange"	means The Stock Exchange of Hong Kong Limited;
"Subscription Price"	means the proposed issue price of HK\$0.143 per Rights Share at which the Rights Shares are proposed to be offered for subscription pursuant to the Rights Issue;
"subsidiary"	has the same meaning ascribed to it in the Companies Ordinance and "subsidiaries" shall be construed accordingly;
"taken up"	means in relation to any Rights Shares, means those

Rights Shares in respect of which Complying Applications have been received on or before the Latest Time for Acceptance and references to "take up" shall be construed accordingly;

"Takeovers Code" means The Codes on Takeovers and Mergers and Share Buy-backs;

"Underwritten Shares" means no less than 445,645,000 Rights Shares (and a maximum of 465,491,500 Rights Shares upon the full exercise of the outstanding Share Options) (excluding the 145,376,000 Rights Shares (or 146,984,500 Rights Shares, subject to whether Mr. Ting fully exercises his Share Options) which the Fortune Trust Concert Parties have undertaken to subscribe for pursuant to the Deeds of Irrevocable Undertaking); and

"HK\$" means Hong Kong dollars, the lawful currency of Hong Kong.

- 1.2 References to the singular number include the plural and vice versa and references to one gender include every gender. The clause headings in this Agreement are for convenience only and have no legal effect.
- 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 and Recitals are to clauses of and recitals to this Agreement.
- 1.5 References in this Agreement to time are to Hong Kong time.

2. CONDITIONS PRECEDENT

- 2.1 The Rights Issue is conditional upon:
 - (a) the passing of all necessary resolution(s) by the board of directors of the Company to approve the Rights Issue;
 - (b) 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 of the Company (or by their attorneys or agents duly authorised in writing) in accordance with section 342C of the Companies (WUMP) Ordinance as having been approved by resolutions of the directors of the Company (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules, the Companies Ordinance and the Companies (WUMP) Ordinance not later than the Prospectus Posting Date;

- (c) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and a letter in the agreed form to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (d) the Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms) by no later than the first day of dealings in the nil-paid Rights Shares (or such other date as may be agreed between the Company and the Underwriter in writing), and such listing and permission not being withdrawn or revoked prior to the Latest Time for Termination;
- (e) each condition to enable the Rights Shares (in their nil-paid and fully-paid forms) to be admitted as eligible securities for deposit, clearance and settlement in CCASS (other than the listing approval) having been satisfied not later than the business day prior to the first day of dealings in the nil-paid Rights Shares as set out in the Prospectus and no notification having been received by the Company from Hong Kong Securities Clearing Company Limited by such date that such admission or facility for holding and settlement has been or is to be refused;
- (f) the Shares remaining listed on the Stock Exchange at all times prior to the Latest Time for Termination and the current listing of the Shares not having been withdrawn and no indication being received before the Latest Time for Termination from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of this Agreement or for any other reason;
- (g) compliance with and performance by the Company of all undertakings and obligations under the terms of this Agreement by the times specified;
- (h) the obligations of the Underwriter becoming unconditional and that this Agreement not being terminated in accordance with the terms hereof on or before the Latest Time for Termination; and
- (i) all relevant approvals having been obtained from all relevant governmental authorities (where applicable) as the case may require in connection with the Rights Issue by the relevant time that such consent and approval is required and such approvals not being withdrawn or revoked prior to the Latest Time for Termination.

2.2 Subject to Clause 2.3 of this Agreement, the Company shall use all reasonable endeavours to procure the fulfillment of all the Conditions Precedent by the Latest Time for Termination or such other date as the Company and the Underwriter may agree and in particular, the Company shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary to give effect to the Rights Issue and the arrangements contemplated in this Agreement.

The Underwriter shall give the Company all necessary assistance in this connection.

