

DATED 1 JUNE 2021

**THE PERSON WHOSE NAME IS SET OUT
IN SCHEDULE 1**

and

CHINA TONGHAI SECURITIES LIMITED

and

**XINYANG MAOJIAN GROUP
LIMITED**

**PLACING AGREEMENT
relating to
shares in the capital of
XINYANG MAOJIAN GROUP LIMITED**

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THIS PLACING AGREEMENT is made on 1 June 2021

BETWEEN:

- (1) **THE PERSON WHOSE NAME IS SET OUT IN SCHEDULE 1 ("Vendor");**
- (2) **CHINA TONGHAI SECURITIES LIMITED**, a company incorporated under the laws of Hong Kong with its registered office at 18/F & 19/F, China Building, 29 Queen's Road Central, Central, Hong Kong ("**Placing Agent**"); and
- (3) **XINYANG MAOJIAN GROUP LIMITED**, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability having its registered office at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda and its principal place of business in Hong Kong at Room 4007, 40/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong ("**Company**").

RECITALS :

- (A) The Company was incorporated with limited liability in the Cayman Islands and continued in Bermuda.
- (B) At the date hereof, the Company has an authorised share capital of HK\$500,000,000 divided into 5,000,000,000 Shares of HK\$0.1 par value each, of which 1,503,707,319 Shares have been issued and are fully paid up.
- (C) All of the issued Shares are currently listed on Main Board of the Stock Exchange.
- (D) The Placing Shares are fully paid up or credited as fully paid up, and beneficially owned by the Vendor in the proportion as set out in Schedule 1.
- (E) The Vendor has agreed to appoint the Placing Agent, and the Placing Agent has agreed to act as his sole placing agent, for the purpose of procuring, as agent of the Vendor and on a best effort basis, purchasers for the Placing Shares, on the terms and subject to the conditions set out in this Agreement.
- (F) As part of the arrangements for the Placing, the Vendor has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue to the Vendor the Subscription Shares on the terms and conditions contained in the Subscription Agreements.
- (G) The Company has agreed to enter into this Agreement on certain matters relating to the Placing Shares which are placed by the Vendor for the sole purpose of facilitating completion of the Subscription Agreement.
- (H) The Subscription Shares are to be allotted and issued pursuant to the General Mandate.

- (I) Application shall be made to the Stock Exchange by the Company for the listing of, and permission to deal in, the Subscription Shares.
- (J) Prior to the date of this Agreement, the General Mandate has not been exercised by the directors of the Company.

THE PARTIES AGREE THAT:

1. DEFINITIONS AND INTERPRETATION

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

“Agreement”

means this placing agreement as amended or varied from time to time by an agreement in writing duly executed by the Parties;

“associate”

has the meaning ascribed to it under the Main Board Listing Rules;

“Business Day”

means any day (excluding Saturday, Sunday, public holidays and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks generally are open for business in Hong Kong;

“CCASS”

means the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;

“Closing Date”

means the fourth Business Day from the Transaction Date;

“Companies Ordinance”

means the Companies Ordinance (Cap. 622 of the Laws of Hong Kong);

“Main Board”

means the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange;

“Main Board Listing Rules”

means the Rules Governing the Listing of Securities on the of Stock Exchange ;

“General Mandate”

means the general mandate granted to the directors of the Company at the annual general meeting of the Company on 9 December 2020;

“Group”

means the Company and its Subsidiaries and the expression “member of the Group” shall be construed accordingly;

“HK\$”

means the lawful currency of Hong Kong;

“Hong Kong”

means the Hong Kong Special Administrative Region of the People’s Republic of China;

“Parties”

means the named parties to this Agreement and their respective successors and permitted assigns;

“Placee”

means any professional institutional or other investor independent of and not connected with the Company, the Vendor, the directors, chief executive and substantial shareholders (as those terms are defined in the Main Board Listing Rules) of the Company, its Subsidiaries and their respective associates procured by or on behalf of the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agent’s obligations hereunder;

“Placing”

means the offer by way of a private placing of the Placing Shares on a best effort basis by or on behalf of the Placing Agent to selected Placees on the terms and subject to the conditions set out in this Agreement;

“Placing Announcement”

means the announcement in the agreed form proposed to be issued by the Company following the execution of this Agreement;

“Placing Period”

means the period commencing upon the execution of this Agreement and terminating at completion on the Closing Date, unless terminated earlier pursuant to Clause 7;

“Placing Price”

means the price of HK\$0.3 per Placing Share;

“Placing Shares”

means a total of up to 100,000,000 Shares to be sold by the Vendor under the Placing at the Placing Price;

