

DATED: 17 JANUARY 2019

Facility Agreement

between

Hong Kong Bao Xin Asset Management Limited
(香港寶信資產管理有限公司)

as Borrower

China Goldjoy Group Ltd

as Guarantor

and

CCB International Securities Limited
建銀國際證券有限公司

as Lender

relating to

a HK\$620,000,000 Term Loan Facility

Simmons & Simmons

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CONTENTS

| | | |
|-----|--|----|
| 1. | Definitions and Interpretation | 1 |
| 2. | The Facility | 14 |
| 3. | Purpose | 14 |
| 4. | Conditions of Utilisation | 14 |
| 5. | Utilisation | 15 |
| 6. | Repayment | 16 |
| 7. | Prepayment and cancellation..... | 16 |
| 8. | Interest | 17 |
| 9. | Interest Periods | 18 |
| 10. | Changes to the calculation of interest | 19 |
| 11. | Fees | 19 |
| 12. | Tax gross-up and indemnities..... | 19 |
| 13. | Increased Costs..... | 23 |
| 14. | Other indemnities | 24 |
| 15. | Mitigation by the Lender | 26 |
| 16. | Costs and expenses | 26 |
| 17. | Guarantee and Indemnity | 27 |
| 18. | Representations | 29 |
| 19. | Information undertakings | 35 |
| 20. | General undertakings | 37 |
| 21. | Events of Default | 48 |
| 22. | Changes to the Lender | 52 |
| 23. | Payment mechanics | 53 |
| 24. | Notices | 55 |
| 25. | Calculations and certificates | 57 |
| 26. | Partial invalidity..... | 57 |

| | | |
|-----|-----------------------------|----|
| 27. | Remedies and waivers | 57 |
| 28. | Amendments and waivers..... | 58 |
| 29. | Confidentiality | 58 |
| 30. | Counterparts..... | 59 |
| 31. | Governing law..... | 59 |
| 32. | Enforcement | 59 |
| 33. | Execution as a deed | 59 |

THIS AGREEMENT is made on 17 January 2019

BETWEEN:

- (1) **HONG KONG BAO XIN ASSET MANAGEMENT LIMITED** 香港寶信資產管理有限公司, incorporated in Hong Kong with company number 1734277 and having its registered office at Units 1908-1909, 19/F, Tower 2, Lippo Centre, No. 89 Queensway, Hong Kong (the "Borrower");
- (2) **CHINA GOLDJOY GROUP LTD**, incorporated in the Cayman Islands with company number 228579 and listed on the SEHK with stock code 1282.HK (the "Corporate Guarantor"); and
- (3) **CCB INTERNATIONAL SECURITIES LIMITED** 建銀國際證券有限公司, as lender (the "Lender").

IT IS AGREED as follows:

1. **Definitions and Interpretation**

1.1 **Definitions**

In this Agreement:

"Acquisition" means the acquisition of the Acquisition Shares by the Borrower pursuant to the Acquisition Documents.

"Acquisition Documents" any document evidencing an agreement by the Borrower as purchaser in respect of the sale and purchase of the Acquisition Shares and an "Acquisition Document" means each or any of them, as the context may require.

"Acquisition Shares" means an aggregate amount of 1,509,180,611 ordinary shares in Target, representing 37.18% of its total issued ordinary shares, acquired or to be acquired by the Borrower pursuant to the Acquisition Documents.

"Additional Securities" has the meaning ascribed to such term in Clause 20.12(B) (*LTV Ratio*).

"Affiliate" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"Anti-Bribery Laws" means US Foreign Corrupt Practices Act of 1977 or The Bribery Act 2010 of the United Kingdom or the Prevention of Bribery Ordinance (Cap. 201) of Hong Kong, or any other anti-bribery laws, rules or regulations issued, administered or enforced by the United Kingdom, US, the European Union, or any of its member states, Hong Kong or any other country or Governmental Agency having jurisdiction over the Group.

"Anti-Money Laundering Laws" means all applicable financial record-keeping and reporting requirements, money laundering statutes (including all applicable rules and regulations thereunder), and all applicable related or similar rules, regulations or guidelines, which in each case are (A) issued, administered or enforced by any

Governmental Agency having jurisdiction over the Group (or a member of the Group), (B) of any jurisdiction in which the relevant member of the Group conducts business, or (C) to which the Group is subject.