- 2.3 The Underwriter may at any time by notice in writing to the Company waive the Conditions Precedent set out in Clause 2.1(g). Save and except the Conditions Precedent set out in Clause 2.1(g), the other Conditions Precedent are incapable of being waived. In the event of the said Conditions Precedent not being fulfilled or waived on or before the respective dates aforesaid, or if no time or date is specified, by the Latest Time for Termination, or such other date as the Company and the Underwriter may agree, this Agreement shall terminate (save and except Clauses 8.2, 14 and 16 which shall remain in full force and effect) and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

3. PUBLICATION OF THE ANNOUNCEMENT

Subject to approval by the Stock Exchange, the Company shall arrange for the Announcement and all other Prospectus Documents in connection with the Rights Issue to be published on the website of the Stock Exchange and the website of the Company at www.animatechina.com as soon as reasonably practicable following the signing of this Agreement. The Company shall also, in relation to the Rights Shares and/or the grant of permission to deal in and listings as mentioned in Clause 2.1(d), the Company shall make all applications, pay all such fees, supply all such information, give all such undertakings, execute all such documents and do all such things as may be required by the Stock Exchange.

4. THE RIGHTS ISSUE

- 4.1 Subject to fulfillment or waiver of the Conditions Precedent:
- (a) the Company shall offer the Rights Shares to the Qualifying Shareholders by way of the Rights Issue, on the basis of one Rights Share for every two existing Shares held on the Record Date, at the Subscription Price of HK\$0.143 per Rights Share payable in full on acceptance, by posting the Prospectus Documents to Qualifying Shareholders on the Prospectus Posting Date;
 - (b) the Company shall, on the Prospectus Posting Date, post the Prospectus marked "**For information only**" and a letter in agreed form explaining the circumstances in which the Non-Qualifying Shareholders are not permitted to participate in the Rights Issue, without the Provisional Allotment Letter and the Excess Application Form, to the Non-Qualifying Shareholders;
 - (c) no fractions of Rights Shares shall be allotted and the Company shall sell any Rights Shares created from the aggregation of fractions of Rights Shares in nil-paid form (if a net premium can be obtained therefor) and the net proceeds of sale (after deducting the expenses of sale, if any) shall be retained for the benefit of the Company;
 - (d) The Company shall make available for subscription of the Rights Shares by the

Qualifying Shareholders, by means of Excess Application Forms, for:

- (i) any unsold entitlements to the Rights Shares of the Non-Qualifying Shareholders had they been Qualifying Shareholders pursuant to Clause 4.1(b);
 - (ii) aggregation of fractions of Rights Shares which are not sold pursuant to Clause 4.1(c); and
 - (iii) any nil-paid Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders (including but not limited to non-acceptance prior to the Final Acceptance Date) or otherwise not subscribed for by renounces or transferees of nil-paid Rights Shares.
- (e) Application may be made by completing the Excess Application Form for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for. The board of directors of the Company will allocate the excess Rights Shares at its discretion on a pro-rata basis in proportion to the number of excess Rights Shares being applied for under each application. No preference will be made to the Right Shares subscribed through applications by Provisional Allotment Letter(s) or the existing number of Shares held by Qualifying Shareholders. No preference will be given to top up odd lots to whole board lots.
- 4.2 Prior to the despatch of the Prospectus Documents pursuant to Clause 4.1(a), the Company shall deliver to the Underwriter:
- (a) the Company shall deliver to the Underwriter a certified copy of the resolutions authorising the publication of the Prospectus on or before the Prospectus Posting Date; and
 - (b) letter(s) from the auditors or reporting accountants of the Company, as appropriate, addressed to the Company reporting on or confirming the proforma net tangible asset value of the Group, and where necessary, sufficiency of working capital of the Group, indebtedness statement and other financial information if and as required by the Stock Exchange or the SFC to be contained in the Prospectus and consenting to the issue of the Prospectus with the inclusion of their names and the references thereto in the form and context in which they are included.
- 4.3 The parties hereto acknowledge that the Company has 42,910,000 outstanding Share Options as at the date hereof.
- 4.4 The Rights Shares, when allotted, issued and fully-paid, shall rank *pari passu* with the existing Shares then in issue in all respects. Holders of the fully-paid Rights Shares shall be entitled to receive all future dividends and distributions which are declared, made or paid with the record date which falls on or after the date of allotment and issue of the Rights Shares in their fully-paid form.
- 4.5 The Company shall not make available for subscription by the Qualifying Shareholders such Rights Shares representing any Rights Shares for which PAL (accompanied by the appropriate remittances which are honoured on first or, at the discretion of the

Underwriter, subsequent presentation and otherwise in compliance with the procedure for acceptance as described in the Prospectus Documents) have not been lodged prior to the Latest Time for Acceptance and any Rights Shares which would otherwise have been offered to the Non-Qualifying Shareholders.

