



HERBERT
SMITH
FREEHILLS

Dated 13 April 2016

WALIFAX INVESTMENTS LIMITED

and

ARTINI CHINA CO. LTD.

SUBSCRIPTION AGREEMENT
relating to the shares of
ARTINI CHINA CO. LTD.

Herbert Smith Freehills

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THIS AGREEMENT is made on 13 April 2016

BETWEEN

- (1) **WALIFAX INVESTMENTS LIMITED**, a company incorporated in the British Virgin Islands whose principal place of business is at Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands (the "**Subscriber**"); and
- (2) **ARTINI CHINA CO. LTD**, a company incorporated in Bermuda whose principal place of business in Hong Kong is at Suite No. 10, 8/F, Tower 3, China Hong Kong City, China Ferry Terminal, 33 Canton Road, Kowloon, Hong Kong (the "**Company**").

RECITALS

- (A) The Company is incorporated with limited liability under the laws of Bermuda. As at the date of this Agreement, there are 2,569,840,644 Shares in issue. All the issued Shares are currently listed on the main board of the Hong Kong Stock Exchange.
- (B) As at the date of this Agreement, Walifax Investments Limited is interested in 1,085,267,988 Shares.
- (C) The Subscriber and the Company have agreed that the Company shall allot and issue and the Subscriber shall subscribe for the Subscription Shares on and subject to the terms and conditions of this Agreement.

IT IS AGREED AS FOLLOWS:

1. INTERPRETATION

- 1.1 In this Agreement (including the Recitals and the Schedules) the following definitions are used unless otherwise defined:

"2015 Annual Report" means the annual report of the Company for the year ended 31 March 2015;

"Accounts" means the audited consolidated financial statements of the Group ended on the Accounts Date as shown in the 2015 Annual Report;

"Accounts Date" means 31 March 2015;

"Acquisition Agreement" means the agreement to be entered into between, among other parties, Artini Sales Company Limited as purchaser and Stand Charm Limited and Dragon Max Enterprises Limited, as vendors in relation to the acquisition by Artini Sales Company Limited of 100% equity interest in Primeview Technology Limited;

"Business Day" means a day (other than a Saturday, Sunday, public holiday or any day during which typhoon no. 8 signal (or above) or black rainstorm warning is hoisted at any time during 9:00a.m. and 5:00p.m. on that day) on which banks in Hong Kong are generally open for business

"Companies Ordinance" means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);

"Completion" means completion of the subscription, allotment and issue of the Subscription Shares under this Agreement;

"Conditions" means the conditions set out in Clause 2.1;

"Disclosed" means matters that are disclosed in this Agreement, the Accounts and/or the Interim Accounts;

"Encumbrance" means all pledges, charges, liens, mortgages, security interests, pre-emption rights, options, equities, power of sale, hypothecations, retentions of title, rights of

first refusal and any other encumbrances or third party rights or claims of any kind or any obligation to create any of the foregoing;

"Executive" means the executive director of the Corporate Finance Division of the SFC, or any delegate of such executive director;

"Group" means the Company and its Subsidiaries;

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

"Hong Kong" means the Hong Kong Special Administrative Region of the PRC;

"Hong Kong Listing Rules" means the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange;

"Hong Kong Takeovers Code" means the Hong Kong Code on Takeovers and Mergers;

"Hong Kong Stock Exchange" means The Stock Exchange of Hong Kong Limited;

"Hong Kong Whitewash Waiver" means the waiver granted by the Executive pursuant to Note 1 of the Notes on dispensations from Rule 26 of the Hong Kong Takeovers Code from an obligation (which would otherwise arise as a result of the Completion) on the part of the Subscriber to make a general offer for the issued securities of the Company not already owned or agreed to be acquired by the Subscriber and persons acting in concert with it as a result of the allotment and issue of the Subscription Shares to the Subscriber pursuant to this Agreement;

