

Dated the 3rd day of July 2019

SOUTH CHINA FINANCIAL HOLDINGS LIMITED

and

OPUS CAPITAL LIMITED

PLACING AGREEMENT

relating to placing of new ordinary shares
in the capital of

SOUTH CHINA FINANCIAL HOLDINGS LIMITED

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THIS AGREEMENT is dated the 3rd day of July 2019 and made

BETWEEN:

- (1) **SOUTH CHINA FINANCIAL HOLDINGS LIMITED**, a company incorporated in Hong Kong with limited liability and having its principal place of business at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong (the "**Company**"); and
- (2) **OPUS CAPITAL LIMITED**, a company incorporated in Hong Kong whose registered address and principal place of business is at 18/F, Fung House, 19-20 Connaught Road Central, Central, Hong Kong ("**Placing Agent**").

WHEREAS:

- (A) The Company has at the date of this Agreement 301,277,070 Shares which have been issued and are fully paid up or credited as fully paid up. All the issued Shares are currently listed on the Stock Exchange.
- (B) The Company intends to raise gross proceeds of approximately HK\$189.8 (before expenses) on the basis of three (3) Rights Shares for every two (2) existing Shares held on the Record Date by issuing 451,915,605 Rights Shares at the Subscription Price of HK\$0.42 per Right Share. The Rights Issue is only available to the Qualifying Shareholders and will not extend to the Non-Qualifying Shareholders.
- (C) Mr. Ng Hung Sang, Fung Shing Group Limited, Parkfield Holdings Limited, Ronastar Investments Limited, Uni-Spark Investments Limited and Mr. Ng Yuk Yeung Paul (collectively the "**Undertaking Shareholders**") are interested in an aggregate of 100,161,607 Shares. The Undertaking Shareholders have agreed by way of the Irrevocable Undertaking, inter alia, to accept the provisional allotment of 150,242,410 Rights Shares under the Rights Issue, being their full entitlements under the Rights Issue.
- (D) The Company has agreed, subject to the terms and conditions hereinafter stated, to engage the Placing Agent and the Placing Agent has agreed to act as the bookrunner and placing agent of the Company to place, on a best effort basis, the Unsubscribed Rights Shares and the NQS Unsold Rights Shares after the Latest Time For Acceptance of the Rights Shares to be allotted and issued under the Rights Issue to Placees.
- (E) Application shall be made to the Stock Exchange (as defined below) by the Company for the listing or, and permission to deal in, the Right Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

IT IS HEREBY AGREED THAT:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement (including the Recitals above), the following expressions shall, unless the context requires otherwise, have the following meanings:

"Announcement"	means the announcement to be issued by the Company in respect of, among others, the Rights Issue, the Underwriting Agreement and the Whitewash Waiver immediately following the execution of this Agreement
"Business Day"	means a day (other than Saturday and Sunday and a day on which a tropical cyclone warning No.8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black rainstorm warning signal" is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general banking
"CCASS"	means the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
"Companies Ordinance"	means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended and supplemented from time to time
"Compensatory Arrangements"	means the placement of Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent on a best effort basis pursuant to the arrangements described in Rule 7.21(1)(b) of the Listing Rules
"Completion"	means completion of Placing on the Completion Date
"Completion Date"	means the date of Completion, which shall be the third Business Day after the Latest Placing Day or such other date as the Company and the Placing Agent may agree in writing
"Despatch Date"	means the date of despatch of share certificates to the Shareholders, the Placing Agent and/or the Underwriter who have participated in the Rights Issue, which is expected to be 18 September 2019, or such other time as may be agreed between the Company and the Underwriter
"Director(s)"	means director(s) of the Company
"EGM"	means the extraordinary general meeting of the Company to be convened and held to consider, among others, the Rights Issue, the Underwriting Agreement and the Whitewash Waiver
"Force Majeure Occurrence"	means an occurrence beyond the control and without the fault or negligence of the party affected and which by exercise or reasonable diligence the said party is unable to prevent or provide against. Without limiting the generality of the foregoing, force majeure occurrences shall include: acts of nature (including fire, flood,

earthquake, storm, hurricane or other natural disaster), war, invasion, acts of foreign combatants, terrorists acts, military or other usurped political power or confiscation, nationalisation, government sanction or embargo, labour disputes of third parties to this Agreement, or the prolonged failure of electricity or other vital utility service