"Anti-Terrorism Financing Laws" means all applicable references, requirements and regulations of the Drug Trafficking (Recovery of Proceeds) Ordinance (Cap. 405), the Organized and Serious Crimes Ordinance (Cap. 455), United Nations (Anti-Terrorism Measures) Ordinance (Cap. 575) and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) (together, the "Anti-Terrorism Ordinances"), or similar rules, regulations or guidelines, which in every case are: (A) issued, administered or enforced by any Governmental Agency having jurisdiction over the Group (or each member of the Group); (B) of any jurisdiction in which the relevant member of the Group conducts business; or (C) to which the Group is subject. In the absence of an equivalent local regulation, the Anti-Terrorism Ordinances shall apply.

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Availability Period" means the period from and including the date of this Agreement up to and including the last day of the Certain Funds Period.

"Available Commitment" means at any time, in relation to the Facility, the Commitment under the Facility minus:

- (A) the amount of any Loans previously made; and
- (B) in relation to any proposed Utilisation, the amount of any other Utilisations that are due to be made on or before the proposed Utilisation Date.

"Bao Da" means Hong Kong Bao Da Financial Holdings Limited **香港寶達金融控股有限公司**, incorporated in Hong Kong with company number 2276159 and having its registered office at Units 1908-1909, 19/F, Tower 2, Lippo Centre, No. 89 Queensway, Hong Kong.

"Bao Da Share Charge" means a charge, in agreed form, over the Bao Da Security Account incorporating a charge over (including but not limited to) shares in Target beneficially owned by Bao Da executed or to be executed by Bao Da on or about the date of this Agreement.

"Bao Da Shares" means an aggregate amount of 1,144,151,739 ordinary shares in Target owned by Bao Da.

"Bao Da Security Account" means an account with account no. 1008889-2001 opened and maintained by Bao Da with the Lender, and all sub-accounts thereof and/or such other account(s) of Bao Da designated by the Lender as a "Bao Da Security Account", and including any renewal or redesignation of such account(s).

"Borrower Share Charge" means a charge, in agreed form, over the Borrower Security Account incorporating a charge over (including but not limited to) shares in Target beneficially owned by the Borrower, executed or to be executed by the Borrower on or about the date of this Agreement.

"Borrower Security Account" means an account with account no. 1008830-2002 opened and maintained by the Borrower with the Lender, and all sub-accounts thereof and/or such other account(s) of the Borrower designated by the Lender as a "Borrower Security Account", and including any renewal or re-designation of such account(s).

"Break Costs" means the amount (if any) by which:

- (A) the interest (excluding the Margin) which the Lender should have received for the period from the date of receipt of all or any part of the principal amount of the Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (B) the amount which the Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

"Business Day" means a day (other than a Saturday or Sunday or a public holiday) on which commercial banks and foreign exchange markets are open for business in Hong Kong.

"Certain Funds Period" means the period from and including the date of the Offer Announcement and to and including the day falling on the later of:

- (A) the earlier of:
 - (1) the date on which the Available Commitment has been utilised, cancelled or otherwise reduced to zero;
 - (2) 7 days after the date on which the Offer is no longer capable of being accepted;
 - (3) 90 days after the date of despatch of the Mandatory Offer Document; and
 - (4) 6 months from and including the date of the Commitment Letter; or
- (B) such other date as the Parties may agree in writing.

"Charged Property" means all of the assets of the Obligors which from time to time are, or are expressed to be, the subject of the Transaction Security.

"Code" means The Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong as in effect from time to time.

"Commitment" means HK\$620,000,000, to the extent not cancelled, reduced or transferred by it under this Agreement.

"Commitment Letter" means the letter(s) ("资金确认函") from the Lender to CCB International Capital Limited dated on or about the date of this Agreement setting out the Lender's commitment to make the Facility available to the Borrower.

"Companies Ordinance" means the Companies Ordinance (Cap. 622) of the laws of Hong Kong.

"Completion" means, pursuant to the Acquisition, the time when the Borrower acquires the beneficial ownership of the Acquisition Shares.

"Completion Date" means the date of Completion.

"Composite Offer and Response Document" means the composite offer and response document issued or to be issued jointly by the Borrower and Target, setting out, inter alia, the proposals for the Offer.

"Default" means an Event of Default or any event or circumstance specified in Clause 21 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Lender.

"Event of Default" means any event or circumstance specified as such in Clause 21 (*Events of Default*).

"Exchange Business Day" means any day or any part of a day on which the SEHK is opened for trading (notwithstanding the SEHK closing prior to its scheduled weekday closing times, and without regard to after hours or any other trading outside of the regular trading session hours).

"Facility" means the term loan facility made available under this Agreement as described in Clause 2.

"Facility Office" means the office or offices through which the Lender will perform its obligations under this Agreement.