- 4.6 No fractional entitlements to the Rights Shares will be issued to the Shareholders and no entitlements of the Non-Qualifying Shareholders to the Rights Shares will be issued to the Non-Qualifying Shareholders. The Rights Shares representing such fractional entitlements and entitlements of the Non-Qualifying Shareholders will be aggregated and taken up by the Underwriter.

5. UNDERWRITING OBLIGATIONS AND ACCEPTANCE OF RIGHTS SHARES

- 5.1 The Underwriter shall procure that all necessary consents are obtained from the subscribers and/or sub-underwriters to be appointed by the Underwriter, if any, where applicable, for the publication of its identity, and shall use its best endeavours to ensure that such information is available for incorporation in the announcements or circulars or prospectus relating to this Underwriting Agreement and the transactions contemplated herein to be required to be issued by the Company in accordance with the Listing Rules.

- 5.2 Subject to the provision of this Agreement, the Underwriter's obligations under this Clause shall terminate if, before the Latest Time for Acceptance, PAL and EAF in respect of all Rights Shares have been lodged 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 Underwriter, subsequent presentation (the Rights Shares comprised in PAL (and EAF, as the case may be) which are so lodged together with such remittances are herein referred to as having been "**accepted**").

- 5.3 If, however, by the Latest Time for Acceptance any of the Underwritten Shares have not been taken up, the Company shall as soon as practicable thereafter and in any event before 4:00 p.m. on the first business day after the Latest Time for Acceptance notify or procure the Registrars on behalf of the Company to notify the Underwriter in writing of the number of Underwritten Shares not taken up (which, for the avoidance of doubt, shall have excluded Rights Shares (in the range of 145,376,000 Rights Shares and 146,984,500 Rights Shares, subject to whether there is a the full exercise of outstanding Share Options) which the Fortune Trust Concert Parties have undertaken to subscribe for pursuant to the Deeds of Irrevocable Undertaking), and the Underwriter shall, on fully underwritten basis, subscribe for or procure subscription for the entire number of Underwritten Shares (in the range of 445,645,000 Rights Shares and 465,491,500 Rights Shares, subject to whether there is a the full exercise of outstanding Share Options) respectively pursuant to this Agreement on the terms of the Prospectus Documents (so far as the same are applicable) for such Underwritten Shares by 5:00 p.m. on the Settlement Date.

- 5.4 The Underwriter shall, not later than 5:00 p.m. on the Settlement Date, pay or procure payment to the Company by way of banker's draft or cashier's order drawn on a licensed bank in Hong Kong or by way of bank transfer of the aggregate Subscription Price in

respect of the Underwritten Shares for which he/she/it is obliged to subscribe for or procure subscription in accordance with this Clause, less any amounts payable to the such Underwriter pursuant to Clause 8.1.

- 5.5 As soon as reasonably practicable following receipt by the Company of payment referred to in Clause 5.4, 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 have 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 for the Rights Shares or, where the Underwriter have 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.
- 5.6 For the avoidance of doubt, the Underwriter undertakes to Company that, other than the transactions contemplated under this Agreement and as disclosed (or will be disclosed) in the Announcement and/or the Prospectus Documents, save with the prior consent of the Company, the Underwriter or any of its associates will not deal in the Shares or other securities of the Company from the date of this Agreement to the Settlement Date, provided that, without prejudice to the Underwriter's Obligations stipulated under Clause 6 of this Agreement, in the event that the Underwriter appoints and/or engages any sub-underwriter before the Settlement Date in respect of (a) the sub-underwriting of the Rights Shares; and/or (b) the subscription of the Underwritten Shares not taken up, it shall ensure such sub-underwriter(s) to comply with and to be bound by the terms of this Agreement and shall be liable to the acts of such sub-underwriter(s).
- 5.7 In the event of the Underwriter being called upon to subscribe or procure subscriptions of the Underwritten Shares pursuant to this Agreement, the Underwriter has irrevocably undertaken to the Company that:
- (a) without affecting the Underwriter's obligation to underwrite all the Underwritten shares under this Agreement (whether to underwrite the same by itself or procure sub-underwriting of the same), the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares, which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to trigger a mandatory offer obligation under Rule 26 of Takeovers Code on the part of the Underwriter and parties acting in concert (within the meaning of the Takeovers Code) with it upon completion of the Rights Issue;
 - (b) the Underwriter undertakes and shall use all reasonable endeavours to ensure that each of the sub-underwriters or subscribers or purchasers of the Underwritten Shares procured by it (i) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the Directors, chief executive of the Company or substantial shareholders of the Company or any of their respective associates (as defined in the Listing Rules); (ii) shall not own 10% or more of the total number of Shares in issue immediately upon completion of the Rights Issue; and (iii) shall not, together with any party acting in concert (within the