“Proceedings”

means any legal action or proceedings in connection with this Agreement;

- “Shares”**
means ordinary shares of HK\$0.1 par value each in the share capital of the Company
- “SFC”**
means the Securities and Futures Commission of Hong Kong;
- “SFO”**
means the Securities and Futures Ordinance (Cap 571 of the Laws Hong Kong);
- “Stock Exchange”**
means The Stock Exchange of Hong Kong Limited;
- “Subscription Agreement”**
means the agreement dated the date of this Agreement between the Vendor and the Company pursuant to which conditional upon completion of the Placing taking place pursuant to Clause 3, the Vendor will subscribe for such number of Subscription Shares equivalent to the number of Placing Shares placed by the Placing Agent pursuant to the Placing on the terms set out herein;
- “Subscription Closing Date”**
means the date on which completion of the subscription of Subscription Shares by the Vendor in accordance with the Subscription Agreements takes place;
- “Subscription Shares”**
means new Shares the number of which are specified in the Subscription Agreements and which are to be subscribed by the Vendor in accordance with the Subscription Agreements
- “Subsidiary”**
has the same meaning as in Section 15 of the Companies Ordinance as at the date hereof;
- “taxation” and “tax”**
means all forms of taxation whether of Hong Kong or elsewhere in the world whenever imposed and all statutory, governmental, state, provincial, local governmental or municipal impositions, duties and levies and all penalties, charges, costs and interests relating thereto; and
- “Transaction Date”**
means the date on which the input of the sale and purchase of the Placing Shares into the CCASS occurs.

1.2 Construction and Certain References

- (A) Any reference to a document being "*in the agreed form*" means in the form of the document or the draft thereof signed for identification by or on behalf of the Vendor, the Company and the Placing Agent with (in the case of a draft) such alterations (if any) as may be agreed between the Vendor, the Company and the Placing Agent.
- (B) References in this Agreement to persons include references to bodies corporate and references to the singular include references to the plural and vice versa.
- (C) References to Recitals and Clauses are references to the recitals and clauses of this Agreement.
- (D) In this Agreement (save as otherwise expressly stated herein), references to any statute, statutory provision or Main Board Listing Rules includes a reference to that statute, statutory provision or Main Board Listing Rules as from time to time, amended, extended or re-enacted.
- (E) In this Agreement, where any statement is qualified by the expression "so far as the Vendor is aware" that statement shall be deemed to include an additional statement that it has been made after due and careful enquiry.

1.3 Headings: Headings are inserted for convenience only and shall not affect the interpretation of this Agreement.

2. APPOINTMENT OF THE PLACING AGENT AND THE PLACING

2.1 Appointment: Subject to the provisions of this Agreement, the Vendor hereby appoint the Placing Agent as agent to the exclusion of all others and the Placing Agent, relying on the representations, warranties and undertakings herein contained and subject to the conditions as hereinafter mentioned, agrees as agent for the Vendor during the Placing Period to place, on a best effort basis, to not less than six(6) Places, the Placing Shares at the Placing Price (together with such Hong Kong stamp duty, Stock Exchange trading fee and SFC transaction levy as may be payable by the buyers). For the avoidance of doubt, the Placing Agent shall under no circumstances be liable or obligated to take up any Placing Shares which are not successfully placed under the Placing.

2.2 Powers: The Vendor hereby confirms that this appointment confers on the Placing Agent all powers, authorities and discretion on behalf of the Vendor which are reasonably and properly necessary for, or reasonably incidental to, the lawful making of the Placing (including, without limiting the foregoing and if necessary, the completion of the relevant sale notes on behalf of the Vendor, the submission of such sale notes and other documents for stamping and appointment of any subsidiary or holding company of the Agent for the purposes of arranging the Placing) and hereby agrees to ratify and confirm everything which the Placing Agent may lawfully, reasonably and properly do in the exercise of such powers, authorities and discretion in strict accordance with this Agreement.

2.3 Sale: The Vendor shall sell or procure the sale of the Placing Shares to be sold on his behalf pursuant to the Placing free from all liens, charges and encumbrances and together with all rights attaching to them as at the date of this Agreement, including the right to receive all dividends declared, made or paid on or after the date of this Agreement.