"FATCA" means:

- (A) sections 1471 to 1474 of the Code or any associated regulations;
- (B) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (A) above; or
- (C) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraph (A) or (B) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

"FATCA Application Date" means:

- (A) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014; or
- (B) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraph (A) above, the first date from which such payment may become subject to a deduction or withholding required by FATCA.

"FATCA Deduction" means a deduction or withholding from a payment under a Finance Document required by FATCA.

"FATCA Exempt Party" means a Party that is entitled to receive payments free from any FATCA Deduction.

"Fee Letter" means any letter or letters referring to this Agreement or the Facility between the Lender and the Borrower, setting out any of the fees referred to in Clause 11 (*Fees*) or otherwise payable in connection with the Facility.

"Finance Document" means:

- (A) this Agreement;
- (B) the Personal Guarantee;
- (C) any Security Document;
- (D) the Commitment Letter;
- (E) any Fee Letter;
- (F) any Utilisation Request;
- (G) the Standard Terms; and
- (H) any other document designated as a "Finance Document" by the Lender and the Borrower.

"Financial Indebtedness" means any indebtedness for or in respect of:

- (A) moneys borrowed;
- (B) any amount raised by acceptance under any acceptance credit facility;
- (C) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (D) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance or capital lease (other than any liability in respect of a lease or hire purchase contract which would, in accordance with GAAP in force prior to 1 January 2019, have been treated as an operating lease);

- (E) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (F) any amount raised under any other transaction (including any forward sale or purchase agreement) other than a forward sale or purchase agreement in the ordinary course of business of any member of the Group) which would be accounted for as a borrowing in accordance with GAAP;
- (G) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (H) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of an entity which is not a member of the Group which liability would fall within one of the other paragraphs of this definition; and
- (I) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (A) to (H) above.

"Final Repayment Date" means the day falling twelve (12) Months after the first Utilisation Date.

"First Repayment Date" means the day falling three (3) Months after the date of Offer Completion.

"Government Agency" means any government or governmental, semi-governmental, administrative, public, regulatory or judicial entity, body, department, commission, agency or authority.

"Group" means the Corporate Guarantor and its Subsidiaries for the time being.

"Guarantors" mean, collectively, the Personal Guarantor and the Corporate Guarantor and a "Guarantor" means each or any of them, as the context may require.

"HIBOR" means, in relation to any Loan or Unpaid Sum and any Interest Period:

- (A) the applicable Screen Rate, as of 11:00 a.m. on the first day of that Interest Period, for Hong Kong Dollars and for a period equal in length to that Interest Period; or
- (B) as otherwise determined pursuant to Clause 10.1 (*Unavailability of Screen Rate*),

and if, in either case, that rate is less than zero, HIBOR shall be deemed to be zero.

"Holding Company" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China.

"Indirect Tax" means any goods and services tax, consumption tax, value added tax or any tax of a similar nature.

"Intellectual Property" means:

- (A) any patents, trade-marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered; and
- (B) the benefit of all applications and rights to use such assets of each member of the Group (which may now or in the future subsist).

"Interest Period" means, in relation to a Loan, each period determined in accordance with Clause 9 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 8.3 (*Default interest*).

"Listing Rules" means the Rules Governing the Listing of Securities on the SEHK.

"Loan" means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan.

"Loan Reduction Date" means the day on which the aggregate principal amount of Loans outstanding is reduced to HK\$200,000,000 or less, whether pursuant to a repayment under Clause 6(A)(1) or otherwise.

"Major Default" means, with respect to the Group (in each case, without taking into account any member of Target Group), any circumstances constituting an Event of Default under any of:

- (A) Clause 21.1 (*Non-payment*);
- (B) Clause 21.3 (*Covenants*) insofar as it relates to a breach of Clause 20.13 (*Offer undertakings*);
- (C) Clause 21.4 (*Misrepresentation*) insofar as it relates to a breach of any Major Representation;
- (D) Clause 21.6 (*Insolvency*) or Clause 21.7 (*Insolvency proceedings*);
- (E) Clause 21.8 (*Creditors' process*);
- (F) Clause 21.9 (*Unlawfulness and invalidity*); or
- (G) Clause 21.12 (*Repudiation and rescission of agreements*);

"Major Representation" means a representation or warranty with respect to the Group (in each case, without taking into account any member of Target Group) under any of:

- (A) Clause 18.1 (*Status*);

- (B) Clause 18.2 (*Binding obligations*);
- (C) Clause 18.3 (*Non-conflict with other obligations*);
- (D) Clause 18.4 (*Power and authority*);
- (E) Clause 18.5 (*Validity and admissibility in evidence*); or
- (F) Clause 18.13 (*Insolvency*).