"General Rules"		means the General Rules of CCASS issued by Hong Kong Securities Clearing Company Limited from time to time
"Group"		means the Company and its Subsidiaries
"Hong Kong"		means the Hong Kong Special Administrative Region of the PRC
"HK\$"		means Hong Kong dollars, the lawful currency of Hong Kong
"Independent Committee "	Board	means the independent board committee of the Company comprising all the independent non-executive Directors formed for the purpose of giving a recommendation to the Independent Shareholders as to whether the Underwriting Agreement, the Rights Issue and the Whitewash Waiver are fair and reasonable and as to voting after taking into account the advice of the independent financial adviser
"Independent Shareholders"		means the Shareholders other than: (i) the Directors (excluding members of the Independent Board Committee), the chief executive of the Company and their respective associates; and (ii) the Underwriter and parties acting in concert with it and any Shareholders who are involved in, or interested in, or have a material interest in the Underwriting Agreement, the Rights Issue and/or the Whitewash Waiver
"Irrevocable Undertaking"		means irrevocable undertakings executed by each of the Undertaking Shareholders in favour of the Company and the Underwriter
"Latest Placing Day"		11 September 2019 or such later date as the Company and the Placing Agent may agree in writing, being the latest date for the Placing Agent to place the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares
"Latest Time for Acceptance"		4:00 p.m. on Thursday, 5 September 2019 or such other time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of the offer of the Rights Shares
"Latest Time for Termination"		4:00 p.m. on Friday, 6 September 2019, being the next Business Day after the Latest Time for Acceptance, or

such other time as may be agreed between the Company and the Underwriter

"Listing Rules"	means Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
"Non-Qualifying Shareholder(s)"	means those Overseas Shareholder(s) whom the Directors, based on legal advice to be provided by legal advisers in the relevant jurisdictions, consider it necessary, or expedient not to offer the Rights Shares to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
"NQS Unsold Rights Share(s)"	means the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholder(s) in nil-paid form that have not been sold by the Company
"Optionholders' Undertaking"	means the undertaking executed by each of the holders of the Share Options
"Overseas Shareholder(s)"	Shareholder(s) with registered address(es) (as shown on the register of members of the Company on the Record Date) which is/(are) outside Hong Kong
"Party(ies)"	means a named party(ies) to this Agreement and its respective successors and permitted assigns
"Placing"	means the placing of the NQS Unsold Rights Share(s) and the Unsubscribed Rights Share(s) subject to the terms and conditions of this Agreement
"Placing Period"	means the period commencing from the day which is the second Business Day after the Latest Time for Acceptance, which is expected to be 9 September 2019, and ending at 5:00 p.m. on the Latest Placing Day
"Placee(s)"	means any independent person(s) or entity(ies) whom the Placing Agent has procured to subscribe to for any of the NQS Unsold Rights Share(s) and/or the Unsubscribed Rights Share(s)
"PRC"	means the People's Republic of China which for the purpose of this Agreement shall exclude Hong Kong, Macau Special Administrative Region of the People's Republic of China and Taiwan
"Proceedings"	means any legal action or proceedings in connection with this Agreement

"Prospectus Documents"	means the prospectus to be despatched to the Shareholders containing details of the Rights Issue and the provisional allotment letter
"Prospectus Date"	Posting means 22 August 2019 or such other date as the Underwriter may agree in writing with the Company, being the date of dispatch of the Prospectus Documents
"Qualifying Shareholders"	means Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholder(s)
"Record Date"	means such date as the Company may determine, being the date by reference to which the Shareholders' entitlement to the Rights Issue are to be determined
"Rights Issue"	means the proposed issue of the Rights Shares by way of rights on the basis of three Rights Shares for every two Shares held on the Record Date at the Subscription Price pursuant to Prospectus Documents and as contemplated under the Underwriting Agreement
"Rights Shares"	means 451,915,605 Shares in the Company proposed to be allotted and issued by the Company to the Qualifying Shareholders for subscription pursuant to the Rights Issue
"SFC"	means the Securities and Futures Commission of Hong Kong
"Shareholder(s)"	means holder(s) of the Share(s)
"Share Options"	means the options granted by the Company pursuant to the share option scheme adopted on 5 June 2012 which give holders thereof the rights to subscribe for Shares at the exercise price of HK\$9.75 per Share
"Shares"	means ordinary share(s) in the issued share capital of the Company
"Stock Exchange"	means The Stock Exchange of Hong Kong Limited
"Subsidiaries"	has the same meaning as in Section 15 of the Companies Ordinance
"Subscription Price"	means HK\$0.42 per Rights Share
"substantial shareholder"	has the meaning ascribed to it in the Listing Rules
"Takeovers Code"	means the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC
"Underwriter"	means Uni-Spark Investments Limited, a company incorporated in Hong Kong with limited liability and wholly and beneficially owned by Mr. Ng Hung Sang, the