2.4 Placing: The Parties agree to the following:

- (A) The Placing Shares shall be offered by the Placing Agent to Placees in board lots of 10,000 Placing Shares. The choice of Placees for the Placing Shares shall be determined solely by the Placing Agent, subject to the requirements of all applicable laws, rules and regulations including without limitation the Main Board Listing Rules and provided always that no Placing Shares shall be offered to or placed in circumstances which would constitute an offer to the public in Hong Kong within the meaning of the Companies Ordinance or in any other place or in any manner in which the securities laws or regulations of any place may be infringed. The Vendor shall inform the Placing Agent as soon as possible if it is aware of any intention by any connected person of the Company to acquire any of the Placing Shares.
- (B) The Placing Agent confirms and undertakes to the Vendor that it will comply with the selling restrictions and other provisions set out in Schedule 2.
- (C) The Placing Shares to be offered by the Placing Agent to the Placees shall be in the sequence that the Placing Shares are owned, that is, those Placing Shares owned by Chan Yuen Tung shall be firstly all offered to the Placees.

2.5 Sub-Agents: The Vendor hereby acknowledges, confirms and agrees that the Placing Agent, in performing its functions under this Clause 2, is authorised to appoint one or more sub-placing agents and that such agents shall be agents of the Placing Agent in arranging the placing of the Placing Shares with and despatching documents relating to the Placing to Placees on the terms of and subject to the provisions of this Agreement and subject to the Placing Agent indemnifying all acts done by its sub-placing agents. The Vendor hereby authorises and confirms that he will forthwith upon request by the Placing Agent ratify and approve all action legally, properly and reasonably taken or to be taken by such agents and the Placing Agent in connection with the Placing in accordance with the terms of this Agreement. All fees, commissions, costs, charges and expenses of such agents shall be paid and borne by the Placing Agent out of the commissions, costs, charges and expenses payable by the Vendor under Clause 5. Subject to the terms of this Agreement, the Placing Agent may enter into any agreements with any of such agents for such purpose.

2.6 Agency: Any transaction legally, properly and reasonably carried out by the Placing Agent (and any sub-placing agent referred to in Clause 2.5) under and in accordance with this Agreement on behalf of the Vendor shall constitute a transaction carried out at the request of the Vendor and as their agent (and not as principal) and not in respect of the Placing Agent's own account and the Placing Agent shall not be responsible for any loss or damage to any persons (including the Vendor) arising

from any such transaction or for any alleged insufficiency of the price at which the Placing Shares are sold hereunder except (i) for any loss or damage arising out of any fraud, default or gross negligence on the part of the Placing Agent or any sub-placing agent or (ii) as a result, directly or indirectly, of any material non-compliance by the Placing Agent with its obligations under this Agreement or any material non-compliance by any sub-placing agent with any of the provisions set out in Schedule 2.

2.7 Offer for sale: The Placing Shares shall be offered by the Placing Agent as agent for the Vendor on a best effort basis at the Placing Price (together with such Hong Kong stamp duty, Stock Exchange trading fee and SFC transaction levy as may be payable by buyers) during the period from the date of this Agreement up to the close of the Placing Period.

2.8 Election to purchase ; At any time the Placing Agent or its nominees may elect to purchase some or all of the Placing Shares as principal from the Vendor at the Placing Price and, in that event, such Placing Shares may be on-sold to investors at any price(s) as the Placing Agent may determine, without any obligation to notify the Vendor of the price(s) at which such Placing Shares are sold to investors, provided that the Placing Agent or its nominees, if any, shall bear any stamp duty payable and all other taxes, levies, costs and expenses in respect of such re-sales as principal.

2.9 Selection of brokers to report: The Placing Agent may select brokers of its choice to report the transaction to the Stock Exchange and to effect the transaction on the Stock Exchange as a crossing on the Stock Exchange (if applicable).

3. COMPLETION

3.1 CCASS deposit: On or before 12:00 noon on the Closing Date, the Vendor shall transfer and procure the transfer of the Placing Shares into the designated CCASS stock account of the Placing Agent to be notified by the Placing Agent to the Vendor in writing as soon as practicable after the execution of this Agreement.

3.2 CCASS completion: The completion of this Agreement shall take place in accordance with the provisions of Schedule 3.

4. UNDERTAKINGS

4.1 Information: The Vendor hereby undertakes to provide the Placing Agent, at its reasonable request, with all such information known to it and relating to the Group as may be reasonably required by the Placing Agent in connection with the Placing for the purposes of complying with all requirements of applicable law (including any due diligence defences) or of the Stock Exchange or of the SFC.

4.2 Significant change: The Vendor shall procure that particulars of every significant new factor known to it which is in its reasonable opinion capable of materially affecting assessment of the Placing Shares in the context of the Placing which arises between the date hereof and the Closing Date shall be promptly provided to the Placing Agent prior to the Closing Date.