"Hong Kong Whitewash Resolution" means the resolution to be put to the Shareholders who are not required to abstain from voting under the Hong Kong Takeovers Code in a general meeting to be convened in compliance with the Hong Kong Takeovers Code to approve the Hong Kong Whitewash Waiver;

"Interim Accounts" means the unaudited interim consolidated financial statements of the Group for the six months ended on 30 September 2015 as shown in the interim report of the Company for the six months ended on 30 September 2015;

"Long Stop Date" means 30 September 2016 (or such later date as may be agreed between the Parties in writing);

"material adverse change (or effect)" means any change (or effect) the consequence of which is to materially and adversely affect the financial position, business or property, results of operations, business prospects or assets of the Group taken as a whole;

"Party" or **"Parties"** means a party or the parties to this Agreement;

"PRC" means the People's Republic of China, and shall exclude Hong Kong, The Macau Special Administrative Region and Taiwan for the purpose of this Agreement;

"SFC" means the Securities and Futures Commission of Hong Kong;

"Shares" means ordinary shares of no par value of the Company;

"Shareholders" means holder(s) of the Shares;

"Subscriber's Warranties" means the representations and warranties made or given by the Subscriber set out in Part II of Schedule 1;

"Subscription" means the subscription for the Subscription Shares by the Subscriber on and subject to the terms and conditions set out in this Agreement;

"Subscription Price" has the meaning given at Clause 3.1.2;

"Subscription Shares" means 2,440,000,000 new Shares to be allotted and issued pursuant to the terms of this Agreement;

"Subsidiary" means any subsidiary (as defined under the Companies Ordinance) of the Company for the time being wherever incorporated;

"Warranties" means the representations and warranties made or given by the Company set out in Part I of Schedule 1.

- 1.2 In this Agreement, unless otherwise defined or unless the context or subject matter otherwise requires: -
- 1.2.1 A reference to a clause, sub-clause, paragraph, sub-paragraph or schedule is, unless indicated to the contrary, a reference to a clause, sub-clause, paragraph or schedule of this Agreement.
 - 1.2.2 Any reference to this Agreement includes the Schedules to it which form part of this Agreement for all purposes.
 - 1.2.3 A reference to an enactment or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment or statutory provision and is a reference to that enactment, statutory provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced.
 - 1.2.4 The singular includes the plural and vice versa and reference to any gender includes a reference to all other genders.
 - 1.2.5 The headings and the table of contents in this Agreement are for convenience only and shall not affect its interpretation.
 - 1.2.6 In this Agreement, words and expressions defined in the Hong Kong Takeovers Code or the Hong Kong Listing Rules shall bear the same meaning as in the Hong Kong Takeovers Code or the Hong Kong Listing Rules unless expressly provided otherwise.
 - 1.2.7 A reference to a person includes a reference to a firm, a body corporate, an unincorporated association, a partnership or their respective successors and assigns.
 - 1.2.8 References to writing shall include any typewriting, printing, lithography, photography and any other modes of representing or reproducing words in a legible and non-transitory form and documents and information sent or supplied in electronic form are "in writing" for the purpose of this Agreement.
 - 1.2.9 References in this Agreement to any other agreement or other instrument (other than an enactment or statutory provision) shall be deemed to be references to such agreement or instrument as from time to time amended, varied, supplemented, substituted, novated or assigned.

2. **CONDITIONS**

- 2.1 The obligations of the Parties in respect of Completion are conditional upon the occurrence of the following matters on or before the Long Stop Date:
- 2.1.1 the obtaining of the Hong Kong Whitewash Waiver, and if such approval is subject to any conditions imposed by the SFC, such conditions being reasonably acceptable to the Subscriber (it being acknowledged that any condition requiring the approval of Shareholders other than the Subscriber or its associates (as defined in the Hong Kong Listing Rules) is acceptable to the Subscriber);
 - 2.1.2 the Acquisition Agreement becoming unconditional in accordance with its terms;
 - 2.1.3 the approval by the Shareholders who are not required to abstain from voting under the Hong Kong Listing Rules and the Hong Kong Takeovers Code of each of the following at a special general meeting of the Company in accordance with the requirements of the Hong Kong Listing Rules and the Hong Kong Takeovers Code:

- (I) this Agreement and the transactions contemplated thereunder, including the allotment and issue under a specific mandate of the Subscription Shares;
 - (II) the Hong Kong Whitewash Resolution; and
 - (III) the Acquisition Agreement and the transactions contemplated thereunder;
- 2.1.4 the listing of, and permission to deal in, all the Subscription Shares having been granted by the Hong Kong Stock Exchange (either unconditionally or subject to allotment and matters ancillary thereto) and if such approval is subject to any conditions imposed by the Hong Kong Stock Exchange, such conditions having been fulfilled;
- 2.1.5 the Shares remaining listed and traded on the main board of the Hong Kong Stock Exchange at all times from the date of this Agreement up to the date of Completion, save for any temporary suspension in connection with the approval and clearance of the documents relating to the transactions contemplated under this Agreement and the Acquisition Agreement by the SFC or the Hong Kong Stock Exchange prior to their release or publication;
- 2.1.6 no indication being received prior to Completion from the SFC and the Hong Kong Stock Exchange to the effect that the listing of the Shares on the main board of the Hong Kong Stock Exchange shall or may be withdrawn or objected to;
- 2.1.7 all the authorisations, approvals, consents, waivers and permits of the relevant authorities of the relevant jurisdictions which are necessary to give effect to this Agreement and the Subscription as required by all laws or regulations applicable to the Company and the Subscriber having been granted, received and obtained, or where such approval, consent, waiver or permits is given subject to conditions, on such conditions as are acceptable to the Company and the Subscriber (as the case may be) acting reasonably;
- 2.1.8 the Warranties made, or any of the undertakings given, by the Company under this Agreement remaining true and correct; and
- 2.1.9 there not having occurred at any time any material adverse change or development in the financial or trading position of the Group.
- 2.2 None of the Parties shall have the right to waive any of the Conditions under Clauses 2.1.1 to 2.1.7. The Subscriber may in its absolute discretion at any time before Completion waive the Conditions under Clauses 2.1.8 and 2.1.9 by notice in writing to the Company and such waiver may be subject to such terms and conditions as may be agreed between the Subscriber and the Company in writing.
- 2.3 The Company shall use its reasonable endeavours to procure that the Conditions set out in Clauses 2.1.2 to 2.1.9 (insofar as applicable to the Company) are fulfilled on or before the Long Stop Date, and the Subscriber shall use its reasonable endeavours to procure that the Condition set out in Clause 2.1.1, 2.1.7 and 2.1.8 (insofar as applicable to the Subscriber) are fulfilled on or before the Long Stop Date.
- 2.4 The Parties shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be reasonably required by the Hong Kong Stock Exchange, the SFC and the Registrar of Companies in Hong Kong in connection with the application for the listing of, and permission to deal in, the Subscription Shares and the applications for the Hong Kong Whitewash Waiver.
- 2.5 If any of the Conditions remain unsatisfied or is not waived (other than the Conditions under Clauses 2.1.1 to 2.1.7 which cannot be waived) on the day falling on the expiry of

the Long Stop Date or becomes incapable of fulfilment on or before the day falling on the expiry of the Long Stop Date, this Agreement, other than this Clause (Conditions) and Clauses 1 (Interpretation), 8 (Costs and Expenses), 10 (Announcement, Information and Confidentiality), 11 (Notices), 12 (Entire Agreement), 14 (Waivers), 15 (Partial Invalidity), 18 (Counterparts), 19 (Governing Law and Jurisdiction) and 20 (Binding Effect) shall automatically terminate with immediate effect and each Party's rights and obligations other than those specified above shall cease immediately on termination. Such termination shall not affect the rights and obligations of the Parties existing before termination.