chairman, an executive Director and a substantial shareholder of the Company

"Underwriting Agreement"		means the underwriting agreement entered into between the Company and Uni-Spark Investments Limited on 3 July 2019 in relation to the underwriting arrangement in respect of the Rights Issue
"Unsubscribed Share(s)"	Rights	means the Rights Share(s) that are not subscribed by the Qualifying Shareholder(s) or holder(s) of nil-paid right(s), which do not include any Rights Share(s) to be provisionally allotted to the Undertaking Shareholders, for which subscription of Rights Shares will be subject to the Irrevocable Undertaking
"Whitewash Waiver"		means a waiver to be granted by the SFC pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code to waive the obligation of the Underwriter to make a mandatory general offer to the Shareholders in respect of the Shares not already owned or agreed to be acquired by the Underwriter and parties acting in concert with it as a result of the subscription of the Rights Shares by the Underwriter pursuant to the Underwriting Agreement

1.2 Construction and Certain References

- (i) Any reference to a document being "in the agreed form" means in the form of the document or the draft thereof signed for identification on behalf of the Parties with (in the case of a draft) such alterations (if any) as may be agreed between the Parties.
- (ii) References in this Agreement to persons include references to bodies corporate and references to the singular include references to the plural and vice versa. Words importing gender or the neuter include both genders and the neuter.
- (iii) References to Recitals, Clauses, Sub-clauses and Schedules are references to the recitals, clauses and sub-clauses of, and schedules to, this Agreement.
- (iv) In this Agreement (save as otherwise expressly stated herein), references to any statute, statutory provision, Listing Rules or the Takeovers Code includes a reference to that statute, statutory provision, Listing Rules or the Takeovers Code as from time to time, amended, extended or re-enacted.
- (v) All references in this Agreement in relation to any time, date or period shall mean Hong Kong time.

1.3 Headings

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

2. CONDITIONS

2.1 The Placing is conditional upon the following conditions:

- (1) the Independent Shareholders passing: (a) the ordinary resolutions at the EGM to approve (i) the Rights Issue; (ii) the Underwriting Agreement and the transactions contemplated thereunder; and (b) the special resolution at the EGM to approve the Whitewash Waiver;
- (2) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked, the approval for the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) prior to the Latest Time for Termination;
- (3) the filing and registration of all the Prospectus Documents (together with any other documents required by applicable law or regulation to be annexed thereto) with the Registrar of Companies in Hong Kong by no later than the Prospectus Posting Date;
- (4) the posting of the Prospectus Documents to the Qualifying Shareholders by no later than the Prospectus Posting Date;
- (5) each of the Undertaking Shareholders complying with his /its obligations under the Irrevocable Undertaking;
- (6) each of the holders of the Share Options providing their respective Optionholders' Undertaking, and complying with his/her obligations under their respective Optionholders' Undertaking;
- (7) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination;
- (8) there being no breach of the undertakings and obligations of the Company under the terms of the Underwriting Agreement before and at the Latest Time for Termination;
- (9) the Placing Agreement not being terminated on or before the Latest Time for Termination; and
- (10) the SFC having granted the Whitewash Waiver to the Underwriter.

2.2 The Company and the Placing Agent shall each use its best endeavours to procure the fulfillment of the Conditions and in particular, shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may reasonably be required by each other, the Stock Exchange and/or the SFC in connection with the fulfillment of such conditions.

2.3 The Conditions set out in Clauses 2.1(1) to 2.1(7), 2.1(9) and 2.1(10) are incapable of being waived by the Placing Agent and/or the Company. The Placing Agent may waive the Condition set out in Clause 2.1(8) in whole or in part by written notice to the Company.

