

**Execution Copy**

**DATE: 13 May 2016**

**WINFULL GROUP HOLDINGS LIMITED**

**(as company)**

**AND**

**SANFULL SECURITIES LIMITED**

**(as placing agent)**

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**PLACING AGREEMENT**

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**THIS AGREEMENT** is made on the 13th day of May 2016

**BETWEEN:**

- (1) **WINFULL GROUP HOLDINGS LIMITED**, a company incorporated in the Cayman Islands with limited liability and having its registered office 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 Unit A, 6/F., 9 Queen's Road Central, Hong Kong; ("**Company**"); and
- (2) **SANFULL SECURITIES LIMITED**, a company incorporated in Hong Kong and having its principal place of business in Room 2001-6 Cosco Tower, 183 Queen's Road Central, Hong Kong ("**Placing Agent**").

**WHEREAS:**

- (A) The Company is incorporated with limited liability in the Cayman Islands and has an authorised share capital of HK\$100,000,000 divided into 10,000,000,000 shares of HK\$0.01 each ("**Shares**") of which 2,718,500,000 Shares have been issued and are fully paid and all of which are listed on the Stock Exchange.
- (B) At the annual general meeting of the Company held on 1 December 2015, a resolution was passed pursuant to which a general mandate ("**General Mandate**") was unconditionally given to the directors of the Company to allot, issue and deal with new Shares up to 20% of the number of Shares then in issue, i.e. a total of 543,700,000 Shares. No new Shares have been issued under the General Mandate since its grant.
- (C) All the issued Shares are currently listed on the Main Board of the Stock Exchange.
- (D) The Company proposes to offer for subscription and the Placing Agent has agreed to procure, as agent of the Company, the Placees (as subscribers) to subscribe for the Placing Shares on a best effort basis on the terms and subject to the conditions hereinafter mentioned.
- (E) The Placing Shares will be allotted and issued pursuant to the General Mandate.

**NOW IT IS HEREBY AGREED as follows:**

**1. DEFINITIONS**

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

"acting in concert"	has the meaning as ascribed to it in the Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong.
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“Admission”	the grant by the Stock Exchange of the listing of, and permission to deal in, all of the Placing Shares.
“Announcement”	the announcement proposed to be issued by the Company as soon as practicable following the execution of this Agreement.
“associate”	has the meaning as ascribed to it under the Listing Rules.
“Board”	the board of directors of the Company.
“Business Day”	any day (not being a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours.
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited.
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), or as the context may require, the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).
“Completion”	completion of the Placing as provided in Clause 6.
“Completion Date”	the date of Completion.
“connected person”	has the meaning as ascribed to it under the Listing Rules.
“Group”	the Company and its subsidiaries.
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individuals, corporate, institutional investors or other investors procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s

obligations hereunder, subject to compliance with Clause 2.3.

“Placing”	the offer by way of private placing of the Placing Shares by or on behalf of the Placing Agent to the Placee(s) on the terms and subject to the conditions set out in this Agreement.
“Placing Letter”	the letter in such form to be determined by the Placing Agent to be sent to the proposed Placee(s) whom the Placing Agent has procured to subscribe for any of the Placing Shares.
“Placing Price”	the price of HK\$0.15 per Placing Share.
“Placing Shares”	up to 420,000,000 new Shares to be allotted and issued pursuant to the terms and conditions of this Agreement which will rank pari passu in all respects with the Shares in issue as at the date of allotment of the Placing Shares and each, a “Placing Share”.
“SFC”	the Securities and Futures Commission of Hong Kong.
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company and each, a “Share”.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

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

1.3 In this Agreement, including the Recitals:

- (1) references to recitals and clauses are to recitals and clauses of this Agreement;
- (2) a reference to a statute or statutory provision includes a reference:
  - (a) to that statute or statutory provision as from time to time modified or re-enacted;
  - (b) to any repealed statute or statutory provision which it re-enacts (with or without modification); and
  - (c) to any subordinate legislation made under the relevant statute;

- (3) references to the singular include references to the plural and vice versa;
- (4) references to any gender include references to all genders;
- (5) references to persons include references to bodies corporate, unincorporated associations and partnerships; and
- (6) headings to clauses are for convenience only and do not affect interpretation of this Agreement.