meaning of the Takeovers Code) with it, hold such number of Underwritten Shares (representing thirty per cent (30.0%) or more of the voting rights of the Company) which will trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of such sub-underwriters or subscribers or purchasers and parties acting in concert (within the meaning of the Takeovers Code) with it upon completion of the Rights Issue; and

- (c) in the event that there is insufficient public float of the Company within the meaning of the Listing Rules immediately upon completion of the Rights Issue because of the Underwriter's performance of its obligations pursuant to Clause 5.3, it confirms and agrees to take such appropriate steps together with the other sub-underwriters as may be reasonably required to maintain the minimum public float for the Shares in compliance with Rule 8.08(1) of the Listing Rules.

- 5.8 The Underwriter shall procure that all necessary consents are obtained from the subscribers and/or sub-underwriters to be appointed by the Underwriter, if any, where applicable, for the publication of its identity, and shall use its best endeavours to ensure that such information is available for incorporation in the announcements or circulars or prospectus relating to this Underwriting Agreement and the transactions contemplated herein to be required to be issued by the Company in accordance with the Listing Rules.

6. OBLIGATIONS OF THE UNDERWRITER

- 6.1 Any transaction carried out by the Underwriter pursuant to Clause 5 (other than the obligation to subscribe for or procure subscription for any Underwritten Shares pursuant to Clause 5.3 and the obligations contained in Clause 6.2) shall constitute a transaction carried out at the request of the Company and as its agent and not in respect of the Underwriter's own account. The Underwriter (in relation to Clause 5) shall not be responsible for any loss or damage to any persons arising from any such transaction, except where such loss or damage arises from the breach by the Underwriter of their obligations under this Agreement or the gross negligence or willful default or omission of the Underwriter or any agent appointed by them for such purpose.
- 6.2 In acting as agent of the Company 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, and in particular, but without prejudice to the generality of the foregoing, shall ensure that all offers made by it of the Rights Shares are made only in compliance with all applicable law and regulation and do not require the registration of the Prospectus Documents or any of them or any other document as a prospectus or otherwise in any jurisdiction other than Hong Kong and the Cayman Islands and the Underwriter shall not make or purport to make on behalf of the Company any representation or warranty not contained in the Prospectus Documents.
- 6.3 If the Underwriter shall default in complying with its obligations under Clause 5.3, the Company is hereby irrevocably authorised to treat this Agreement as an application by the Underwriter, on and subject to the terms and conditions and on the basis of the information contained in the Prospectus Documents (other than as to the time of application and payment which shall be dealt with in accordance with Clauses 5.3 and

5.4), for such Underwritten Shares which have not been taken up and to allot and issue the same to the Underwriter upon such terms and conditions. In such event, the Underwriter shall pay to the Company the aggregate Subscription Price in respect of the Underwritten Shares for which it is obliged to subscribe or procure subscription in accordance with Clause 5.3 less any amounts payable to the Underwriter pursuant to Clause 8.1 against delivery by the Company to such Underwriter (or as it may direct) of such documentary evidence of entitlement to the relevant Underwritten Shares as is reasonably satisfactory to the Underwriter.

7. ALLOTMENT AND ISSUE

- 7.1 Subject to the fulfilment or waiver of the Conditions Precedent, the Company shall, as soon as practicable after the Latest Time for Acceptance, but not later than 4:00 p.m. on the Settlement Date, duly allot and issue the Rights Shares validly accepted and applied for and paid for and shall issue and deliver certificates for the Rights Shares to the relevant subscribers in accordance with the terms of the Prospectus Documents.
- 7.2 The Underwritten Shares taken up by the Underwriter or for which they have procured subscription as provided in Clause 5.3 will be duly allotted and issued and certificates in respect thereof, or evidence that the same has been deposited into investor participant or CCASS participant stock account designated by the Underwriter, will be delivered to the Underwriter or as they may direct as soon as is reasonably practicable following receipt by the Company of payment as provided in Clause 5.4 in accordance with Clause 5.5.