2.4 If the Condition is not fulfilled (or, if applicable, waived in whole or in part by the Placing Agent) on or prior to the Business Day immediately preceding the Completion Date or such later date as may be agreed between the Company and the Placing Agent and approved by the Stock Exchange, this Agreement shall terminate and none of the Parties shall have

any claim against another for costs, damages, compensation or otherwise save in respect of any antecedent breaches of this Agreement, including any breaches of this Clause 2.

3. APPOINTMENT OF THE PLACING AGENT

- 3.1 The Company hereby appoints the Placing Agent and the Placing Agent, relying on the representations, warranties and undertakings herein contained, agrees as the exclusive agent for the Company to procure Placees, during the Placing Period, to subscribe for the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares (as the case may be) at the Placing Price (as defined in Clause 3.4 below) on a **best-effort** basis.
- 3.2 The Placing Agent may in turn appoint one or more sub-placing agents to procure Placees, during the Placing Period, for the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares. The Placing Agent shall procure that such other sub-placing agents shall comply with all relevant obligations to which the Placing Agent is subject under the terms of this Agreement. All fees of such sub-placing agents shall be paid and borne by the Placing Agent absolutely out of the fees payable by the Company to the Placing Agent under Clause 5.1. For the avoidance of doubt, the Company shall in no event be liable to pay any fees to such sub-placing agents of the Placing Agent.
- 3.3 The Company hereby confirms that the appointment referred to in Clause 3.1 confers on the Placing Agent all powers, authorities and discretion on behalf of the Company which are reasonably and properly necessary for, or necessarily incidental to, the making of the Placing and hereby agrees to ratify and confirm everything which the Placing Agent may lawfully, reasonably and properly do in the exercise of such powers, authorities and discretion in accordance with this Agreement.
- 3.4 The placing price (the "**Placing Price**") of each of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares (as the case may be) shall be at least equal to the Subscription Price.

Subject to the above, the final price determination is dependent on the demand and market conditions of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares during the process of placement.

- 3.5 The Company agrees to issue the Rights Shares (including the Unsubscribed Rights Shares and the NQS Unsold Rights Shares) when allotted and fully-paid, shall rank pari passu in all respects with the Shares then in issue on the date of allotment of the Rights Shares in fully-paid form, including the right to receive all dividends and distributions which may be declared, made or paid on or after such date. The Rights Shares will be free from all liens, charges and encumbrances and together with all rights attaching to them on the date of allotment.
- 3.6 The choice of Placees for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares shall be determined solely by the Placing Agent, subject to the requirements of the Listing Rules (in particular that the Placing Agent shall use its reasonable endeavours to ensure that Placees shall be independent of the Directors, chief executive or substantial shareholders of the Company or its Subsidiaries or any of their respective associates (as defined in the Listing Rules)), and the provisions hereof.
- 3.7 Any transaction legally and properly carried out by the Placing Agent (and any sub-placing agents referred to in Clause 3.2 under and in accordance with this Agreement on behalf of the Company (and not as principal)) pursuant to this Agreement shall constitute a transaction carried out by the Placing Agent at the request of the Company and as its agents 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, wilful default or negligence on the part of the Placing Agent, or any sub-agents appointed by the Placing Agent pursuant to Clause 3.2) to the Company arising from any such transaction in relation to the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares.

- 3.8 The Placing Agent shall, before 5:00 p.m. on the second Business Day before the Completion Date, deliver to the Company a schedule showing:
- (i) details of the Placees procured by each of them including their names, country of incorporation (if a corporation) and addresses (or registered / correspondence address if a corporation);
 - (ii) a copy of the Placing Agent's confirmation of independence of the Placees or such other person(s) as nominated by Placees;
 - (iii) the number of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares subscribed by each Placee; and
 - (iv) details of the CCASS Stock Accounts (as defined in the General Rules) for the allotment and issue of such Rights Shares.

