

THIS AGREEMENT is dated 22 April 2015

BETWEEN:

- (1) **GROUP FIRST LIMITED**, a company incorporated in the British Virgin Islands and having its registered office at P. O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands (the “**Subscriber**”);
- (2) **CHINA SEVEN STAR HOLDINGS LIMITED**, a company incorporated in Hong Kong with limited liability having its registered and principal office at Unit A02, 11/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong (the “**Company**”); and
- (3) **FIRST SHANGHAI SECURITIES LIMITED**, a company incorporated in Hong Kong with limited liability and having its registered office at 1905 Wing On House, 71 Des Voeux Road Central, Hong Kong (the “**Placing Agent**”).

WHEREAS:

- (A) The Company has at the date of this Agreement, 2,308,331,250 Shares issued and fully paid up or credited as fully paid up. All the issued Shares are currently listed on the Stock Exchange.
- (B) The Subscriber is at the date of this Agreement the beneficial owner of 566,004,000 Shares, representing approximately 24.52% of the issued share capital of the Company.
- (C) At the request of the Company, the Subscriber has agreed to dispose of the 329,640,000 Placing Shares at HK\$0.6 per Placing Share. The Placing Agent, in reliance upon the representations, warranties and undertakings of the Subscriber and the Company contained herein, has agreed to procure, not less than six places for the Placing Shares on a best efforts basis and the Subscriber has agreed to subscribe for the Subscription Shares upon and subject to the terms and conditions set out in this Agreement.
- (D) The Company will make an application to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

IT IS HEREBY AGREED as follows:

1. INTERPRETATION

- 1.1 In this Agreement, including the Recitals and Schedule hereto, unless the context otherwise requires:

“Announcement”

the announcement in the agreed form annexed hereto marked “A” proposed to be issued on behalf of the Company in substantially such form as soon as practicable following the execution of this Agreement

“associate(s)”	the meaning ascribed thereto in the Listing Rules
“Business Day”	a day (other than a Saturday or Sunday or days on which a typhoon signal 8 or above or black rainstorm signal is hoisted in Hong Kong at 9:00 a.m. or public holiday) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Code”	Hong Kong Code on Takeovers and Mergers
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Completion”	as the case may be, refers to the completion of the Placing on the Placing Completion Date (or such other date as may be agreed between the Subscriber and the Placing Agent) or completion of the Subscription on the Subscription Completion Date (or such other date as may be agreed among the parties hereto) in accordance with Clause 7
“Group”	the Company and its Subsidiaries
“HK\$”	Hong Kong dollars
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum and Articles”	the memorandum and articles of association for the time being of the Company
“Placee(s)”	any individual, institutional, or other professional investors(s) or any of their respective subsidiaries or associates procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agent’s obligations hereunder
“Placing”	the placing of the Placing Shares by the Placing Agent pursuant to Clause 2
“Placing Completion Date”	24 April 2015, or such other date as the Subscriber and the Placing Agent shall agree

“Placing Price”	HK\$0.6 per Placing Share
“Placing Shares”	a total of up to 329,640,000 Shares beneficially owned by the Subscriber to be placed by the Placing Agent pursuant to this Agreement
“SFC”	the Securities and Futures Commission
“Shares”	ordinary shares in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for the Subscription Shares by the Subscriber pursuant to Clause 3
“Subscription Completion Date”	the next Business Day, or such other date as the parties hereto shall agree, following the fulfillment of all the conditions referred to in Clause 3.2
“Subscription Price”	HK\$0.6 per Subscription Share
“Subscription Shares”	a total of up to 329,640,000 new Shares to be subscribed by the Subscriber, being the number of the Placing Shares actually placed by the Placing Agent on behalf of the Subscriber pursuant to the terms of this Agreement
“Subsidiary(ies)”	has the meaning attributable to it in section 2 of the Companies Ordinance
“this Agreement”	this placing and subscription agreement, as amended from time to time

- 1.2 In this Agreement, references hereto to “Clauses” and the “Schedule” are to clauses of and the schedule to this Agreement.
- 1.3 In this Agreement, unless the context otherwise requires, the singular includes the plural and vice versa, words importing one gender include all genders and references to persons include bodies corporate or unincorporate.
- 1.4 Headings of this Agreement are for convenience only and shall not affect the interpretation of this Agreement.
- 1.5 References in this Agreement to date and time date and time are to Hong Kong date and time.