- 4.3 **Further assurance:** Without prejudice to the foregoing obligations, the Vendor undertakes with the Placing Agent that it shall do all such other acts and things as may be reasonably required to be done by it to carry into effect the Placing in accordance with the terms of this Agreement.
- 4.4 **Connected persons:** the Vendor shall notify the parties connected with it and the associates of any such persons that they should not acquire any Placing Shares and shall, in any event, promptly notify the Placing Agent if it becomes aware that any party connected with the Vendor or any of his associates intends to acquire any Placing Shares.
- 4.5 **Disclosure of interests:** The Vendor shall, and shall procure that his relevant associates shall, make the filings he/she is required to make pursuant to Part XV of the SFO within the time limit specified in the SFO.
- 4.6 **Subscription Agreement:** The Vendor undertakes to the Placing Agent that it will not and will procure that the Company will not vary the provisions of the Subscription Agreement without first having obtained the written consent of the Placing Agent (whose consent shall not be unreasonably withheld or delayed). The expression "vary" shall include any variation, supplement, deletion or replacement howsoever effected.

5. **PAYMENT OF FEES, COMMISSIONS AND EXPENSES**

- 5.1 **Fees, commissions and expenses:** In consideration of the services of the Placing Agent in relation to the Placing, the Vendor shall pay to the Placing Agent:
- (A) provided that completion of the Placing occurs in accordance with Clause 3, a placing commission (which shall include sellers brokerage), in Hong Kong dollars, of 1.5% of the amount equal to the Placing Price multiplied by the actual number of Placing Shares, which amount the Placing Agent is hereby authorised to deduct from the payment to be made by it to the Vendor pursuant to Schedule 3 as applicable;
 - (B) Hong Kong seller's stamp duty (if any) at the rate of HK\$1.00 per HK\$1,000 or any part thereof on the amount equal to the Placing Price multiplied by the number of Placing Shares which amounts the Placing Agent is hereby authorised to deduct from the payments to be made by it to the Company pursuant to Schedule 3 as applicable;
 - (C) seller's Stock Exchange trading fee and SFC transaction levy, if any, and fixed stamp duty on the instrument of transfer as may be payable in respect of the sale and transfer of the Placing Shares to the Placees or, as appropriate, the Placing Agent or its nominee, which amounts the Placing Agent is hereby authorised to deduct from the payments to be made by it to the Vendor pursuant to Schedule 3 as applicable for the purposes of paying on the Vendor's behalf such costs, charges, fees and expenses;

- (D) any printing or publishing costs associated with the Placing and the issue of the Placing Announcement, and unless the Placing Shares are to be delivered in board lots or through CCASS, all charges, fees and expenses of the Company's share registrars in Hong Kong including (without limitation) their fees and expenses in effecting the transfer of the Placing Shares, and the issue of certificates therefor in board lots, to the Placees or, where applicable, the Placing Agent or their nominees, which amounts the Placing Agent is hereby authorised to deduct from the payments to be made by them to the Vendor pursuant to Clause 5.1 for the purposes of paying on the Vendor's behalf such costs, charges, fees and expenses; and
- (E) the Placing Agent is hereby authorised (without conditions) to deduct all the costs and expenses incurred by the Placing Agent (excluding its legal costs) in connection with the Placing from such payments to be made by it to the Vendor pursuant to this Clause 5.1.

5.2 Failure to complete: Subject to Clause 5.3, if for any reason (other than any breach by the Placing Agent of its obligations hereunder) the Placing is not completed, the Vendor shall remain liable at all times for the payment of the stamp duty and levy referred to in Clauses 5.1(B), 5.1(C), 5.1(D) and 5.1(E) to the extent already incurred.

5.3 Termination: If this Agreement is terminated pursuant to Clause 7, the Vendor shall remain liable to the Placing Agent for the payment of all reasonable costs, charges and expenses referred to in Clauses 5.1(B), 5.1(C), 5.1(D) and 5.1(E) to the extent already properly incurred or paid by the Placing Agent.

5.4 Brokerage: The Vendor hereby agrees that, in addition to the commissions, costs, charges and expenses referred to in Clause 5.1, the Placing Agent shall be entitled to keep for its own account any brokerage that it may receive from the Placees.

5.5 Payment: All payments to be made by the Vendor pursuant to this Clause 5 shall be made in full without any set-off, deduction or withholding whatsoever.

5.6 Vendor's expenses: All costs, fees, placing commission and expenses incurred by the Vendor in connection with the Placing, including the costs of its legal and other professional advisers and out-of-pocket expenses, shall be borne by the Company absolutely.