2.6 Each Party shall notify the other Parties as soon as practicable after it becomes aware that a Condition in Clause 2.1 has been satisfied or that any such Condition is incapable of fulfilment.

3. **SUBSCRIPTION**

3.1 Subscription

3.1.1 The Subscriber shall subscribe for and the Company shall allot and issue to the Subscriber, the Subscription Shares at the Subscription Price payable in cash on Completion, fully paid and free from all Encumbrances and adverse claims and the Subscription Shares shall rank *pari passu* in all respects with the Shares in issue at the date of Completion and with all rights, including all dividends and other distributions declared made or paid at any time after the date of Completion.

3.1.2 The subscription price for the Subscription Shares is HK\$180,560,000 (the "**Subscription Price**"), representing HK\$0.074 per Subscription Share.

4. **COMPLETION**

4.1 Completion shall, subject to the Whitewash Waiver and the listing permission contemplated in Clause 2.1.4 not being revoked or withdrawn, take place on the second Business Day at 23rd Floor, Gloucester Tower, 15 Queen's Road Central, Hong Kong following the due fulfilment (or waiver if applicable) of the Conditions or such other date or place as the Parties shall agree.

4.2 At Completion, the Company shall:

4.2.1 deliver to the Subscriber a certified true copy of the minutes of the board of directors of the Company, approving;

(I) this Agreement and the transactions contemplated thereunder;

(II) the execution of this Agreement, the Acquisition Agreement and all documents necessary to give effect to the transactions contemplated under this Agreement and the Acquisition Agreement; and

(III) the allotment and issue of the Subscription Shares and the entry of the name of the Subscriber into the register of members of the Company as holder of the Subscription Shares;

4.2.2 subject to payment therefor, duly allot and issue the Subscription Shares in accordance with this Agreement and procure the branch share registrar to deliver and deposit to the CCASS stock account as shall be notified by the Subscriber to the Company one Business Day prior to the date of Completion the definitive share certificate(s) representing the number of Subscription Shares the Subscriber has subscribed for under Clause 3;

4.2.3 deliver or arrange to be delivered to the Subscriber a certified copy of the approval letter granted by the Hong Kong Stock Exchange in relation to the listing

of, and permission to deal in, all the Subscription Shares;

- 4.2.4 deliver a confirmation letter signed by a director of the Company and addressed to the Subscriber to evidence that the condition under the Clauses 2.1.2, 2.1.8 and 2.1.9 (insofar as applicable to the Company) have been satisfied; and
 - 4.2.5 deliver to the Subscriber a certified true copy of the duly executed Acquisition Agreement.
- 4.3 At Completion, the Subscriber shall:
- 4.3.1 transfer by wire transfer of immediately available funds and without deductions and for value on the Completion Date to a bank account to be notified in writing by the Company to the Subscriber the funds representing the Subscription Price or in such other manner as may be agreed in writing between the Parties;
 - 4.3.2 deliver to the Company a certified true copy of the sole director's resolutions of the Subscriber (certified by any director of the Subscriber), approving this Agreement and the transactions contemplated thereunder; and
 - 4.3.3 deliver or arrange to be delivered to the Company a certified true copy of the approval letter issued by the SFC in respect of the Hong Kong Whitewash Waiver.
- 4.4 In respect of the Completion, the Parties agree that:
- 4.4.1 neither the Subscriber nor the Company shall be obliged to complete the subscription of the Subscription Shares unless the other Party complies in full with all of the obligations provided in this Agreement to be performed and/or observed by such party on or prior to Completion; and
 - 4.4.2 all actions required to be performed on the date of Completion shall be taken to have occurred simultaneously on the date of Completion.