1.6 The Schedule to and the Recitals of this Agreement shall form part of this Agreement.

2. **PLACING**

- 2.1 The Placing Agent agrees, on the terms and subject to the conditions set out in this Agreement, as Placing Agent of the Subscriber to procure not less than six placees for the Placing Shares, on a best efforts basis, at the Placing Price (together with such Hong Kong stamp duty, brokerage, trading fee and transaction levy as may be payable by buyers). For the avoidance of doubt, the parties to this Agreement agree that the Placing Agent is only obliged to use its best efforts to procure Placees to subscribe for the Placing Shares, and the Placing Agent itself has no obligation to acquire or take up all or any of the Placing Shares whether or not the Placing Agent fails to procure Placees to subscribe for the Placing Shares, and notwithstanding any other term or condition contained herein.
- 2.2 The Subscriber hereby appoint the Placing Agent as their exclusive placing agent to procure such placees for their Placing Shares on the terms and subject to the conditions set out in this Agreement. The Placing Agent may in turn appoint its sub-placing agent(s) to procure the Placee(s) to subscribe for the Placing Shares. Any transaction properly carried out by the Placing Agent (and any sub-placing agent(s)) pursuant to this Agreement shall constitute a transaction carried out by the Placing Agent at the request of the Subscriber and as their placing agent and not on account of or for the Placing Agent. The Placing Agent shall not be responsible for any loss or damage (except for any loss or damage arising out of any fraud, willful default or gross negligence on the part of the Placing Agent (and any sub-placing agent(s)) to the Subscriber arising from any such transaction or for any alleged insufficiency of the price at which the Placing Shares are sold hereunder.
- 2.3 The Subscriber hereby confirm that the foregoing appointment confer on the Placing Agent in accordance with the provisions hereof all powers, authorities and discretions on their behalf which are necessary for, or reasonably incidental to, the Placing and hereby agrees to ratify and confirm everything which the Placing Agent (and any sub-placing agent(s)) shall lawfully and reasonably do or have done pursuant to or in anticipation of the terms of this Agreement.
- 2.4 The Placing Shares shall be offered by the Placing Agent as placing agent for the Subscriber at the Placing Price (together with such Hong Kong stamp duty, brokerage, trading fee and transaction levy as may be payable by buyers) on best effort basis during the period from the date of this Agreement up to the Placing Completion Date and the Placing Agent will use reasonable endeavour to ensure that no placee shall become a substantial shareholder (as defined under the Listing Rules) of the Company as a result of the Placing.
- 2.5 The Subscriber shall sell or procure the sale of the Placing Shares pursuant to the terms hereof free and clear from all liens, charges, encumbrances, claims, options and third party rights and with all rights attaching thereto as at the Placing Completion Date, including the right to receive all dividends and other distributions which may be declared, made or paid in respect of the Placing Shares, the record date for which shall fall on or after the Placing Completion Date.