## **2. APPOINTMENT OF THE PLACING AGENT**

- 2.1 The Company hereby appoints the Placing Agent, upon and subject to the terms and conditions of this Agreement, as its placing agent to procure Placees to subscribe, at the Placing Price (together with brokerage (if any), such transaction levy as may be payable to the SFC for the Placing Shares and such trading fee as may be payable to the Stock Exchange for the Placing Shares to be borne and payable by the Placees) for the Placing Shares on a best effort basis. The Placing Shares shall be offered by way of Placing Letter by the Placing Agent to the Placee(s) (other than as agreed between the Placing Agent and the Company). The Placing Agent may in turn, at its own expenses, appoint its sub-placing agent(s) to procure the Placee(s) to subscribe for the Placing Shares.
- 2.2 The Placing Agent undertakes to the Company that the Placing Shares shall be placed to not less than six Placees on a best effort basis unless otherwise agreed by the Company.
- 2.3 The Placing Agent will use its reasonable endeavours that to ensure that the Placee(s) to be procured by or on behalf of the Placing Agent shall be independent of the Company and not connected nor acting in concert with any of the connected persons of the Company or any of their respective associates.
- 2.4 The Placing Agent undertakes to the Company that it will:
  - (1) procure Placee(s) only in the course of communications with them over the telephone and without the despatch of documents until after legally binding commitments (which shall in all cases be conditional on the condition set out in Clause 3.1 of this Agreement to the extent that such condition has not been satisfied) to subscribe for the Placing Shares have been obtained from each Placee(s) in the course of such communications; and
  - (2) confine all statements it makes during the course of these communications strictly within the limits of the information contained in the Announcement.
- 2.5 The Placing Agent shall require any of its sub-placing agent(s) to or through whom it may effect the Placing or offer or sell any Placing Shares to comply with this Clause 2.
- 2.6 The Placing Agent shall have the right to charge the Placees with the commission or brokerage at rate(s) to be solely decided by the Placing Agent.

### **3. CONDITION**

- 3.1 The obligations of the Placing Agent under Clause 2 and the obligations of the Company under Clause 6 are conditional upon the Admission being obtained on or before 31 May 2016 (or such later date as the Placing Agent and the Company may agree in writing) (“**Long Stop Date**”).
- 3.2 Each of the Company and the Placing Agent shall use their respective best endeavours to procure the satisfaction of the condition set out in Clause 3.1 by the time stated therein, but if the condition shall not be so satisfied, all obligations of the Placing Agent and of the Company hereunder shall cease and determine and none of the parties hereto shall have any claim against the other in relation thereto (save in respect of (i) any antecedent breach of any obligation under this Agreement; and (ii) any liabilities under Clauses 7, 8, 9.2(2) and 10).
- 3.3 As soon as practicable and in any event no later than the day which is the third Business Day before the Long Stop Date, the Placing Agent will deliver to the Stock Exchange (and/or the SFC, if requested) details of the Placee(s) procured to subscribe for the Placing Shares including, inter alia, their names and addresses and the number of Placing Shares which they have respectively agreed to subscribe, and (if requested by the Stock Exchange and/or the SFC) together with acknowledgments signed by each of the Placees confirming, inter alia, that such Placee (and any of their nominees or beneficial owners) is independent of and not connected nor acting in concert with the Company and any of its connected persons or their respective associates.

### **4. ANNOUNCEMENT**

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

### **5. LISTING**

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

### **6. COMPLETION**

- 6.1 Completion shall take place at 12:00 noon at the principal place of business of the Company in Hong Kong on the third Business Day after the fulfillment of the

condition set out in Clause 3 (or such other date and place as the parties hereto may agree in writing).

## 6.2 At Completion:

- (1) the Placing Agent will pay to the Company in immediately available funds in an amount equivalent to the aggregate Placing Price for all the Placing Shares less all fees payable to the Placing Agent under Clause 9;
- (2) the Company shall:
  - (a) procure the names of the Placees (or where appropriate, the Placing Agent, HKSCC Nominees Limited or other nominees) shall be entered into the register of members of the Company accordingly; and
  - (b) procure that definitive share certificate(s) for the Placing Shares shall be issued and despatched at the direction of the Placing Agent, or delivered through CCASS for immediate credit to such stock accounts as shall be notified by the Placing Agent ; and
- (3) the Placing Agent shall distribute the Placing Shares to the Placees according to their respective entitlements thereto upon receipt of the Placing Shares in the CCASS participants' accounts of the Placing Agent or shall distribute the share certificate(s) for the Placing Shares to the Placees upon receipt of the share certificate(s).