5. THE COMPANY'S UNDERTAKINGS

- 5.1 The Company hereby undertakes with the Subscriber that the Company shall comply in all respects with the terms and conditions of the Subscription and, in particular, that the Company shall duly allot and issue the Subscription Shares free from all Encumbrances ranking *pari passu* in all respects with the Shares in issue as at the date of allotment.
- 5.2 The Company undertakes with the Subscriber to procure that the share registrar of the Company shall do all such acts and things as may be required to be done by it in connection with the Subscription.
- 5.3 The Company undertakes with the Subscriber to comply with (i) all laws and regulations applicable to the Group, including but not limited to, the laws of Hong Kong, and (ii) all requirements of the Hong Kong Stock Exchange and the SFC to give effect to all matters contemplated under the Agreement, including but not limited to the making of all necessary filings with the Hong Kong Stock Exchange, SFC and the Registrar of Companies in Hong Kong.
- 5.4 Subject to all applicable laws restricting and/or prohibiting the disclosure of information by the Company to the Subscriber, to the extent legally permissible, the Company undertakes to provide the Subscriber with all such information known to it relating to the Group or otherwise as may be reasonably required by the Subscriber in connection with the Subscription for the purposes of complying with all laws and the requirements of the Hong Kong Stock Exchange, the SFC and/or any other relevant regulatory authority.
- 5.5 The Company shall make such announcements and issue such circular(s) disclosing

particulars of this Agreement, the Hong Kong Whitewash Waiver, the Acquisition Agreement and the transactions contemplated thereunder as may be required for the purposes of complying with the Company's disclosure obligations under applicable laws, rules and regulations (including but not limited to the Hong Kong Listing Rules, the Hong Kong Takeovers Code and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and, during the preparation of such announcements and circular(s), the Company will consider and incorporate reasonable comments from the Subscriber.

6. THE SUBSCRIBER'S UNDERTAKINGS

- 6.1 The Subscriber hereby undertakes to the Company that the Subscriber or any person acting in concert with it (as defined in the Hong Kong Takeovers Code) will not acquire or dispose of any voting rights (including any instruments convertible into and options in respect of the Shares) in the Company (other than the subscription of the Subscription Shares pursuant to this Agreement) during the period between the date of this Agreement and the date of Completion.
- 6.2 The Subscriber hereby undertakes to the Company that it will comply with all obligations which may be imposed upon it by the Companies Ordinance, the Hong Kong Listing Rules, the Hong Kong Takeovers Code and all applicable laws or otherwise in respect of or by reason of the matters contemplated by this Agreement.

7. REPRESENTATIONS AND WARRANTIES

- 7.1 The Company represents and warrants to the Subscriber that, subject to the matters Disclosed, each of the Warranties is true, accurate and not misleading as at the date of this Agreement and will remain true, accurate and not misleading as at the date of Completion.
- 7.2 The Subscriber represents and warrants to the Company that each of the Subscriber's Warranties is true, accurate and not misleading as at the date of this Agreement and will remain true, accurate and not misleading as at the date of Completion.
- 7.3 The Company acknowledges that the Subscriber has entered into this Agreement in reliance upon the Warranties and the Subscriber acknowledges that Company has entered into this Agreement in reliance upon the Subscriber's Warranties.
- 7.4 Each of the Warranties shall be separate and independent and, save as expressly provided to the contrary, shall not be limited by reference to or inference from any other Warranty or any other term of this Agreement.
- 7.5 The Company hereby agrees to disclose promptly to the Subscriber in writing as soon as practicable after becoming aware of any matter, event or circumstance (including any omission to act) which may arise or become known to it after the date of this Agreement and before Completion which:
- 7.5.1 constitutes a breach of any of the Warranties; or
 - 7.5.2 has a material adverse effect on the financial position of any member of the Group.

8. COSTS AND EXPENSES

- 8.1 Each Party shall bear its own legal and professional fees, costs and expenses incurred in connection with the negotiation, preparation, execution and performance of this Agreement and all related transaction documents.
- 8.2 The Subscriber will pay the application fee for the Hong Kong Whitewash Waiver, for which the Subscriber shall apply for.
- 8.3 The Company and the Subscriber shall bear its own Hong Kong Stock Exchange trading

fees at the prevailing applicable rate of 0.005% and SFC transaction levy at the prevailing applicable rate of 0.0027% as may be payable in respect of the issue of the Subscription Shares.