4. COMPLETION

- 4.1 Completion shall take place at 28/F., Bank of China Tower, No. 1 Garden Road, Central, Hong Kong at 5:00 p.m. on the Completion Date upon fulfilment or waiver (as the case may be) of the conditions to this Agreement or such other date as the Company and the Placing Agent may agree in writing.
- 4.2 At Completion:
- (i) (in the event that the the aggregate Placing Price is less than the aggregate amount of Fees (as defined in Clause 5.1) and the out-of-pocket expenses referred in Clause 5.2 (collectively, the "**Total Expenses**") the Company shall, within five (5) Business Days from the Completion Date, deliver to the Placing Agent, payment (by either the delivery of one or more cashier's order(s) issued by a licensed bank in Hong Kong or payment of an amount in immediately available funds in such manner as shall be agreed by the Placing Agent) of an amount equivalent to the difference between the Total Expenses and the aggregate Placing Price received from the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares so placed; or
 - (ii) (in the event that the the aggregate Placing Price is more than the Total Expenses) the Placing Agent shall deliver to the Company, payment (by either the delivery of one or more cashier's order(s) issued by a licensed bank in Hong Kong or payment of an amount in immediately available funds in such manner as shall be agreed by the Company) of an amount equivalent to the difference between the the aggregate Placing Price received from the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares so placed and the Total Expenses.
- 4.3 The Company shall allot and issue the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares so placed in the name of the Placees and cause share certificates of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares so placed to be delivered to the depositary of Hong Kong Securities Clearing Company Limited by no later than 6:00 p.m. on the Despatch Date for credit to the CCASS participants' accounts of the

Placees.

5. PAYMENT OF FEES AND EXPENSES

- 5.1 In consideration of the services of the Placing Agent in relation to the Placing, the Company shall pay to the Placing Agent a fixed fee, in Hong Kong dollars, of HK\$100,000 (the "Fees"), which the Placing Agent is hereby authorised to deduct from the payment to be made by it to the Company. The Fees remains payable by the Company regardless if the Placing Agent did not successfully place any part of or all of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to the Placee(s).
- 5.2 Subject to Clause 5.4 below, the Company shall pay all the costs relating to the Placing to the extent they have been reasonably and properly incurred, including but not limited to all out-of-pocket expenses actually and reasonably incurred by the Placing Agent in connection with the Placing even if the Placing is not completed or this Agreement is terminated pursuant to Clause 7. The Placing Agent shall within 15 days from the date of execution of this Agreement, deliver to the Company a breakdown as to all estimated out-of-pocket expenses to be incurred by the Placing Agent for placing of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares, and shall after being notified by the Company the total number of Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares, deliver to the Company an updated breakdown as to all estimated out-of-pocket expenses incurred or to be incurred by the Placing Agent for placing of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares. The Company and the Placing Agent shall identify all estimated expenses in relation to the placing of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares in determining the Placing Price in Clause 3.4.
- 5.3 All payments to be made by the Company pursuant to this Clause 5 shall be made in full without any set-off, deduction or withholding whatsoever.
- 5.4 Each of the Parties hereto shall be respectively liable for its own legal and other professional advisers in connection with the preparation of this Agreement.
- 5.5 The Company hereby acknowledge that, in addition to the fees, costs, charges and expenses referred to Clauses 5.1 and 5.2 above, the Placing Agent shall be entitled to keep for its own account any brokerage that it can charge and receive from their Placees identified at its sole discretion.

6. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

6.1 Representations and Warranties

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

- (i) the Company is duly incorporated and validly existing under the laws of the place of its incorporation with power to conduct its business in the manner presently conducted and the information contained in the Recitals is true and accurate;
- (ii) the Rights Shares shall be issued and allotted in accordance with all relevant laws of Hong Kong and shall at the Despatch Date, be free from all liens, charges, encumbrances and third-party rights of whatsoever nature and together with all rights attaching thereto at the Despatch Date;