## 7. **REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

The Company represents and warrants to the Placing Agent that:

- (1) the Company was duly incorporated and validly existing in the Cayman Islands and there has been no petition filed, order made or resolution passed for the liquidation or winding up of the Company;
- (2) the entire existing issued share capital of the Company is listed on the Main Board of the Stock Exchange;
- (3) subject to the fulfilment of the condition set out in Clause 3.1, the Company has full power and authority to issue the Placing Shares, and all authorisations, approvals, consents and licences required by it have been obtained and are in full force and effect, in each case, to permit the entry by the Company into this Agreement and the due performance by the Company of its obligations hereunder and to permit the Placing to be undertaken in the manner set out herein;
- (4) all statements of fact (other than those relating to the Placing Agent) contained in the Recital of this Agreement and the Announcement and the Previous Announcements (as defined below) are true and correct in all material respects;

- (5) with respect to all announcements and circulars issued by the Company to the Stock Exchange and/or the shareholders of the Company since the publication of the annual report of the Company for the year ended 30 June 2015 (“**Previous Announcements**”), all statements of fact contained therein were true and correct in any material respect; and
- (6) the Placing Shares, when issued and fully paid up, will rank pari passu in all respects with the other Shares in issue as at the date of allotment and issue of the Placing Shares and the Placing Shares, when issued, will be free from all liens, charges, encumbrances, claims, options or other third party rights together with all rights attaching thereto as at the date of allotment and issue of the Placing Shares.

## **8. INDEMNITY**

The Company undertakes to indemnify, upon demand, the Placing Agent, against all or any costs, expenses (including reasonable and proper legal fees), fees, claims, actions, liabilities, demands, proceedings or judgments (including, but not limited to, all such losses, costs, charges or expenses suffered or incurred in disputing or defending any proceedings and/or in establishing its rights to be indemnified pursuant to this Clause 8 and/or in seeking advice in relation to any proceedings) brought or established against the Placing Agent by any Placee or by any governmental agency, regulatory body or other person which, in any such case, arises out of or in connection with any breach of any of the terms, warranties and representations contained in this Agreement by the Company and does not arise from the Placing Agent’s or its respective sub-agent’s negligence, breach of this Agreement, fraud, bad faith or default.

## **9. PLACING COMMISSION**

- 9.1 In consideration of the services of the Placing Agent in relation to the Placing and provided that Completion occurs in accordance with Clause 6, the Company shall pay to the Placing Agent a commission of 1% of the aggregate Placing Price for the Placing Shares successfully placed by the Placing Agent, which the Placing Agent is hereby authorised to deduct from the payment to be made by it to the Company at Completion pursuant to Clause 6.2(1).
- 9.2 In addition to the placing commission referred to in Clause 9.1:
  - (1) other than brokerage (if any), such transaction levy as may be payable to the SFC for the Placing Shares and such trading fee as may be payable to the Stock Exchange for the Placing Shares which shall be borne and payable by the Placees or, as the case may be, the Placing Agent as specified in Clauses 2.1 and 9.3(2), the Company shall pay all fees payable to the Stock Exchange and the SFC arising from the creation and issuance of the Placing Shares in accordance with the terms of this Agreement, and all charges, fees and expenses of the Company’s share registrar including (without limitation) their fees and expenses in allotting and issuing the Placing Shares and the issuance of definitive share certificates therefor; and

- (2) the Company shall bear all out-of-pocket expenses (including but not limited to fees charged in respect of CCASS transactions and the legal fees) reasonably and properly incurred by the Placing Agent in relation to the Placing (subject to the provision of official invoice), which, if ascertained at Completion, the Placing Agent is hereby authorised to deduct from the payment to be made to the Company pursuant to this Agreement.
- 9.3 Without prejudice to the generality of Clause 9.2(1), the Company will be responsible to pay all reasonable costs and expenses (including legal expenses) incurred by it in connection with:
- (1) the preparation and release of the Announcement and the negotiation, preparation and completion of this Agreement; and
  - (2) the issue of the Placing Shares (excluding brokerage (if any), such transaction levy as may be payable to the SFC for the Placing Shares and such trading fee as may be payable to the Stock Exchange for the Placing Shares which shall be borne and payable by the Placees, or as the case may be, the Placing Agent as specified in Clause 2.1).
- 9.4 Payment of the amounts referred to in Clause 9.2(2) to the extent they have been reasonably and properly incurred, shall be made by the Company to the Placing Agent whether or not Completion takes place.