"Selling shareholders" means the following major shareholders in Target:

- (A) Upright Hoist Limited;
- (B) Tengyue Limited; and
- (C) Mr. Zhang Xiaodong.

"Mandatory Offer Document" has the meaning ascribed to the term "offer document" under the Code.

"Margin" means four point eight per cent per annum (4.8% p.a.).

"Material Adverse Effect" means a material adverse effect on:

- (A) the business, operations, property or financial condition or prospects of any Obligor or of the Group taken as a whole;
- (B) the ability of any of the Obligors to perform its obligations under the Transaction Documents; or
- (C) the validity or enforceability of, or the effectiveness or ranking of any Security granted or purporting to be granted pursuant to any of, the Finance Documents or the rights or remedies of the Lender under any of the Finance Documents;

"Month" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (A) (subject to paragraph (C)) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
- (B) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (C) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period.

"Obligors" means the Borrower, Bao Da and the Guarantors, and an "Obligor" means each or any of them as the context may require.

"Offer" means the offer made or to be made by the Borrower to purchase all the issued shares in Target not already owned or agreed to be acquired by the Borrower or parties acting in concert with it (being an offer in relation to approximately 1,363,604,314 ordinary shares in Target, representing approximately 33.6% of its total issued ordinary shares) on the terms contained in the Offer Documents (such offer may from time to time be amended, extended, revised, renewed or waived with the consent of the Lender where required under this Agreement).

"Offer Announcement" means the announcement of the Offer, in the agreed form, issued or to be issued by or on behalf of the Borrower and Target.

"Offer Circular" means a circular to the shareholders of Target in the agreed form, issued or to be issued, by Target, setting out the proposals for the Offer.

"Offer Completion" means the time when the Borrower acquires the beneficial ownership of additional shares in Target (not already owned or agreed to be acquired by the Borrower or parties acting in concert with it) pursuant to the Offer.

"Offer Documents" means, collectively, the Offer Announcement, the Offer Circular, Mandatory Offer Document and (in lieu of separate Offer Circular and Mandatory Offer Document) the Composite Offer and Response Document and an "Offer Document" means each or any of them, as the context may require.

"Panel" means the Panel on Takeovers and Mergers, a committee of the Securities and Futures Commission of Hong Kong established under section 8(1) of the SFO.

"Party" means a party to this Agreement.

"Person" has the meaning given to it in Clause 20.20 (*Sanctions Compliance*).

"Personal Guarantee" means the guarantee in agreed form dated on or about the date of this Agreement executed or to be executed by the Personal Guarantor to guarantee all liabilities owed by the Borrower to the Lender under the Finance Documents.

"Personal Guarantor" means Yao Jianhui (姚建辉), holder of Hong Kong identity card number R341949(4).

"Placing" means the placing of issued shares in Target by the Placing Agent pursuant to a Placing Agreement.

"Placing Agent" means the Lender or such other person acceptable to the Lender.

"Placing Agreement" means the placing down agreement, in the agreed form, made or to be made between the Borrower and the Placing Agent pursuant to which the Borrower agrees to place after the end of the offer period of the Offer, through the Placing Agent as placing agent, the issued shares in Target to ensure the public float of Target is at least twenty-five (25%) of the entire issued share capital of Target.

"Placing Documents" means, collectively, the Placing Agreement and any other document designated as a "Placing Document" by the Lender and the Borrower.

"Quotation Day" means, in relation to any period for which an interest rate is to be determined the first day of that period, unless market practice differs in the Relevant Interbank Market, in which case the Quotation Day will be determined by the Lender in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

"Receiver" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

"Relevant Interbank Market" means the Hong Kong interbank market.

"Relevant Jurisdiction" means, in relation to an Obligor:

- (A) its/his/her jurisdiction of incorporation or domicile or residence;
- (B) any jurisdiction where it/he/she conducts its/his/her business;
- (C) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security to be created by it is situated; and
- (D) the jurisdiction whose laws govern the perfection of any of the Security Documents entered into by it/him/her.

"Repayment Date" means each of the First Repayment Date and the Final Repayment Date.

"Repeating Representations" means each of the representations set out in Clause 18 (other than Clauses 18.7 (*Deduction of Tax*), 18.8 (*No filing or stamp taxes*), 18.9 (*No default*), 18.11(A) (*Ranking*) and 18.12 (*No proceedings*)) and, in respect of any Security Document, the representations to be made by the Obligor party to it which are stated as being repeating representations.

"Representative" means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

"Sanction Target" has the meaning given to it in Clause 20.20 (*Sanctions Compliance*).