3. SUBSCRIPTION

- 3.1 Subject to Clauses 3.2 and 3.3 and the provisions of Clause 6, the Subscriber hereby agrees to subscribe (by itself or through its nominees) for the number of Placing Shares actually placed by the Placing Agent on behalf of the Subscriber at the Placing Price (payable in full at Completion) and the Company agrees to allot and issue the Subscription Shares credited as fully paid subject to the Memorandum and Articles.
- 3.2 The Subscription is conditional upon:
- (i) the Listing Committee of the Stock Exchange agreeing to grant a listing of and permission to deal in, the Subscription Shares; and
 - (ii) completion of the Placing pursuant to this Agreement.
- 3.3 Each of the Company and the Subscriber shall exercise its best endeavours to procure the satisfaction of the conditions specified in Clause 3.2 by the time stated herein. In the event of the conditions referred to in Clauses 3.2 above not having been fulfilled on or before 5 May 2015 (or such other date as may be agreed among the parties hereto), all rights, obligations and liabilities of the parties hereunder in relation to the Subscription shall cease and determine and none of the Company and the Subscriber hereto shall have any claim against any other in respect of the Subscription save for rights and remedies accrued prior to such termination.

4. WARRANTIES AND UNDERTAKINGS

- 4.1 The Company represents, warrants and undertakes to the Subscriber and the Placing Agent that:
- (i) the Subscription Shares will be allotted and issued in accordance with the Memorandum and Articles, all relevant laws of Hong Kong and the rules and regulations of the Stock Exchange and will rank *pari passu* in all respects *inter se* and with all other Shares in issue as at the date of such allotment and issue;
 - (ii) the Company has full power, authority and shareholders' consent to issue the Subscription Shares and does not require the consent thereto of any other party;
 - (iii) save for the application to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares, all authorities necessary to enable the Subscription Shares to be allotted and issued by the Company to the Subscriber and/or their nominees and the Placing Shares to be sold by the Subscriber has been obtained;
 - (iv) the Company has power to enter into this Agreement and this Agreement has been duly authorised and executed by, and constitutes legally binding obligations of the Company and the creation of the Subscription Shares and their allotment and issue pursuant to this Agreement will not cause any breach of any agreement to which the Company and/or any of its subsidiaries is a party or by which it is or any of them is bound and will not infringe or exceed any limits on, powers of, or restrictions on or the terms of any contract,

obligations or commitment whatsoever of, the Company and/or any of its subsidiaries and/or their respective boards of directors;

- (v) the particulars of the Company as set out in this Agreement (including the Recitals, the Schedule and the Annex) are true and complete in all materials respects;
- (vi) the Company is not in breach of any rules, regulations or requirements of the Stock Exchange or its listing agreement made with the Stock Exchange, except as may have been disclosed by the Company by way of announcement or by the Company to the Placing Agent;
- (vii) the annual report and the financial statements of the Group for the year ended 31 December 2014 give a true and fair view of the state of affairs of the Group as at 31 December 2014 and of the profits or losses of the Group for the financial year ended on that date, subject as noted in the auditors report in respect of such financial statements, and were prepared in accordance with generally accepted accounting principles in Hong Kong consistently applied, adequate provision for all the bad and doubtful debts and all the material liabilities (whether actual or deferred) of the Group and adequate provision for taxation have been made accordingly;
- (viii) since 31 December 2014, there has been no material adverse change in the financial position or prospects of the Group taken as a whole, save for any such changes as may generally affect companies or groups in Hong Kong or the People's Republic of China whose businesses are subject to the same general external economic factors as those of the Company;
- (ix) neither the Company nor any of its subsidiaries is engaged in any litigation, arbitration or governmental proceeding which (individually or in aggregate) may have a significant or material adverse effect on the financial position or prospects of the Group and so far as the Company is aware, no such litigation, arbitration or proceeding is threatened or pending;
- (x) so far as the Company is aware, no circumstances or events have arisen or occurred such that any person is or, with the giving of notice or lapse of time, would be entitled to repayment of any material indebtedness in the nature of borrowings prior to its due date for payment by any member of the Group, and no person to whom any material indebtedness in the nature of borrowings of any member of the Group which is payable on demand is owed has demanded or threatened to demand repayment of the same; and
- (xi) no member of the Group has taken any action, nor have any other steps been taken or legal proceedings started or so far as the Company is aware, threatened against any of the member of the Group for the winding up or dissolution of it, or for it to enter into any arrangement or composition for the benefit of creditors, or for the appointment of a receiver, administrative receiver, trustee or similar officer for it, or any of its interests, properties, revenues or assets.