8. FEES AND EXPENSES

- 8.1 In consideration of the Underwriter's services and provided the Rights Issue and this Agreement shall have become unconditional and the Rights Issue shall have been completed in accordance with its terms and the Underwriter shall have fulfilled all its material obligations hereunder (whether or not the Underwriter is called upon to subscribe or procure subscribers for the Untaken Shares pursuant to Clause 4), the Company shall pay to the Underwriter:
- (a) to the Underwriter an underwriting commission in the sum of ranging from HK\$4,505,515.50 to approximately HK\$4,706,165.61 million (an amount equivalent to 7.07% of the aggregate subscription amount in respect of the Underwritten Shares); and
 - (b) to the Underwriter all costs, fees and out-of-pocket expenses reasonably incurred by such Underwriter in the performance of its obligations under this Agreement.
- 8.2 The amount referred to in Clause 8.1 shall not be payable if this Agreement does not become unconditional or if it is terminated by the Underwriter pursuant to Clause 11.
- 8.3 Out of the commission referred to in Clause 8.1(a), the Underwriter will pay any commissions, costs and expenses incurred by it in respect of the sub-underwriting of

the Underwritten Shares.

- 8.4 The amounts payable pursuant to Clause 8.1 may be withheld by the Underwriter from any payment to be made by the Underwriter to the Company pursuant to Clause 5.4. In the event of the Underwriter not being called upon to subscribe or procure subscription pursuant to Clause 5.3 and/or the amount of the subscription moneys payable by the Underwriter being less than the full amount payable by the Company under Clause 8.1, 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 date of despatch of the share certificate in respect of the Rights Shares or such other date as may be agreed between the Company and the Underwriter.
- 8.5 The Company shall bear its own legal fees, accountancy and other professional fees, the Registrars' fees, the cost of printing and distributing the Announcement and the Prospectus Documents and all other costs, charges and expenses relating to the issue of the Rights Shares and associated transactions (including, without limitation, all fees payable to the Stock Exchange in connection with the listing of the Rights Shares and capital duty (if any) payable on the increase or issue of its share capital). The Company shall forthwith upon request by the Underwriter reimburse the Underwriter for any such expenses as are referred to above which the Underwriter may have properly paid or incurred on behalf of the Company.
- 8.6 Subject to Clauses 5.6 and 6 of this Agreement, the Underwriter may enter into sub-underwriting arrangement with sub-underwriter(s) or appoint any person to be sub-agent(s) on its behalf for the purpose of arranging for the subscription of the Underwritten Shares with selected subscribers with such authority and rights as the Underwriter have pursuant to its appointment under this Agreement.

9. **CONFIDENTIALITY**

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 or to the SFC 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 hereof and, when all the Underwritten Shares are taken up, the Latest Time for Acceptance or, in any other case, the time at which the Underwriter are obliged to make payment under Clause 5.4, without prior written approval from the Company and the Underwriter as to the content, timing and manner of making or despatch thereof which approval shall not be unreasonably withheld or delayed.

10. **REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

- 10.1 The Company represents and warrants to and undertakes with the Underwriter in the following terms:
- (a) the Recitals are true and accurate in all material respects;

- (b) all statements contained or to be contained in the Announcement or in the Prospectus Documents are and will at the date of issue thereof supplied to the Underwriter by the Company or its advisers for the purpose of the Rights Issue 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;
- (c) there will be no information not disclosed in the Prospectus Documents that (a) 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 (b) is necessary to enable investors to make an informed assessment of the activities, assets and liabilities, financial position, management, profits and losses and prospects of the Company and of the rights attaching to the Rights Shares;
- (d) 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 two financial years 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. There has been no material adverse change in the financial or trading position of the Group since the Audited Accounts Date;
- (e) 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 dispute with the relevant revenue or other appropriate authorities which is material adverse to the Group 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;
- (f) all information necessary for the purpose of, or in the course of preparation of, the Announcement and the Prospectus, or which ought reasonably to have been disclosed or made available by the Company or the Directors was so disclosed or made available to the Underwriter or its legal advisers fully, fairly and accurately;
- (g) 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;
- (h) 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 material adverse effect on the financial position of the Company and its subsidiaries taken as a whole or which may have or has had a material adverse effect in the context of the Rights Issue;