- (iii) subject to the fulfillment of the conditions referred to in Clause 2, the Company has full power, authority and shareholders' consent to issue the Rights Shares and does not require the consent thereto of any other party;
- (iv) the Company has power to enter into this Agreement and this Agreement has been duly authorised and executed by, and constitutes legal, valid and binding obligations of, the Company, enforceable against the Company in accordance with its terms;
- (v) except as previously disclosed to the public in writing and so far as the Company is aware, since 31 December 2018 (being the date to which the latest published audited consolidated accounts of the Group were made up), there has been no material adverse change in the financial or trading position of the Group taken as a whole which has not been disclosed by the Company in the form of an announcement in accordance with the Listing Rules or otherwise as required by the Listing Rules;
- (vi) the Company will not hold the Placing Agent liable for any failure to perform hereunder where such failure is caused by a Force Majeure Occurrence;
- (vii) it shall provide to the Placing Agent, at its reasonable request, with all such information known to it and relating to the Company as may be reasonably required by the Placing Agent in connection with the Placing for the purposes of complying with all requirements of applicable law in Hong Kong or of the Stock Exchange or of the SFC and to the extent that any such information is confidential in nature, the Placing Agent shall procure that such information shall remain confidential unless disclosure of such information is required or requested by laws or any regulatory body to which the Placing Agent is subject to; and
- (viii) it shall provide to the Placing Agent particulars of every significant new factor known to it which is in the Company's absolute opinion capable of materially affecting assessment of the Placing Shares in the context of the Placing which arises between the date hereof and 10:00 a.m. on the Completion Date.

6.2 The representations and warranties contained in this Clause are deemed to be given as at the date hereof and shall remain in full force and effect notwithstanding the allotment and issue of the Rights Shares to the Placees if the Placing is successfully completed. The Company hereto hereby undertakes to notify the Placing Agent of any matter or event coming to its attention prior to the Completion Date which shows any relevant representation or warranty to be or to have been untrue or inaccurate at the date hereof or at any time prior to the Completion Date.

7. TERMINATION

7.1 The Placing Agreement shall end on 30 September 2019 or any other date by mutual written agreement between the Placing Agent and the Company.

7.2 Notwithstanding anything contained in this Agreement, the Placing Agent may terminate this Agreement without any liability to the Company, by notice in writing given by the Placing Agent to the Company at any time prior to 10:00 a.m. on the Completion Date upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have an adverse material effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in this Agreement:-

- (l) there develops, occurs or comes into force:

- (i) any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions; or
- (ii) the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
- (iii) any change in conditions of local, national or international securities markets occurs; or
- (iv) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group; or
- (v) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or elsewhere; or
- (vi) any litigation or claim being instigated against any member of the Group which would have a material adverse effect of the Group; or
- (vii) any suspension in the trading of Shares on the Stock Exchange for a continuous period of five Business Days; or
- (II) any breach of any of the representations and warranties set out in Clause 6 comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the Completion Date which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of this Agreement; or
- (III) there is any material adverse change in the financial or business or trading position of the Group taken as a whole; or
- (IV) there may or will be likely that the Unsubscribed Rights Shares and the NQS Unsold Rights Shares will not be approved by the relevant regulatory bodies and/or regulatory authorities to be placed to any Placees as contemplated hereunder.

7.3 Effect of Termination

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

- (i) any antecedent breach of any obligation under this Agreement; and
- (ii) liabilities under Clause 5.2.

8. ANNOUNCEMENTS

Save for the Announcement and save as required by law or by the Stock Exchange or the SFC, the Company hereby undertakes that it shall not publish any public announcement or communication to the press, the Stock Exchange or the shareholders of the Company concerning the Company and/or its Subsidiaries which is material in relation to the Rights Issue and/or the Placing between the date hereof and the Completion Date without prior written approval from the Placing Agent (which approval shall not be unreasonably withheld or delayed) as to the content, timing and manner of making thereof. Thereafter no such announcement or communication shall be made by the Company for the period of one week after the Completion Date without the Company consulting the Placing Agent and taking into account its reasonable requests in relation to the content, timing and manner of the making thereof.

9. TIME OF THE ESSENCE

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

10. NOTICES

10.1 Any notice, claim, demand, court process, document or other communication to be given under this Agreement (collectively "**communication**" in this Clause 10) shall be in writing in the English language and may be served or given personally or sent to the address (including cable address) or facsimile numbers (if any) stated in Clause 10.3, or to such other address as may have been last notified in writing by such party to the party serving the communication specifically referring to this Agreement. All communications shall be served by the following means and the addressee of a communication shall be deemed to have received the same within the time stated adjacent to the relevant means of despatch:

<u>Means of despatch</u>	<u>Time of deemed receipt</u>
Local mail or courier	24 hours
Facsimile	on despatch
Air courier/ Speedpost	3 days
Airmail	5 days

10.2 A communication served in accordance with Clause 10.1 shall be deemed sufficiently served and in proving service and/or receipt of a communication it shall be sufficient to prove that such communication was left at the addressee's address or that the envelope containing such communication was properly addressed and posted or despatched to the addressee's address or that the communication was properly transmitted by facsimile or cable to the addressee. In the case of facsimile transmission, such transmission shall be deemed properly transmitted on receipt of a satisfactory report of transmission printed out by the sending machine.