4.2 The Subscriber represents, warrants and undertakes to the Company and the Placing

Agent that:

- (i) the Subscriber is the beneficial owner of 329,640,000 Placing Shares;
- (ii) it has the power to enter into this Agreement and this Agreement has been duly authorised and executed by, and constitutes legally binding obligations of the Subscriber, and all necessary consents and authorities have been obtained to enable the Placing Shares to be sold or procured to be sold by it;
- (iii) the Placing Shares are fully paid, rank pari passu in all respects with all other Shares, and are free from all liens, charges, encumbrances and third party rights of whatsoever nature and will be sold together with all rights attaching thereto at the Placing Completion Date including the right to receive all dividends and other distributions which may be declared, made or paid in respect of the Shares, the record date for which shall fall on or after the Placing Completion Date;
- (iv) without prejudice to the obligations in this Clause 4.2, the Subscriber undertakes with the Placing Agent that it will do all such acts and things as may be reasonably required to be done by it to carry into effect the Placing and the Subscription;
- (v) so far as the Subscriber is aware, no legal proceedings have been initiated or threatened against the Subscriber for winding up or insolvency; and
- (vi) the particulars of the Subscriber as set out in this Agreement are true and complete in all materials respects.

4.3 Each of the parties hereto hereby undertakes to the other parties to procure that no disclosure or public announcement or communication (other than the Announcement) concerning the Placing, the Subscription, the Company and/or the Subscriber which is material in relation to the Placing and/or the Subscription shall be made or dispatched between the date hereof and the Subscription Completion Date without prior written consent of the other parties as to the context, timing and manner of making or dispatch thereof save as required by applicable laws, rules or regulations or the Stock Exchange or the SFC.

4.4 The representations and warranties contained in this Clause 4 are deemed to be given from the date of this Agreement up to and including the time for Completion and shall remain in full force and effect notwithstanding the completion of the Placing and Subscription. Each of the Company and the Subscriber (as the case may be) hereby undertakes to immediately notify the other parties to this Agreement of any matter or event coming to its attention prior to Completion which shows any relevant representation or warranty to be or to have been untrue, inaccurate or the omission of which renders such representation or warranty untrue or inaccurate at the date hereof or at any time prior to Completion.

5. SELLING RESTRICTIONS

5.1 The Placing Agent represents, warrants and undertakes to the Company and the Subscriber as follows:

- (i) that it will not, directly or indirectly, offer or sell any Placing Shares or distribute or publish any documents in relation to the Placing in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Placing Shares and the distribution and publication of any document relating thereto will be made in compliance with those laws and regulations;
- (ii) no action has been or will be taken directly or indirectly in any jurisdiction that would result in a public offering of the Placing Shares and neither it nor persons acting on its behalf will offer or sell any Placing Shares otherwise than in compliance with applicable laws and regulations in each jurisdiction in which any such offer or sale takes place;
- (iii) it will use its reasonable endeavours to ensure that it receives an oral or written confirmation from each Placee that it is independent of the directors, chief executive or substantial shareholders of each of the Company, its Subsidiaries and their respective associates, in accordance with the Listing Rules, and that such Placee is not acting in concert with the Subscriber in relation to the control of the Company within the meaning of the Code; and
- (iv) as placing agent of the Subscriber to procure not less than six placees for the Placing Shares, on a best efforts basis, on the terms and subject to the conditions set out in this Agreement.