6. REPRESENTATION AND WARRANTIES

6.1 Representations and warranties: In consideration of the Placing Agent entering into this Agreement and agreeing to perform its obligations hereunder, the Vendor hereby warrants and represents to and for the benefit of the Placing Agent as follows:

- (A) the Placing Shares are fully paid up and the Vendor is the beneficial owner of the Placing Shares and have the necessary power and authority to enable it to sell the Placing Shares to be sold by it hereunder free from any lien, charge, encumbrance or third party right whatsoever and together with all

rights attaching thereto at the Closing Date and the Company has not exercised any lien over any of the Placing Shares; the Placing Shares constitute legal, valid and binding obligations of the Company enforceable against the Company in accordance with their terms; and the Placing Shares are fully paid up and rank pari passu in all respect with the other issued Shares;

- (B) the Company and the Vendor is duly incorporated and validly existing under the laws of the place of its incorporation with power to conduct its business in the manner presently conducted and the information contained in the Recitals to this Agreement is true and accurate;
- (C) all necessary consents, approvals and authorisations have been obtained to enable the Vendor to sell the Placing Shares, the Vendor has power to enter into this Agreement and when duly executed will constitute valid and legally binding and enforceable obligations of the Vendor;
- (D) save as previously disclosed to the public and so far as the Vendor is aware there is no litigation, arbitration or other legal proceedings in progress or pending against any member of the Group which if decided adversely to the relevant member of the Group would have or have had a material adverse effect on the financial position of the Group (taken as a whole) or the Company and which is material in the context of the Placing;
- (E) save as previously disclosed to the public and so far as the Vendor is aware there has been no material adverse change in the financial position of the Company since 31 March 2021 and there has been no development or occurrence relating to the financial or business condition or prospects of the Vendor, the Company or the Group which is not in the public domain and which would reasonably be expected to be material to potential purchasers of the Shares;
- (F) all statements of fact about the Company and the Vendor contained in the Placing Announcement are true and accurate in all material respects and not misleading in the context of the Placing and all statements of opinion, intention or expectation of the directors of the Company in relation to the Company or any of its Subsidiaries contained therein are truly and honestly held and have been made after due and careful consideration and there is no other fact or matter omitted therefrom the omission of which would make any statement therein misleading or which is otherwise material in the context of the Placing;
- (G) so far as the Vendor is aware, and the information released publicly in Hong Kong or elsewhere by the Group is accurate and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading;
- (H) so far as the Vendor is aware no material outstanding indebtedness of the Company has become payable or repayable by reason of any default of the

Company and so far as the Vendor is aware no event has occurred which, with the lapse of time or the fulfilment of any condition or the giving of notice or the compliance with any formality, may result in such indebtedness becoming payable or repayable prior to its maturity date or in a demand being made for such indebtedness to be paid or repaid;

- (I) the audited consolidated balance sheet and profit and loss account of the Company for the financial year ended on 30 June 2020, and the unaudited consolidated financial statements for the period commencing from 1 July 2020 up to and including 31 December 2020:
 - (1) have been prepared on a consistent basis, save as disclosed therein, and in accordance with generally accepted accounting principles, in, and pursuant to the relevant laws of, Hong Kong; and
 - (2) show a true and fair view of the state of affairs of the Group as at 30 June 2020 or 31 December 2020 (as appropriate) and of its results for the period in question.
- (J) save as previously disclosed to the public in writing or otherwise than in the ordinary course of business, none of the Company or its Subsidiaries has entered into a material contract or commitment of an unusual or onerous nature which, in the context of the Placing might be material for disclosure and each such company has carried on its business in the ordinary and usual course.
- (K) save as publicly disclosed by the Group and so far as the Vendor is aware, there are no outstanding securities issued by the Company or its subsidiaries which are convertible into or exchangeable for Shares, or warrants, rights or options to purchase Shares from the Company or its subsidiaries, nor are there other or similar arrangements approved by the board of directors of the Company or the general meeting of shareholders of the Company providing for the issue or purchase of Shares or the subscription for Shares and no unissued share capital of the Company is under option or agreed conditionally or unconditionally to be put under option (save for the transactions contemplated under the Subscription Agreement);
- (L) neither the Vendor nor any of his associates is in violation or breach of, and the execution and delivery by the Vendor of this Agreement and performance by the Vendor of his obligations under this Agreement do not and will not contravene any provision of, (i) applicable laws and regulations (including, without limitation, the SFO and other applicable laws and regulations) against "insider trading" or any other form of "market misconduct" (each as defined in the SFO), (ii) applicable laws and regulations relating to the requirement to make an announcement or announcements in connection with the Placing or the other transactions contemplated in this Agreement, (iii) the rules of any securities exchange, (iv) any agreement or other instrument binding upon or applicable to the Vendor or to which any of the property or assets of the Vendor is subject or

(v) any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Vendor or any of his assets; and

(M) the Placing is not in contravention of any applicable law or regulation binding on the Vendor.