10.3 The respective addresses and fax numbers of the Company and the Placing Agent are as follows:

The Company:

Address: 28/F., Bank of China Tower,

No. 1 Garden Road,
Central,
Hong Kong
Facsimile: +852 2524 2576
Attention: Ms. Phyllis Kan

The Placing Agent:

Address: 18/F, Fung House
19-20 Connaught Road Central
Central
Hong Kong
Facsimile: +852 2230 9603
Attention: Mr. Tang Tsz Tung

- 10.4 Nothing in this Clause 10 shall preclude the service of communication or the proof of such service by any mode permitted by law.

11. WAIVER

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

12. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which when executed and delivered is an original, but all of which taken together shall constitute one and the same document. Any of the Parties may enter into this Agreement by signing any such counterpart.

13. VARIATION

No variation of this Agreement shall be valid unless it is 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.

14. SUCCESSORS AND ASSIGNS

- 14.1 This Agreement shall be binding on and enure to the benefit of each Party's successors and permitted assigns.
- 14.2 No Party shall assign any of its rights or obligations under this Agreement or purport to do so without the prior written consent from the other Party.

15. NO THIRD PARTY RIGHTS

No persons other than the Parties shall have any rights under this Agreement pursuant to the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) or otherwise.

16. GOVERNING LAW

- 16.1 This Agreement is governed by and construed in accordance with the laws of Hong Kong for the time being in force.
- 16.2 The Parties irrevocably submits to the non-exclusive jurisdiction of the courts of Hong Kong and waives any objection to Proceedings in such courts on the grounds of venue or on grounds that the Proceedings have been brought in an inconvenient forum.

IN WITNESS whereof the duly authorised representatives of the Parties have executed this Agreement on the day and year first before written.

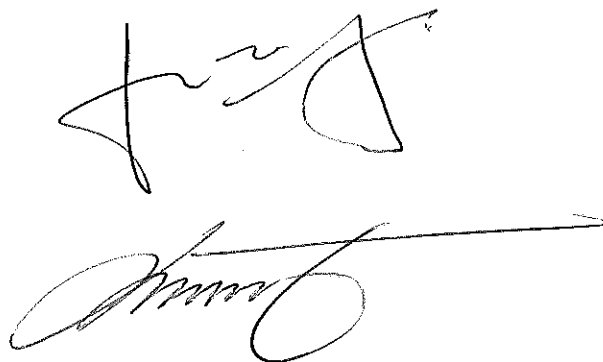
THE COMPANY

SIGNED by Ng Yuk Mui Jessica)

for and on behalf of)

**SOUTH CHINA FINANCIAL
HOLDINGS LIMITED**)

in the presence of: Watt Ka Po James)

Handwritten signatures of Ng Yuk Mui Jessica and Watt Ka Po James. The signature of Ng Yuk Mui Jessica is a stylized cursive script. The signature of Watt Ka Po James is a more fluid cursive script with a long horizontal stroke.

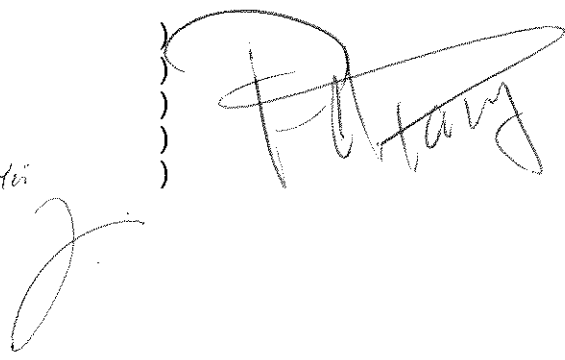
THE PLACING AGENT

SIGNED by Tang Tse Tung)

for and on behalf of)

OPUS CAPITAL LIMITED)

in the presence of: Michael Yei)

Handwritten signatures of Tang Tse Tung and Michael Yei. The signature of Tang Tse Tung is a stylized cursive script. The signature of Michael Yei is a cursive script with a large loop.