6. INDEMNITY AND NO CLAIMS

- 6.1 The Company and the Subscriber jointly and severally undertake with the Placing Agent on demand to hold the Placing Agent or any of their respective associates (as defined in the Listing Rules) and any of their respective directors and employees and agents which shall have been involved in effecting the Placing (the "**Indemnified Parties**") fully and effectively indemnified against all reasonable losses, claims, costs, charges and expenses (except those arising out of or as a result of any fraud, wilful default or gross negligence on the part of the Indemnified Parties) which the Indemnified Parties may suffer or incur or which may be brought against or incurred by the Indemnified Parties arising out of or as a result of the performance by the Placing Agent of its obligations under this Agreement or any breach or a third party alleging breach by the Company or the Subscriber of any provision of this Agreement or any breach by the Company or the Subscriber of any warranty or undertaking and any failure by the Company or the Subscriber to perform any of its/his respective obligations under this Agreement.
- 6.2 No claim shall be made against the Placing Agent by the Subscriber or the Company to recover any damage, cost, charge or expense which the Subscriber or the Company may suffer or incur by reason of or arising from the carrying out by the Placing Agent of the work to be done by it pursuant hereto or the performance of its obligations hereunder or otherwise in connection with the Placing provided that such damage, cost, charge or expense is not suffered or incurred directly or indirectly as a result of any fraud, willful default or negligence on the part of the Placing Agent or any of its affiliates and other person(s) (where appropriate) through whom it may directly or indirectly effect the Placing or offer any Placing Shares or in connection with a breach

by the Placing Agent of any of the provisions of this Agreement.

6.3 This Clause 6 shall remain in full force and effect notwithstanding completion of the Placing or the rescission or termination of this Agreement.

7 COMPLETION

7.1 Completion shall take place at the office of the Placing Agent when all (but not part only) of the following business shall be transacted:

(i) as regards the Placing, before 5:00 p.m. on the Placing Completion Date, the Subscriber shall provide evidence to the Placing Agent's reasonable satisfaction that such documents have been executed and instructions provided by the Subscriber as may be required to effect the transfer of such Placing Shares to such CCASS participants' or investor participants' accounts as may be designated by the Placing Agent.

(ii) as regards the Subscription, by no later than 4:00 p.m. on the Subscription Completion Date:

(a) the Subscriber shall deliver to the Company an application for the Subscription Shares agreed to be subscribed by it (and/or its nominees) in the form set out in Schedule and (where applicable) effect payment to the Company of an amount in immediately available funds equal to the aggregate Placing Price payable for the aggregate number of Subscription Shares so subscribed less the amounts deducted by the Placing Agent under Clause 8;

(b) the Company shall allot and issue, credited as fully paid, to the Subscriber (and/or the Subscriber's nominee) the number of Subscription Shares agreed to be subscribed by it and shall procure that the Subscriber and/or the Subscriber's nominee(s) is/are registered on the branch share registrar of the Company in Hong Kong in respect thereof; and

(c) the Company shall deliver to the Subscriber and/or the Subscriber's nominee(s) definitive share certificates for the Subscription Shares in board lots in such denomination as the Subscriber may request issued in the name of the Subscriber or the Subscriber's nominee(s) and in accordance with instructions given in the application to be delivered as referred to in Clause 7.1(ii)(a) above or, if so required by the Subscriber, share certificates in respect of the Subscription Shares subscribed and paid for by such Subscriber(s) to the depositary for HKSCC Nominees Limited for credit to such CCASS participants' accounts or investor participants' accounts as may be designated by such Subscriber(s).

7.2 Against compliance in full by the Subscriber with its obligations pursuant to Clause 7.1(i), the Placing Agent shall on the Placing Completion Date credit the CCASS participants or investor participants' accounts of the placees or the Placing Agent (as the case may be) with the number of Placing Shares actually placed or purchased by

the Placing Agent.

The Placing Agent shall on the Placing Completion Date, make or procure the making of payment in Hong Kong dollars in immediately available funds to the Subscriber (which the Subscriber shall direct the Placing Agent to make or procure the making of such payments to the Company by way of electronic transfer or bank transfer, such payments shall serve as the refundable deposit of the Subscription in the event the Subscription cannot be completed pursuant to the terms and conditions of this Agreement) of the aggregate Placing Price of the Placing Shares (less the amounts referred to in Clause 8) to such bank account as the Company may nominate in writing. Payment made by the Placing Agent into such bank account as nominated by the Company shall be a valid full and final, discharge of the Placing Agent's payment obligation under this Clause 7.2.