"Sanctions" means any sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by any of the US Government (including, without limitation, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), the U.S. Department of State, the U.S. Department of Commerce), the United Nations Security Council ("UNSC"), the European Union ("EU"), Her Majesty's Treasury of the United Kingdom ("HMT"), Monetary Authority of Singapore ("MAS"), Hong Kong Monetary Authority ("HKMA"), The People's Bank of China ("PBC" or "PBoC"), any Governmental Agency in Canada performing similar supervisory or regulatory functions or any other relevant authority.

"Screen Rate" means the 3-month Hong Kong Dollar Interest Settlement Rates published by the Hong Kong Association of Banks or as provided by such other information service which publishes that rate from time to time in place of the Hong Kong Association of Banks. If such service ceases to be available, the Lender may specify another service displaying the relevant rate after consultation with the Borrower.

"Secured Parties" means the Lender and any Receiver or Delegate.

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Security Documents" means:

- (A) the Borrower Share Charge;
- (B) the Bao Da Share Charge;
- (C) the Personal Guarantee; and
- (D) any other document entered into by any Obligor creating or expressed to create any Security over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents.

"SEHK" means The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司.

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

"SFO" means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

"Standard Terms" means the Margin Securities Trading Account Terms and Conditions, and the Securities Account Application Form – Corporate, of the Lender.

"Subsidiary" means in relation to any company or corporation, a company or corporation:

- (A) which is controlled, directly or indirectly, by the first mentioned company or corporation;
- (B) more than half the issued share capital of which is beneficially owned, directly or indirectly by the first mentioned company or corporation; or
- (C) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Target" means New Sports Group Limited, a company incorporated in the Cayman Islands with limited liability, and registered as a registered non-Hong Kong company with registration no. F0012965, whose shares are listed on the Main Board of the SEHK with stock code 299.

"Target Group" means Target and its Subsidiaries and "Target Group Member" means any of those persons.

"Third Parties Ordinance" means the Contracts (Rights of Third Parties) Ordinance (Cap 623) of the laws of Hong Kong.

"Transaction Documents" means, collectively, the Finance Documents, the Offer Documents, the Placing Documents and a "Transaction Document" means each or any of them, as the context may require.

"Transaction Security" means the Security created or expressed to be created in favour of the Lender pursuant to the Security Documents.

"Unpaid Sum" means any sum due and payable but unpaid by an Obligor under the Finance Documents.

"Utilisation" means a utilisation of the Facility.

"Utilisation Date" means the date of a Utilisation, being the date on which the relevant Loan is to be made.

"Utilisation Request" means a notice substantially in the form set out in schedule 2 (*Form of Utilisation Request*).

1.2 Construction

(A) Unless a contrary indication appears, a reference in this Agreement to:

- (1) the "Lender", the "Borrower", the "Corporate Guarantor", the "Personal Guarantor", "Bao Da", any "Obligor", any "Party", any "Secured Party" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
- (2) a document in "agreed form" is a document which is previously agreed in writing by or on behalf of the Borrower and the Lender or, if not so agreed, is in the form specified by the Lender;
- (3) "assets" includes present and future properties, revenues and rights of every description;
- (4) a "Finance Document" or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated;

- (5) "including" shall be construed as "including without limitation" (and cognate expressions shall be construed similarly);
 - (6) "indebtedness" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (7) a "person" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
 - (8) a "regulation" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law), judicial order, sanction, embargo or restrictive measure of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
 - (9) a provision of law is a reference to that provision as amended or re-enacted; and
 - (10) a time of day is a reference to Hong Kong time.
- (B) Section, Clause and schedule headings are for ease of reference only.
 - (C) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
 - (D) A Default (other than an Event of Default) is "continuing" if it has not been remedied or waived to the satisfaction of the Lender and an Event of Default is "continuing" if it has not been waived.
 - (E) The Standard Terms shall apply to the Facility and the Borrower's obligations to the Lender under the Finance Documents, provided that the terms of the Finance Documents shall apply where there is any inconsistency between such terms and the Standard Terms.

1.3 **Currency symbols and definitions**

"HK\$", "Hong Kong Dollars" and "dollars" denote the lawful currency of Hong Kong.

1.4 **Third party rights**

- (A) Save as expressly provided to the contrary in this Agreement, a person who is not a Party has no right under the Third Parties Ordinance to enforce or enjoy the benefit of any term of this Agreement.
- (B) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

- (C) Any Receiver or Delegate may, subject to paragraph (B) above, rely on any Clause of this Agreement which expressly confers rights on it.

2. **The Facility**

Subject to the terms of this Agreement, the Lender makes available to the Borrower a Hong Kong Dollars term loan facility in an aggregate amount equal to the Commitment.