9. **TIME OF THE ESSENCE**

9.1 Time will be of the essence of this Agreement.

10. **ANNOUNCEMENT, INFORMATION AND CONFIDENTIALITY**

10.1 The Parties shall release for publication of the announcement in relation to the subject matter contained in this Agreement promptly following signing of this Agreement in accordance with the applicable laws, rules and regulations.

10.2 Other than the announcement as referred to in Clause 10.1 above, without the written consent of the other Parties (which consent shall not be unreasonably delayed or withheld), no Party shall permit or cause the disclosure of any information (other than to its professional advisers under a duty of confidentiality) which it may have, or may acquire before or after the date of this Agreement relating to the provision of, and negotiations leading to, this Agreement and the performance of the obligations thereunder unless:

10.2.1 such information is in the public domain other than due to a breach of the obligation under this Clause 10.2; or

10.2.2 required by law, any court or competent authority, the Hong Kong Stock Exchange, the SFC or other regulatory authorities or as may be required to comply with, among others, the Hong Kong Listing Rules and the Hong Kong Takeovers Code, the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

10.2.3 required to vest the full benefit of this Agreement in any of the Parties; or

10.2.4 required for the purpose of any judicial proceedings arising out of this Agreement or for taxation-related affairs of the disclosing Party.

11. **NOTICES**

11.1 Any notice to be given under this Agreement shall be in English and made in writing addressed to the relevant Party and may be delivered personally or sent by prepaid letter (airmail if overseas) or facsimile transmission and once given or made shall be irrevocable. A notice shall be sent to the addressee (marked for the attention of the appropriate person) at its address or facsimile number set out below or to such other address or facsimile number as may be notified by such addressee to the other party from time to time for the purposes of this Clause. Such notice shall be deemed to be served on the day of delivery or facsimile transmission (or, if the day of delivery or transmission is not a Business Day or if the delivery or transmission is made after 5:00 p.m. Hong Kong time, deemed to be served on the immediately following Business Day) or, if sooner, upon acknowledgement of receipt by or on behalf of the party to which it is addressed.

11.2 The initial address and facsimile number of each of the Parties for the purposes of this Clause are as follows:

to the Subscriber:

Address: Suite 810, 8/F., China Hong Kong City, 33 Canton Road, Hong Kong
Facsimile: +852 2330 2086
For the attention of: Mr. Tse Hoi Chau

to the Company:

Address: Suite No. 10, 8/F, Tower 3, China Hong Kong City, China Ferry
Terminal, 33 Canton Road, Kowloon, Hong Kong

Facsimile: +852 2330 2086

For the attention of: Mr. Lin Shao Hua

12. ENTIRE AGREEMENT

12.1 This Agreement represents the entire understanding, and constitutes the whole agreement, in relation to its subject matter and supersedes any previous agreement between the Parties with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom, usage or course of dealing.

12.2 Each Party confirms that, except as provided in this Agreement, no party has relied on any representation or warranty or undertaking which is not contained in this Agreement and no Party shall be under any liability or shall have any remedy in respect of misrepresentation or untrue statement unless and to the extent that a claim lies under this Agreement.

13. FURTHER ASSURANCE

13.1 Each party agrees to give such further assurance, provide such further information, perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents, as may be required by law or as may be necessary or reasonably desirable to implement and/or give effect to this Agreement and the transactions contemplated therein.

14. WAIVERS

14.1 No waiver of any provisions of this Agreement shall be effective unless set forth in written instrument signed by the Party waiving such provision. No failure, relaxation, forbearance, indulgence or delay of any Party in exercising any right or remedy provided by law or under this Agreement shall affect the ability of that Party subsequently to exercise such right or remedy or to pursue any other rights or remedies, nor shall such failure or delay constitute a waiver or variation of that or any other right or remedy. No single or partial exercise of any such right or remedy shall preclude any other or further exercise of it or the exercise of any other right or remedy.