## **10. UNDERTAKINGS BY THE PLACING AGENT**

- 10.1 The Placing Agent represents, warrants and undertakes to the Company that:
- (1) in each jurisdiction in which the Placing Agent solicits subscription for the Placing Shares, the Placing Agent will do so in accordance with all relevant laws or regulations in force in such jurisdiction. The Placing Shares shall not be offered to or placed in circumstances which would constitute an offer to the public in Hong Kong within the meanings of the Companies Ordinance or in any other place or in any manner in which the securities laws or regulations of any place may be infringed;
  - (2) the Placing Agent will procure not less than six Placees for the subscription of the Placing Shares at the Placing Price upon and subject to the terms and conditions of this Agreement;
  - (3) the Placing Agent will use its reasonable endeavours to ensure that the Placee(s) and their respective ultimate beneficial owners will be third party(ies) independent of, and not connected with or acting in concert with, the Company, its connected persons and their respective associates;
  - (4) the Placing Agent will make available and promptly supply, or use its reasonable endeavours to procure the relevant Placee(s) to make available and promptly supply, to the Stock Exchange and the SFC or any other regulatory authority all information in relation to the Placee(s) which may be required by the Stock Exchange, the SFC and/or any other regulatory authority;

- (5) the Placing Agent will ensure the fulfillment and compliance of all applicable rules and regulations of the Stock Exchange in relation to its role as placing agent for the Placing, and, if required, will issue appropriate written confirmation of such fulfillment and compliance;
- (6) none of the Placees to be procured by the Placing Agent falls or will, upon Completion, fall under the category of a “US person” under the United States Securities Act of 1933;
- (7) the Placing Agent will use its reasonable endeavours to ensure that none of the Placees to be procured by the Placing Agent or any of their respective associates will, immediately upon Completion, become a substantial shareholder (within the meaning of the Listing Rules) of the Company or hold more than 5% of the then issued share capital of the Company;
- (8) if the Placing Agent itself shall subscribe any of the Placing Shares unsubscribed by the Placees, the Placing Agent itself or any of its associates will not, immediately upon Completion, become a substantial shareholder (within the meaning of the Listing Rules) of the Company or hold more than 5% of the then issued share capital of the Company;
- (9) the Placing Agent and its ultimate beneficial owners are not connected with the Company and its connected persons or any of their respective associates; and
- (10) the Placing Agent is duly incorporated in Hong Kong and a licensed corporation to carry out Type 1 regulated activities for the purpose of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

## **11. FORCE MAJEURE**

11.1 The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate this Agreement by notice in writing to the Company at any time up to 9:00 a.m. on the Completion Date if:

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

- (4) any statement contained in the Announcement or the Previous Announcements has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
  - (5) there is any suspension of dealings in the Shares on the Stock Exchange for more than five consecutive Business Days (other than as a result of or in connection with the Placing); or
  - (6) any event of force majeure (being an event beyond the control of the parties and which is unforeseeable or unavoidable), including but without limiting the generality hereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out, occurs which prevents the performance of the contractual obligations of the parties hereunder.
- 11.2 Upon termination of this Agreement pursuant to this Clause 11, all liabilities of the parties hereto hereunder shall cease and determine and no party hereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with this Agreement save in respect of (i) any antecedent breach of any obligation under this Agreement; and (ii) any liabilities under Clauses 7, 8, 9.2(2) and 10.