3. **Purpose**

3.1 **Purpose**

The Borrower shall apply all amounts borrowed by it under the Facility in payment of the consideration payable by the Borrower pursuant to the Offer.

3.2 **Monitoring**

Other than compliance with the provisions for advancing each Loan as set out in this Agreement, the Lender shall have no obligation to monitor or verify that each Loan shall only be applied for the purpose stated in Clause 3.1.

4. **Conditions of Utilisation**

4.1 **Initial conditions precedent**

(A) The Lender will only be obliged to comply with Clause 5.4 (*Lender's obligation*) in relation to the first Utilisation if on or before the first Utilisation Date the Lender has received all of the documents and other evidence listed in schedule 1 (*Conditions precedent*) in form and substance satisfactory to the Lender.

(B) The Lender shall notify the Borrower promptly upon being satisfied in respect of the documents under this Clause 4.1.

4.2 **Further conditions precedent relating to each Loan**

(A) Subject to Clause 4.1 (*Initial conditions precedent*), the Lender will only be obliged to comply with Clause 5.4 (*Lender's obligation*) in relation to any Utilisation of the Facility, if on the date of the Utilisation Request and on the proposed Utilisation Date:

- (1) no Major Default is continuing or would result from the proposed Utilisation;
- (2) the Major Representations to be made by each Obligor are true in all material respects; and
- (3) the Borrower has provided to the Lender in form and substance reasonably satisfactory to the Lender evidence that the proposed Utilisation:

- (a) is required to pay the consideration for the purchase of ordinary shares in Target payable by the Borrower pursuant to the Offer;
 - (b) will be paid to the sellers of such shares (or a broker or other agent on their behalf); and
 - (c) such shares in Target will be deposited and transferred direct into the Borrower Security Account.
- (B) During the Certain Funds Period (save in circumstances where, pursuant to Clause 4.1 (*Initial conditions precedent*) or paragraph (A) of Clause 4.2 (*Further conditions precedent*) above, the Lender is not obliged to comply with Clause 5.4 (*Lender's obligation*) and subject as provided in Clause 7.1 (*Illegality*)), the Lender shall not be entitled to:
- (1) cancel any of the Commitment to the extent to do so would prevent or limit the making of a Utilisation;
 - (2) rescind, terminate or cancel this Agreement or the Facility or exercise any similar right or remedy or make or enforce any claim under this Agreement or any of the other Finance Documents it may have to the extent to do so would prevent or limit the making of a Utilisation;
 - (3) refuse or otherwise prevent, the making of a Utilisation;
 - (4) exercise any right of set-off or counterclaim in respect of a Utilisation to the extent to do so would prevent or limit the making of a Utilisation; or
 - (5) cancel, accelerate or cause repayment or prepayment of any amounts owing hereunder or under this Agreement or any of the other Finance Documents to the extent to do so would prevent or limit the making of a Utilisation,

provided that immediately upon the expiry of the Certain Funds Period all such rights, remedies and entitlements shall be available to the Lender notwithstanding that they may not have been used or been available for use during the Certain Funds Period.

5. **Utilisation**

5.1 **Delivery of a Utilisation Request**

The Borrower may utilise the Facility by delivery to the Lender of a duly completed Utilisation Request not later than 11:00 a.m. on the Business Day immediately preceding the proposed Utilisation Date.

5.2 **Completion of a Utilisation Request**

- (A) Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
 - (1) the proposed Utilisation Date is a Business Day within the Availability Period;

- (2) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*); and
- (3) the proposed Interest Period complies with Clause 9 (*Interest Periods*).

(B) Only one Loan may be requested in each Utilisation Request.

5.3 **Currency and amount**

- (A) The currency specified in a Utilisation Request must be Hong Kong Dollars.
- (B) The amount of the proposed Utilisation must be an amount which is not more than the Available Commitment.

5.4 **Lender's obligation**

If the conditions set out in Clause 4 (*Conditions of Utilisation*) and Clauses 5.1 (*Delivery of a Utilisation Request*) to 5.3 (*Currency and amount*) have been met, the Lender shall make each Loan available on its proposed Utilisation Date.

5.5 **Cancellation of Available Commitment**

The Available Commitment shall be immediately cancelled at the end of the Availability Period.

6. **Repayment**

- (A) The Borrower shall repay the Loans:
 - (1) on the First Repayment Date, in an amount equal to the amount by which the aggregate Loans then outstanding on the First Repayment Date exceed HK\$200 million; and
 - (2) in full on the Final Repayment Date.
- (B) The Borrower may not reborrow any part of the Facility which is repaid.