6.2 **Period:** The representations and warranties set out in Clause 6.1 are given as at the date hereof and shall be deemed to be repeated by the Vendor and, as the case may be, the Company on each day up to and including the Closing Date as if given or made on such date, with reference in each case to the facts and circumstances then subsisting. The Vendor and the Company undertakes up to and until completion of this Agreement or its earlier termination to notify the Placing Agent of any matter or event coming to its attention prior to the Closing Date which would or would reasonably be considered to render or have rendered any of the representations and warranties made by it set out in Clause 6.1 untrue, inaccurate or misleading in any material respect.

6.3 **Indemnity and no claim:** The Vendor shall;

- (A) undertake to indemnify the Placing Agent or any person appointed as a sub-Placing Agent or sub-placing agent pursuant to Clause 2.5 or any of their respective associates and any of their respective directors and employees which shall have been involved in effecting the Placing ("Indemnified Parties") against all or any claims, actions, liabilities, demands, proceedings or judgements ("Proceedings") brought or established against any of the Indemnified Parties by any purchaser of any of the Placing Shares or by any governmental agency, regulatory body or other person, directly or indirectly arising out of or in connection with the Placing and against all losses and all reasonable costs, charges and expenses (including legal fees as they are incurred) which any of the Indemnified Parties may suffer or incur (except for any loss, costs, charge or expense suffered or incurred directly or indirectly as a result of or in connection with any fraud, default or negligence on the part of the Indemnified Parties) (including, but not limited to, all such losses, reasonable costs, charges or expenses suffered or incurred in disputing or defending any Proceedings and/or in establishing its right to be indemnified pursuant to this sub-paragraph and/or in seeking advice in relation to any Proceedings); and
- (B) make no claim made against the Placing Agent or any person, appointed as a sub-Placing Agent or sub-placing agent pursuant to Clause 2.5 by the Vendor or Company to recover any damage, cost, charge or expense which the Vendor or Company may suffer or incur by reason of or arising from the carrying out by the Placing Agent of the work to be done by it pursuant hereto or the performance of its obligations hereunder or otherwise in connection with the Placing except (i) for any loss or damage arising out of any fraud, default or negligence on the part of the Placing Agent or any sub-Placing Agent, sub-placing agent or (ii) as a result, directly or indirectly, of any non-compliance by the Placing Agent with its obligations under this Agreement.

6.4 **Full force and effect:** The foregoing provisions of this Clause 6 shall remain in full force and effect notwithstanding completion of the Placing.

6.5 **Further assurance:** The Parties agree as follows;

(A) The Vendor and the Company shall not, and shall use his/its reasonable endeavours to procure that no member of the Group shall, at any time prior to or on the Closing Date do or omit to do anything which may cause any of the representation and warranties made by it and set out in Clause 6.1 to be untrue in any material respect; and

(B) At any time after the date hereof each of the parties shall, at the request and cost of another party, execute or procure the execution of such documents and do or procure the doing of such acts and things as the party so requiring may reasonably require for the purpose of giving to the party so requiring the full benefit of all the provisions of this Agreement.

6.6 **No release:** Any liability to the Placing Agent hereunder may in whole or in part be released compounded or compromised and time or indulgence may be given by the Placing Agent as regards any person under such liability without prejudicing the Placing Agent's rights against any other person under the same or a similar liability.

7. TERMINATION

7.1 **Events:** Notwithstanding anything contained in this Agreement, if at any time at or prior to 5:00 p.m. (Hong Kong time) on the Closing Date:

(A) in the reasonable opinion of the Placing Agent there shall have been since the date of this Agreement such a change in national or international financial, political or economic or market (including stock market) conditions or taxation or currency exchange or exchange controls as would be likely to be materially averse to the success of the Placing; or

(B) any breach of any of the representations and warranties set out in Clause 6.1 comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the Closing Date which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Vendor of any other provision of this Agreement; or

(C) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing;

(D) any new law or regulation or any change or development involving a prospective change in existing laws and regulations in any relevant jurisdiction which in the reasonable opinion of the Placing Agent has or is

likely to have a material adverse effect on the financial position of the Company and/or of the Group as a whole; or

- (E) any suspension of dealings in the Shares for any period of three consecutive Business Days or more (other than as a result of the Placing); or
- (F) any outbreak or escalation of hostilities or act of terrorism involving Hong Kong or the People's Republic of China or the declaration by Hong Kong or the People's Republic of China of a national emergency or war; or
- (G) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Closing Date;

then and in any such case, the Placing Agent may terminate this Agreement without liability to the Company and/or to the Vendor by giving notice in writing to the Vendor, provided that such notice is received prior to 12:00 noon on the Closing Date.