15. PARTIAL INVALIDITY

15.1 The Parties intend that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws applied in each jurisdiction in which enforcement is sought. If any particular provision or part of this Agreement shall be held to be invalid or unenforceable, then such provision shall (so far as invalid or unenforceable) be given no effect and shall be deemed not to be included in this Agreement but without invalidating any of the remaining provisions of this Agreement. The Parties shall use all reasonable endeavours to replace the invalid or unenforceable provisions by a valid and enforceable substitute provision the effect of which is as close as possible to the intended effect of the invalid or unenforceable provision.

16. VARIATION

16.1 No variation of any of the terms of this Agreement (or of any document described in or expressed to be entered into in connection with this Agreement) shall be effective unless such variation is made in writing and signed by or on behalf of each of the Parties. The expression "variation" shall include any variation, supplement, deletion or replacement however effected.

17. **ASSIGNMENT**

17.1 This Agreement shall be binding on and enure for the benefit of the successors of the Parties but neither of the benefits nor obligations hereunder shall be capable of being assigned (by operation of law or otherwise) by either Party without the prior written consent of the other.

18. **COUNTERPARTS**

18.1 This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

19. **GOVERNING LAW AND JURISDICTION**

19.1 This Agreement shall be governed by and construed in accordance with Hong Kong law.

19.2 Any dispute or claim arising out of or relating to this Agreement, including the validity, invalidity, breach or termination thereof shall be settled by arbitration in Hong Kong under the Hong Kong International Arbitration Centre Administered Arbitration Rules in force when the notice of arbitration is submitted in accordance with these rules. The number of arbitrator shall be three. The arbitration proceedings shall be conducted in Chinese.

19.3 Each party shall appoint one arbitrator, and the two arbitrators appointed by the parties (or by the Chairman pursuant to Rule 8.2 of the Hong Kong International Arbitration Centre Administered Arbitration Rules as the case may be) shall within 20 days of the appointment of the second arbitrator agree upon a third arbitrator, who shall act as the presiding arbitrator. If the third arbitrator has not been agreed within this time period, the third arbitrator shall be appointed by Hong Kong International Arbitration Centre.

20. **BINDING EFFECT**

20.1 This Agreement shall be binding on and enure to the benefit of the Subscriber, the Company and their respective successors.

21. **MISCELLANEOUS**

21.1 No person who is not a Party shall have any rights under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce or to enjoy the benefit of any term of this Agreement.

SCHEDULE 1

PART I WARRANTIES

In consideration of the Subscriber entering into this Agreement, the Company warrants, as follows:

1. GENERAL INFORMATION

- 1.1 The information set out in Recital A is true and accurate.
- 1.2 The information set out in the 2014 Annual Report and the Interim Accounts is true and accurate.

2. CAPACITY AND STATUS

- 2.1 Other than the Conditions set out in Clauses 2.1.2 to 2.1.4 and 2.1.7 which have not all been fulfilled as at the date of this Agreement, the Company has obtained all corporate authorisations and all other applicable governmental, statutory, regulatory or other consents, licences, authorisations, waivers or exemptions required to empower it to enter into and perform its obligations under this Agreement.
- 2.2 This Agreement will, when executed, constitute valid, legal and binding obligations of the Company enforceable against the Company subject to and in accordance with the terms herein.
- 2.3 The Company is validly incorporated with limited liability in Bermuda with good standing under the laws of Bermuda and the entry into and performance by the Company of this Agreement will not violate or conflict with any applicable laws or the provisions of its memorandum and bye-laws or any agreement or instrument to which the Company is a party or by which the Company is bound.
- 2.4 Subject to fulfilment of Clauses 2.1.2 to 2.1.4 and 2.1.7, the Company has full power, authority and capacity to allot and issue the Subscription Shares pursuant to this Agreement under the bye-laws of the Company.