- (i) except as has been disclosed by the Company by public announcement to Shareholders, neither the Company nor any of its subsidiaries has entered into any contract or commitment of an unusual or onerous nature which, in the context of Rights Issue, might be material for disclosure;
- (j) the Company and its subsidiaries have 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;
- (k) 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 judgment which is material adverse to the condition of the Company is outstanding against the Company or any of its subsidiaries;
- (l) the Prospectus Documents will contain all particulars and information required by, and will be in accordance with the Companies (WUMP) Ordinance, the Listing Rules, the rules and regulations of the Stock Exchange and all other relevant statutory provisions and governmental regulations in Hong Kong and the Cayman Islands 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;
- (m) no material outstanding indebtedness or guarantee or indemnity of any liability of the Company or any of its subsidiaries has become payable by reason of default by the Company or any of its subsidiaries and no event has occurred or is pending which with the lapse of time or the fulfillment of any condition or the giving of notice or the compliance with any other formality may result in any such indebtedness or guarantee or indemnity of any liability becoming so payable;
- (n) the Company shall not from the date hereof until after the Latest Time for Acceptance issue any Shares or issue or grant any share options or other securities convertible into, exchangeable for or which carry rights to acquire Shares;
- (o) subject to fulfilment of the Conditions Precedent set out in Clause 2.1 of this Agreement, the Company has power under its constitutional documents to, and

has taken all necessary corporate or other action to enable it to, enter and perform its obligations under this Agreement and to make the Rights Issue, to allot and issue the Rights Shares and to deal with the Rights Shares attributable to the Overseas Shareholders as may be specified in the Prospectus Documents and no other consents, actions, authorisations or approvals are necessary to enable or authorise it to do any of the aforesaid;

- (p) to issue and allot the Rights Shares in accordance with the Prospectus Documents without any sanction;
 - (q) the Rights Shares, when allotted, issued and fully-paid, will be issued free from all liens, charges, encumbrances and third party rights, interests or claims of any nature whatsoever and will rank *pari passu* in all respects among themselves and with the Shares then in issue on the date of allotment and issue of the Rights Shares; and
 - (r) the obligations of the Company under this Agreement constitute legally valid and binding obligations of the Company enforceable in accordance with the terms herein.
- 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. Each of the representations, warranties and undertaking contained in Clause 10.1 shall be construed separately and shall not be limited or restricted by reference to or inference from the terms of any other of the representations, warranties and undertaking or any other terms of this Agreement. If this Agreement is not rescinded pursuant to Clause 11, 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 completion of the Rights Issue.
- 10.5 Notwithstanding any other provisions of this Agreement, no claim shall be brought by the Underwriter against the Company under or in respect of any of the warranties of the Company, or otherwise in connection with this Agreement or any other document entered into pursuant to or in connection therewith or the transactions contemplated hereunder, unless written notice of the claim (specifying in reasonable detail the matter, event or default to which the claim relates, the nature of the claim and the amount claimed in respect thereof, detailing the calculation of the loss thereby alleged to have been suffered) has been given to the Company on or before the expiry of the period of twelve (12) months following the Prospectus Posting Date.
- 10.6 Notwithstanding any other provisions of this Agreement, the Underwriter represents, warrants and undertakes that, as at the date of this Agreement, it is a third party independent of, not acting in concert (within the meaning of the Takeovers Code) with

and not connected with the Company, any of the Directors, chief executive of the Company or substantial shareholders of the Company or any of their respective associates (as defined in the Listing Rules).

11. TERMINATION AND FORCE MAJEURE

11.1 If prior to the Latest Time for Termination:

- (a) the Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that any of the warranties or undertakings in this Agreement being untrue, inaccurate, misleading or breached, or there is any matter which would reasonably be expected to give rise to a material breach or claim, and in each case the same is (in the reasonable opinion of the Underwriter) material in the context of the Rights Issue; or
- (b) there shall be:
 - (i) any introduction of any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong or elsewhere;
 - (ii) any event or circumstance in the nature of force majeure (including, without limitation, any act of government, any local, national or international event or change of a political, financial, economic or other nature affecting local securities markets, economic sanctions, strike or lock-out (whether or not covered by insurance), riot, fire, explosion, flooding, earthquake, civil commotion, act of terrorism (whether or not responsibility has been claimed), act of God, declaration of a state of emergency or calamity or crisis, in Hong Kong and Cayman Islands;
 - (iii) 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 of trading in securities) occurs;
 - (iv) any act of God, riot, public disorder, civil commotion, fire, flood, explosion, terrorism, strike or lock-out occurred after the signing of this Agreement;
 - (v) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ninety (90) consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements in connection with the Rights Issue or for such events as required under the Listing Rules not caused by any default or breach of the Listing Rules by the Company;
 - (vi) the Company's application to the Listing Committee for the permission for the listing of, and permission to deal in, the Rights Shares (in their