The Company agrees with the Subscriber that the payment by the Placing Agent into such bank account as nominated by the Company in accordance with this Clause 7.2 shall be regarded as full and final settlement of the payment obligations of the Subscriber in respect of the Subscription for the aggregate number of Subscription Shares.

- 7.3 The Placing Agent shall as soon as practicable after Completion and in any event within the time limits (if any) imposed by the Stock Exchange and the relevant regulatory authorities provide or procure the placees to provide particulars of the placees to the Company or the regulatory authorities direct, including names, addresses, number of Placing Shares acquired and such other information as required by the Stock Exchange and/or the relevant regulatory authority or governmental agency in Hong Kong for delivery to the Stock Exchange and/or the relevant authority or governmental agency in Hong Kong.

8. COMMISSIONS AND EXPENSES

- 8.1 The Subscriber shall pay to the Placing Agent a placing commission of 2.5 per cent. of the amount equal to the Placing Price multiplied by the number of the Placing Shares actually 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 7.2 and in respect of which the Company shall then reimburse the Subscriber on demand after deducting interest accrued and received by the Subscriber on the net proceeds of the Placing during the period between completion of the Placing and completion of the Subscription.

- 8.2 In addition to the fees referred to in Clause 8.1:

- (i) the Subscriber shall pay all Hong Kong stamp duty (other than buyers' Hong Kong stamp duty on the bought notes and instruments of transfer referred to in Clause 7) and all brokerage, trading fee, transaction levy chargeable to the Subscriber in relation to the Placing, any and all fees payable to the Stock Exchange and the SFC, and all charges, fees and expenses of the Company's share registrar 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 its nominees, all of which amounts the Placing Agent is hereby authorised to

deduct from the payment to be made by it to the Company pursuant to Clause 7.2; and

- (ii) the Company shall bear all reasonable legal and out-of-pocket expenses (including but not limited to fees charged by the Hong Kong Securities Clearing Company Limited in respect of CCASS transactions) incurred by the Placing Agent in relation to this Agreement, which, if ascertained at Completion, the Placing Agent is hereby authorised to deduct from the payment to be made to the Subscriber pursuant to Clause 7.2.

8.3 Without prejudice to the generality of Clause 8.2(i), the Company will be responsible for and pay all reasonable costs and expenses (including legal expenses) incurred by it in connection with:

- (i) the preparation and release of the Announcement and the negotiation, preparation and completion of this Agreement; and
- (ii) the issue of the Subscription Shares.

8.4 The Company shall be liable for the reasonable costs and expenses of the Placing Agent and the Subscriber's legal and other professional advisers and out-of-pocket expenses incurred in connection with the Subscription and the Placing and their associated transactions.

8.5 Payment of the amounts referred to in Clauses 8.2, 8.3 and 8.4, to the extent they have been incurred, shall be made by the Company to the Placing Agent or, as the case may be, the Subscriber, whether or not Completion takes place.

9. RESCISSION

9.1 The Placing Agent may, in its absolute opinion, after consultation with the Company, terminate this Agreement by notice in writing to the Company at any time up to 10:00 a.m. on the Placing Completion Date if:

- (1) there is any introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group; or
- (2) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a

whole or adversely prejudices the success of the placing of the Placing Shares to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Subscriber or the Company or the Placing Agent to proceed with the Placing; or

- (3) there is any material breach of the warranties, representations and undertakings given by the Company and/or the Subscriber 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
- (4) there is any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which affect the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing; or
- (5) any statement contained in the Announcement has become or been discovered to be untrue, incorrect or misleading in any material respect which in the absolute opinion of the Placing Agent would be materially adverse in the consummation of the Placing.