## **12. GENERAL PROVISIONS RELATING TO AGREEMENT**

- 12.1 Any date or period in this Agreement may be changed by written agreement of the parties but as regards any date or period (whether or not amended or changed as aforesaid) time shall be of the essence of this Agreement.
- 12.2 Each of the parties hereto undertakes to the other to execute all such documents and to do or procure to be done all such other acts and things as may be necessary to give the other party the full benefit of this Agreement.
- 12.3 This Agreement shall be binding on and endure for the benefit of the successors of the parties but assignment may only be made after prior written consent of the other party has been given.
- 12.4 Any right or remedy conferred on any party for breach of this Agreement (including the breach of any representations and warranties) shall be in addition and without prejudice to all other rights and remedies available to it in respect of that breach and the exercise of or failure to exercise any right or remedy in respect of such breach shall not, save as provided herein, constitute a waiver by such party of any other right or remedy it may have in respect of that breach.
- 12.5 Any provision of this Agreement which is capable of being performed after Completion but which has not been performed at or before Completion and all the representations and warranties contained in this Agreement shall remain in full force and effect notwithstanding Completion.
- 12.6 This Agreement constitutes the entire agreement between the parties hereto with respect to its subject matter (no party having relied on any representation or warranty

made by the other party with respect thereto which is not contained in this Agreement) and this Agreement supersedes all and any previous agreements, arrangements or understandings between the parties hereto relating to the matters referred to in this Agreement and all such previous agreements, arrangements or understandings (if any) shall cease and determine with effect from the date hereof.

- 12.7 No variation of this Agreement shall be effective unless made in writing and signed by each of the parties hereto.
- 12.8 If at any time any provision of this Agreement is or becomes illegal, void or unenforceable in any respect, the remaining provisions hereof shall in no way be affected or impaired thereby.
- 12.9 This Agreement may be executed by the parties hereto in any number of counterparts and on separate counterparts, each of which when so executed shall be deemed an original but all of which shall constitute one and the same instrument and be binding on all parties. Any party executing this Agreement on a facsimile copy counterpart shall deliver the original of the counterpart to the other party within two days after the same was sent by facsimile.

### **13. NOTICES**

- 13.1 All notices delivered hereunder shall be in writing and shall be delivered by hand or despatched by first class post or by facsimile transmission at the address or fax number of the relevant party set out below:

#### To the Company

Address : Unit A, 6/F., 9 Queen's Road Central, Hong Kong  
Fax Number : 852-3007 0670  
Attention : Board of Directors

#### To the Placing Agent

Address : Suite 2001-6, 20/F, Cosco Tower, 183 Queen's Road, Central, Hong Kong.  
Fax Number : 852-2853 2244  
Attention : Board of Directors

- 13.2 Any such notice shall take effect in the case of delivery by hand upon delivery, in the case of despatch by local mail 24 hours after posting, and in the case of facsimile, on production of a transmission report by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient specified in Clause 13.1.

### **14. GOVERNING LAW, JURISDICTION AND SERVICE OF PROCESS**

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

- 14.2 Each party hereto irrevocably agrees that the courts of Hong Kong (“Courts”) shall have non-exclusive jurisdiction in relation to any claim, dispute or difference concerning this Agreement and any matter arising therefrom.
- 14.3 Each party hereto irrevocably waives any right that it may have to object to an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.
- 14.4 Each party hereto agrees that without preventing any other mode of service, any document in an action (including, but not limited to, any writ of summons or other originating process or any third or other party notice) may be served on any party by being delivered to or left for that party at its address for service of notices under Clause 13 and each party hereto undertakes to maintain such an address at all times in Hong Kong and to notify the other party in advance of any change from time to time of the details of such address in accordance with the manner prescribed for service of notice under Clause 13.

[Signature page to the Placing Agreement]

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

**THE COMPANY**

**SIGNED** by )  
for and on behalf of )  
**WINFULL GROUP HOLDINGS LIMITED** )  
in the presence of: *Aman Chan* )

*Chan*

)  
) *For and on behalf of*  
) **Winfull Group Holdings Limited**  
)  
)  
)  
) .....  
) *Authorized Signature(s)*

**THE PLACING AGENT**

**SIGNED** by )  
for and on behalf of )  
**SANFULL SECURITIES LIMITED** )  
in the presence of: *Law Yvonne* )

*Law Yvonne*

)  
) *For and on behalf of*  
) **SANFULL SECURITIES LIMITED**  
)  
)  
)  
) .....  
) *Authorized Signature(s)*