nil-paid and fully-paid forms) on the Stock Exchange is withdrawn by the Company and/or refused or revoked by the Stock Exchange;

- (vii) the occurrence of any Specified Event which is incapable of being waived by the Underwriter; or
- (viii) any change or development involving a prospective change in taxation or exchange controls in Hong Kong or elsewhere,

which is or are, in the reasonable opinion of the Underwriter:-

- (a) likely to have a material adverse effect on the business, financial position or prospects of the Group taken as a whole; or
- (b) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

then the Underwriter may, by notice in writing given to the Company on or before the Latest Time for Termination, terminate this Agreement and the Rights Issue shall not proceed.

- 11.2 Upon termination pursuant to Clause 2.3 or upon the giving of notice pursuant to this Clause 11, all obligations of the Underwriter hereunder shall cease and determine and no Party shall have any claim against the other Party in respect of any matter or thing arising out of or in connection with this Agreement, but without prejudice to any rights of any party in respect of any breach by the other Party prior to such rescission or termination.

12. TIME OF THE ESSENCE

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.

13. NOTICES

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

<u>Party</u>	<u>Address</u>	<u>Facsimile number</u>
The Company	Suites 2905 29/F China Resources Building 26 Harbour Road, Wanchai Hong Kong	2180-9699

Attn: Mr. Chong Heung Chung Jason

Underwriter 7/F Central 88, 88-98 Des Voeux Road 3102-3023
Central, Central, Hong Kong
Attn: Mr. Elvis Lam

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

14. MISCELLANEOUS

- 14.1 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.
- 14.2 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.
- 14.3 This Agreement shall be binding on and ensure for the benefit of each party's personal representative, successors and (where permitted) assignees.
- 14.4 No part of this Agreement may be assigned by any party without the prior written consent of the other party hereto.
- 14.5 Each of the parties hereto shall give all such assistance and provide all such information as the other party (or either of them) shall require for the purposes of this Agreement and shall execute and do all such documents acts and things as the other party (or either of them) may require in order to give effect to the terms of this Agreement.
- 14.6 If at any time one or more of the provisions of this Agreement is or becomes invalid, illegal, unenforceable or incapable of performance in any respect, the validity, legality, enforceability or performance of the remaining provisions of this Agreement shall not thereby in any way be affected or impaired.

15. CONTRACTS (RIGHTS OF THIRD PARTIES) ORDINANCE

The Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) shall not apply to this Deed and unless specifically herein provided no person other than the Parties shall have any rights under it nor shall it be enforceable by any person other than the Parties.

- 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 court of Hong Kong but this Agreement may be enforced in any other court in competent jurisdiction.

[The remainder of this page is intentionally left blank.]

UNDERWRITER

SIGNED by Miss Wong Lok Wa)
)
its director(s) / authorised signature(s) (duly)
authorised by resolution of the board of)
directors) for and on behalf of)
RAFFAELLO SECURITIES (HK))
LIMITED)
whose signature(s) is/are verified by / in the)
presence of:

For and on behalf of
RaffAello Securities (HK) Limited


.....
Authorized Signature(s)

Signature of witness: 

Name of witness: Mr. Tsang Kin Hung

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

THE COMPANY

SIGNED by **Mr. Chong Heung Chung Jason**)
)
its director(s) / authorised signature(s) (duly)
authorised by resolution of the board of)
directors) for and on behalf of **CA**)
CULTURAL TECHNOLOGY GROUP)
LIMITED)
whose signature(s) is/are verified by / in the)
presence of:

For and on behalf of
CA Cultural Technology Group Limited
華夏文化科技集團有限公司


Authorized Signature(s)

Signature of witness: 

Name of witness: LUK SIK TAT