7.2 **Effect of termination:** In the event that the Placing Agent terminates this Agreement pursuant to Clause 7.1, all obligations of each of the Parties under this Agreement shall cease and determine and no Party shall have any claim against any other Party in respect of any matter arising out of or in connection with this Agreement except for:

- (A) any antecedent breach of any obligation under this Agreement; and
- (B) liabilities under Clauses 5 and 6.3.

8. ANNOUNCEMENTS

Save for the Placing Announcement and save as required by law or by the Stock Exchange or the SFC, the Vendor hereby undertakes to procure that no public announcement or communication to the press, the Stock Exchange or the shareholders of the Company concerning the Company and/or its Subsidiaries which is material in relation to the Placing and the Share Subscription shall be made by or on behalf of the Company between the date hereof and the Closing Date without prior written approval from the Placing Agent (which approval shall not be unreasonably withheld or delayed) as to the content, timing and manner of making thereof.

9. TIME OF THE ESSENCE

Any time, date or period mentioned in this Agreement may be extended by mutual agreement between the Vendor and the Placing Agent but, as regards any time, date or period originally fixed or any date or period so extended as aforesaid, time shall be of the essence.

10. NOTICES AND SERVICE

10.1 Addresses: All notices delivered hereunder shall be in writing in the English language and shall be communicated to the following addresses:

If to the Vendor, to:

his respective address and facsimile as specified in Schedule 1

If to the Placing Agent, to:

China Tonghai Securities Limited

18F, China Building, 29 Queen's Road Central, Hong Kong

Facsimile : (852) 2125 7702
Attention : ECM Department (Sherman Chiu)

If to the Company, to:

Room 4007, 40/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong

Facsimile : (852) 2845 3131
Attn : Chan Yuk Foebe

10.2 Service: Any such notice shall be served either by hand or by facsimile. Any notice shall be deemed to have been served, if served by hand, when delivered and if sent by facsimile, on receipt of confirmation of transmission. Any notice received on a day which is not a Business Day shall be deemed to be received on the next Business Day.

11. WAIVER

No failure or delay by any Party in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any further exercise thereof or the exercise of any other right, power or remedy. Without limiting the foregoing, no waiver by any Party of any breach of any provision hereof shall be deemed to be a waiver of any subsequent breach of that or any other provision hereof.

12. SUCCESSORS AND ASSIGNS

Agreement Binding: This Agreement shall be binding on and endure for the benefit of each Party's respective successors and permitted assigns.

13. GOVERNING LAW, JURISDICTION

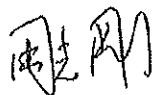
Governing Law: This Agreement shall be governed by and construed in accordance with the laws of Hong Kong for the time being in force and the Parties hereby irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts.

14. GENERAL

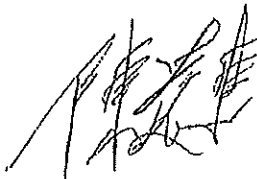
- 14.1 Counterparts:** This Agreement may be executed by the Parties in any number of counterparts and on separate counterparts, each of which when so executed shall be deemed an original but all of which shall constitute one and the same instrument and binding on all Parties.
- 14.2 Facsimile copies / Electronic copies:** Any facsimile copy of this Agreement or Agreement sent by electronic email (including any facsimile copy of any documents or Agreement sent by electronic email evidencing any Party's signature of this Agreement) may be relied on by the Parties as though it were an original copy. This Agreement may be entered into on the basis of an exchange of such facsimile copies or Agreement received by electronic email.
- 14.3 Third party rights:** A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce any term of, or enjoy any benefit under this Agreement.
- 14.4 Process agent:** The Company hereby appoints the [], Hong Kong as its agent to receive and acknowledge on its behalf service of any writ, summons, order, judgment or other notice of legal process in Hong Kong. If for any reason the agent named above (or its successor) no longer serves as agent of the Company for this purpose, the Company shall promptly appoint a successor agent in Hong Kong and notify the other party hereto failing which the other party shall be entitled to treat the last known agent as valid. The Company agree that any such legal process shall be sufficiently served on it if delivered to such agent for service at its address for the time being in Hong Kong whether or not such agent gives notice thereof.