3. SHARE CAPITAL

- 3.1 The Subscription Shares will, when issued, comprise approximately 48.70% of the total number of issued Shares as enlarged by the Subscription Shares.
- 3.2 The Subscription Shares shall when issued:
 - 3.2.1 be duly and validly issued and fully-paid;
 - 3.2.2 rank pari passu with, and carry the same rights in all aspects as, the other Shares then issued and outstanding; and
 - 3.2.3 be free and clear of all Encumbrances and with all rights, including dividends, distributions or any return of capital declared and voting rights, attached or accrued to them on the date of Completion.
- 3.3 There are no restrictions applicable to the Shares generally upon the voting or transfer of any of the Shares pursuant to the Company's constitutional documents or pursuant to any agreement or other instrument to which the Company is a party or by which the Company may be bound.
- 3.4 Save for the share option scheme of the Company adopted by the Shareholders, no

person has the right (whether exercisable now or in the future and whether contingent or not) to call for the allotment, conversion, issue, registration, sale or transfer of any Share or any other security giving rise to a right over, or an interest in the Shares.

PART II

SUBSCRIBER'S WARRANTIES

1. The Subscriber has full power, authority and capacity and has obtained all corporate authorisations and all other applicable governmental, statutory, regulatory or other consents, licences, authorisations, approvals, waivers or exemptions required to empower it to enter into and perform its obligations under this Agreement.
2. This Agreement will, when executed and delivered, constitute valid, legal and binding obligations of the Subscriber enforceable against the Subscriber subject to and in accordance with the terms herein.
3. The Subscriber is validly incorporated, in existence and duly registered under the laws of British Virgin Islands and the entry into and performance by the Subscriber of this Agreement will not violate or conflict with any applicable laws or the provisions of its memorandum and articles of association or any agreement or instrument to which the Subscriber is a party or by which the Subscriber is bound.
4. The Subscriber has not been, is not and will not be at any time engaged in insider dealing for the purposes of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) in connection with the Subscription and the related transactions entered into or to be entered into pursuant to this Agreement; none of the Subscriber, any of its affiliate nor any person acting on its or their behalf or under its or their has taken or will take, directly or indirectly, any action designed or which was designed, or which constitutes or has constituted or might reasonably be or have been expected to cause or result in, stabilisation or manipulation of the price of any Shares or other securities of the Company.
5. Neither the Subscriber nor any person acting in concert with it (as defined in the Hong Kong Takeovers Code) has acquired or disposed of any voting rights (including any instruments convertible into and options in respect of the Shares) in the Company in the six-month period prior to the date of this Agreement up to immediately prior to Completion.
6. No order has been made, resolution passed, petition presented or meeting convened or other step taken for the winding up or liquidation of the Subscriber.
7. No step has been taken by any person with a view to the appointment of an administrator, (or equivalent in the relevant jurisdiction), whether out of court or otherwise, in relation to the Subscriber, and no receiver has been appointed in respect of the whole or any part of any of the property, assets and/or undertaking of the Subscriber.
8. The Subscriber has not made any voluntary arrangement with any of its creditors and the Subscriber is neither insolvent nor unable to pay its debts as they fall due.
9. All information provided and/or to be provided by the Subscriber to the Company for inclusion in the announcement in relation to the subject matter contained in this Agreement, including, but not limited to, the description of the Subscriber and its ultimate owner is and will be true, accurate and complete in all material aspects.

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

SIGNED by
for and on behalf of
WALIFAX INVESTMENTS LIMITED
in the presence of:

)
)
) 
)



SIGNED by)
for and on behalf of)
ARTINI CHINA CO. LTD.)
in the presence of:)

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

SIGNED by)
for and on behalf of)
WALIFAX INVESTMENTS LIMITED)
in the presence of:)

SIGNED by)
for and on behalf of)
ARTINI CHINA CO. LTD.)
in the presence of:)