9.2 Upon termination of this Agreement pursuant to this Clause 9, 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 any antecedent breach of any obligation under this Agreement.

10. MISCELLANEOUS

- 10.1 All provisions of this Agreement shall so far as they are capable of being performed or observed continue in full force and effect notwithstanding Completion except in respect of those matters then already performed.
- 10.2 This Agreement may be executed in more than one counterparts each of which shall be binding on the party who shall have executed it but which shall together constitute but one agreement.
- 10.3 Time shall be of the essence of this Agreement.

11. NOTICES

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

If to the Subscriber, to:

Address : Unit A02, 11/F, Bank of East Asia Harbour View Centre, 56
Gloucester Road, Wanchai, Hong Kong
Facsimile : (852) 2802 8188

Attention : The Board of Directors

If to the Company, to:

Address : Unit A02, 11/F, Bank of East Asia, Harbour View Centre, 56
Gloucester Road, Wanchai, Hong Kong
Facsimile : (852) 2802 8188
Attention : The Board of Directors

If to the Placing Agent to:

Address : 1905, Wing On House, 71 Des Voeux Road Central, Hong
Kong
Facsimile : (852) 2810 6789
Attention : Mr. Albert Wan

11.2 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.

12. GOVERNING LAW

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

12.2 The parties hereto irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts.

IN WITNESS whereof the parties or their duly authorised representatives have executed this Agreement on the date first before appearing.

ANNEX A

THE ANNOUNCEMENT

SCHEDULE

Date:

To: China Seven Star Holdings Limited

Dear Sirs,

Subscription of Shares

We refer to the placing and subscription agreement dated 22 April 2015 (the “**Agreement**”) and entered into between (i) yourselves (the “**Company**”); (ii) First Shanghai Securities Limited as placing agent; and (iii) ourselves. Unless the context otherwise requires, capitalised terms defined in the Agreement shall have the same meanings where used herein.

Pursuant to the provisions of the Agreement, we hereby apply for the following shares (“**Shares**”) in the capital of the Company subject to the Memorandum and Articles at the subscription price of HK\$0.6 per Share, for an aggregate amount of HK\$[•] (the “**Total Subscription Price**”).

Pursuant to Clause 7 of the Agreement, we hereby confirm that the net proceeds of the Placing of HK\$[•] (after such fees and expenses of HK\$[•] being deducted in accordance with Clause 8 of the Agreement) have been deposited by the Placing Agent to the designated bank account of the Company in full satisfaction of the Total Subscription Price and request the Company to register my name as the holder of the following Subscription Shares on the branch register of members of the Company in Hong Kong in accordance with the Memorandum and Articles.

Registered Owner

No. of Subscription Shares

[•]

[•]

Yours faithfully,
For and on behalf of
Group First Limited

Name:
Title: Director

THE SUBSCRIBER

SIGNED by)
)
for and on behalf of)
GROUP FIRST LIMITED)
)
in the presence of:)

懷新光

THE COMPANY

SIGNED by)
)
for and on behalf of)
CHINA SEVEN STAR HOLDINGS)
LIMITED)
)
in the presence of:)

懷新光

THE PLACING AGENT

SIGNED by *CHING AH CHYE*)
1/D NO. D251421(S))
for and on behalf of)
FIRST SHANGHAI)
SECURITIES LIMITED)
LIMITED)
in the presence of:)

CH

EXECUTIVE COPY

DATE: 22 APRIL 2015

GROUP FIRST LIMITED
(as Subscriber)

and

CHINA SEVEN STAR HOLDINGS LIMITED
(as Company)

and

FIRST SHANGHAI SECURITIES LIMITED
(as Placing Agent)

PLACING AND SUBSCRIPTION AGREEMENT

MICHAEL LI & CO.
19/F., Prosperity Tower
No. 39 Queen's Road Central
Central, Hong Kong
(Ref: CCL/DC/KV/158874)

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