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

SIGNED by
CHAN YUEN TUNG
in the presence of




)
)
)



SIGNED by CHIU CHUN KIT CALVIN)
)
for and on behalf of)
CHINA TONGHAI SECURITIES)
LIMITED)
in the presence of LI KE)







SIGNED by)
)
for and on behalf of)
XINYANG MAOJIAN)
GROUP LIMITED)
)
in the presence of)



and on behalf of)
Xinyang Maojian Group Limited)
信陽毛尖集團有限公司)


.....
(Authorized Signature(s))

SCHEDULE 1

<u>Name of Vendor</u> <u>(Identification document)</u>	<u>Address</u> <u>(Facsimile Number)</u>	<u>Number of Shares</u> <u>held as at the date of</u> <u>this Agreement</u>	<u>Number of</u> <u>Placing Shares to</u> <u>be sold</u>
1. Chan Yuen Tung		382,000,000	100,000,000

SCHEDULE 2

The Placing Agent confirms and undertakes to the Vendor that:

- (A) **General:** it will not, directly or indirectly, offer, sell or deliver any Placing Shares or distribute or publish any documents (including, without limitation to the foregoing, any prospectus, form of application, offering circular, advertisement or other offering material or any report or other document calculated to invite or lead to offers or agreements being made to purchase Placing Shares) or make any representations or statements in relation to the Placing in any country or jurisdiction except such as, and under circumstances that, will not result in or constitute a breach of any applicable laws and regulations or give rise to a requirement for any prospectus to be published or filed or any registration or qualification to be made or obtained (other than such as are made or obtained by the Placing Agent) in any country or jurisdiction and all offers, sales and deliveries of Placing Shares will be made on such terms.
- (B) **No representation of non-public information:** it has not made and will not make to any person to whom Placing Shares may be offered any representation or statement regarding the Company, the Group or the financial or business position or prospects of the Company or the Group which was not or is not at the time of making the same been disclosed to the public in writing;
- (C) **Placees:** it will ensure that the Placees are independent of and not connected with or acting in concert with the Vendor or their associates or the directors, chief executive or substantial shareholders of the Company or its Subsidiaries or any of its or their respective associates and that save with the prior written consent of the Company, none of the Placees will become a substantial shareholder (as defined in the Main Board Listing Rules) of the Company upon completion of the Placing;
- (D) **Sub-placing agent:** it will require and use its reasonable endeavours to procure sub-placing agent or other person through whom it may, directly or indirectly, effect the Placing or offer any Placing Shares to observe the foregoing provisions of this Schedule; and
- (E) **Independence:** it and its ultimate beneficial owners are independent of and not connected with or acting in concert with the Vendor or their associates or the directors, chief executive or substantial shareholders of the Company or its Subsidiaries or any of its or their respective associates.

SCHEDULE 3

Completion Mechanics

1. **CCASS completion:** The Vendor shall, on or before the Transaction Date, deposit with the Placing Agent:
 - (A) the share certificates relating to the Placing Shares;
 - (B) if required by the Placing Agent, instruments of transfer (with the name of the transferee left blank) duly executed on behalf of the registered holder thereof, together with such authority as the Placing Agent may reasonably require authorizing the Placing Agent to enter on such instruments of transfer as transferees the name of its nominee;
 - (C) if required by the Placing Agent, sold notes in respect of the Placing Shares duly executed by or on behalf of the beneficial owners of the Placing Shares in a form complying with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
2. As soon as practicable after the date of this Agreement (or such other date as the Vendor and the Placing Agent may agree in writing), the Placing Agent shall cause the sale and purchase of the Placing Shares to be input into the Automatic Order Matching System as operated by the Stock Exchange.
3. Against compliance by the Vendor with his obligations pursuant to this paragraph 3, and subject to Clause 7, the Placing Agent (or its nominees or its agents) shall: on the Closing Date make or procure the making of cheque payments to, as the Vendor hereby direct, the Company in Hong Kong dollars of the aggregate Placing Price of the Placing Shares which have been placed by the Placing Agent pursuant to this Agreement (to the intent that such funds shall be held by the Company on trust for and on behalf of the Vendor and shall be applied solely for the satisfaction of the Vendor's payment obligation under Clause 4.2 of the Subscription Agreement on the Closing Date (as defined in the Subscription Agreement) of the Subscription); and on the Closing Date or as soon as practicable after the Closing Date cause any relevant buyer's and seller's stamp duty, Stock Exchange trading fee and SFC transaction levy in respect of the Placing Shares to be paid to the relevant party as appropriate.