7. **Prepayment and cancellation**

7.1 **Illegality**

If, at any time, it is or will become unlawful in any applicable jurisdiction for the Lender to perform any of its obligations as contemplated by this Agreement or to fund, issue or maintain any Loan:

- (A) the Lender shall as soon as reasonably practicable notify the Borrower upon becoming aware of that event;
- (B) upon the Lender notifying the Borrower, the Available Commitment will be immediately cancelled; and
- (C) the Borrower shall repay all Loans on the last day of the Interest Period for each Loan occurring after the Lender has notified the Borrower or, if earlier,

the date specified by the Lender in the notice delivered to the Borrower (being no earlier than the last day of any applicable grace period permitted by law).

7.2 Voluntary prepayment

- (A) The Borrower may prepay the whole or any part of a Loan.
- (B) A Loan may only be prepaid after the last day of the Availability Period (or, if earlier, the day on which the Available Commitment is zero).
- (C) Any prepayment under this Clause 7.2 shall satisfy the obligations under Clause 6 (*Repayment*) in inverse chronological order.

7.3 Restrictions

- (A) Any notice of cancellation, prepayment, authorisation or other election given by any Party under this Clause 7 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.
- (B) Any prepayment under this Agreement shall be made together with (1) accrued interest on the amount prepaid and (2) any Break Costs where the prepayment is made on a day which is not the last day of an Interest Period for the relevant Loan, but otherwise without premium or penalty.
- (C) Save otherwise agreed by the Parties in writing, the Borrower may not reborrow any part of the Facility which is prepaid.
- (D) No amount of any of the Commitment cancelled under this Agreement may be subsequently reinstated.
- (E) The Borrower shall not repay or prepay all or any part of the Loans or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.
- (F) If all or part of a Loan is repaid or prepaid and is not available for redrawing, an amount of the Commitment equal to the amount of the Loan which is repaid or prepaid will be deemed to be cancelled on the date of repayment or prepayment.

8. Interest

8.1 Calculation of interest

Subject to Clause 8.3 (*Default interest*), the rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

- (A) Margin; and
- (B) HIBOR.

8.2 **Payment of interest**

The Borrower shall pay accrued interest on each Loan on the last day of each Interest Period relating to such Loan.

8.3 **Default interest**

- (A) At all times while an Event of Default is continuing, interest shall accrue on the Loans (both before and after judgment) at a fixed rate of 18% per annum.
- (B) Any interest accruing under this Clause 8.3 shall be payable by the Obligor on demand by the Lender, and in any event shall be paid in respect of a Loan on the last day of each Interest Period for such Loan which occurs while the Event of Default is continuing. Default interest (if unpaid) will be compounded with and shall thereafter form part of the relevant Loan if unpaid at the end of the Interest Period (or, as applicable, on demand by the Lender) but will remain immediately due and payable.

8.4 **Notification of rates of interest**

The Lender shall promptly notify the Borrower of the determination of a rate of interest under this Agreement.

9. **Interest Periods**

9.1 **Duration of Interest Periods**

- (A) Subject to the following provisions of this Clause 9, an Interest Period for each Loan shall be three (3) Months.
- (B) An Interest Period for a Loan commencing prior to a Repayment Date shall not extend beyond that Repayment Date.
- (C) Each Interest Period for a Loan shall start on its Utilisation Date or (if already made) on the last day of its preceding Interest Period.

9.2 **Non-Business Days**

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

9.3 **Consolidation of Loans**

- (A) Any Interest Period for a Loan which begins during any other Interest Period shall end at the same time as that other Interest Period.
- (B) If the Interest Periods of two or more Loans end on the same date, those Loans will be consolidated into, and treated as, a single Loan on the last day of the Interest Period.

10. **Changes to the calculation of interest**

10.1 **Unavailability of Screen Rate**

If no Screen Rate is available for HIBOR for an Interest Period of the Loan or an Unpaid Sum, the applicable HIBOR shall be the percentage rate per annum which is the sum of:

- (A) the Margin; and
- (B) the rate notified to the Borrower by the Lender as soon as practicable to be that which expresses as a percentage rate per annum the cost to the Lender of funding the Loan or Unpaid Sum from whatever source it may reasonably select.

10.2 **Break Costs**

- (A) The Borrower shall, within three Business Days of demand by the Lender, pay to the Lender its Break Costs attributable to all or any part of the Loan or Unpaid Sum being paid by or on behalf of the Borrower on a day other than the last day of an Interest Period for the Loan or Unpaid Sum.
- (B) The Lender shall, as soon as reasonably practicable after a demand by the Borrower, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

11. **Fees**

The Borrower shall pay to the Lender the fees in the amount(s) and at the time(s) agreed in a Fee Letter.

12. **Tax gross-up and indemnities**

12.1 **Tax definitions**

In this Agreement:

"Tax Credit" means a credit against, relief or remission for, or repayment of, any Tax.

"Tax Deduction" means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

"Tax Payment" means an increased payment made by an Obligor to the Lender under Clause 12.2 (*Tax gross-up*) or a payment under Clause 12.3 (*Tax indemnity*).

Unless a contrary indication appears, in this Clause 12 a reference to "determines" or "determined" means a determination made in the absolute discretion of the person making the determination.

12.2 **Tax gross-up**

- (A) All payments to be made by an Obligor to the Lender under the Finance Documents shall be made free and clear of and without any Tax Deduction

unless such Obligor is required to make a Tax Deduction, in which case the sum payable by such Obligor (in respect of which such Tax Deduction is required to be made) shall be increased to the extent necessary to ensure that the Lender receives a sum net of any deduction or withholding equal to the sum which it would have received had no such Tax Deduction been made or required to be made.

- (B) The Borrower shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Lender accordingly. Similarly, the Lender shall notify the Borrower on becoming so aware in respect of a payment payable to the Lender.
- (C) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (D) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Lender evidence reasonably satisfactory to the Lender that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.
- (E) The Lender may make all payments to be made by it under this Agreement subject to any deduction or withholding for or on account of any present and future Tax and shall not be required to increase or otherwise gross-up the amount of any such payment due to such deduction or withholding. Notwithstanding the other provisions of this Clause 12, the amount of any payment by the Lender for the purposes of this Agreement, shall be deemed to be the amount to be paid before taking into account any such deduction or withholding, an any interests and other amounts derived therefrom shall be calculated accordingly.

12.3 Tax indemnity

Without prejudice to Clause 12.2 (*Tax gross-up*), if the Lender is required to make any payment of or on account of Tax on or in relation to any sum received or receivable under the Finance Documents (including any sum deemed for the purposes of Tax to be received or receivable by the Lender whether or not actually received or receivable) or if any liability in respect of any such payment is asserted, imposed, levied or assessed against the Lender, the Borrower shall, within three Business Days of demand of the Lender, promptly indemnify the Lender against any loss, liability, cost or expense suffered or incurred by the Lender as a result of such payment or liability, together with any interest, penalties, costs and expenses payable or incurred in connection therewith, **provided that** this Clause 12.3 shall not apply to:

- (A) any Tax imposed on and calculated by reference to the net income actually received or receivable by the Lender (but, for the avoidance of doubt, not including any sum deemed for the purposes of Tax to be received or receivable by the Lender but not actually receivable) by the jurisdiction in which the Lender is incorporated;

- (B) any Tax imposed on and calculated by reference to the net income of the Lender actually received or receivable by the Lender (but, for the avoidance of doubt, not including any sum deemed for purposes of Tax to be received or receivable by the Lender but not actually receivable) by the jurisdiction in which the Lender is located; or
- (C) a FATCA Deduction required to be made by a Party.

12.4 Tax credit

If an Obligor makes a Tax Payment and the Lender determines that:

- (A) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and
- (B) the Lender has obtained and utilised that Tax Credit,

the Lender shall pay an amount to the Obligor which the Lender determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

12.5 Stamp taxes

The Borrower shall:

- (A) pay all stamp duty, registration and other similar Taxes payable in respect of any Finance Document; and
- (B) within three Business Days of demand, indemnify each Secured Party against any cost, loss or liability that Secured Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

12.6 Indirect Tax

- (A) All amounts set out or expressed in a Finance Document to be payable by any Party to the Lender shall be deemed to be exclusive of any Indirect Tax. If any Indirect Tax is chargeable on any supply made by the Lender to any Party in connection with a Finance Document, that Party must pay to the Lender (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of such Indirect Tax.
- (B) Where a Finance Document requires any Party to reimburse or indemnify the Lender for any costs or expenses, that Party shall also at the same time pay and indemnify the Lender for the full amount of such cost or expense, including such part thereof as represents any Indirect Tax, save to the extent that the Lender reasonably determines that it is entitled to credit or repayment in respect of such Indirect Tax from the relevant tax authority.
- (C) In relation to any supply made by the Lender to any Party under a Finance Document, if reasonably requested by the Lender, that Party must promptly provide the Lender with such information as is reasonably requested in

connection with the Lender's Indirect Tax reporting requirements in relation to such supply.

12.7 FATCA information

- (A) Subject to paragraph (B) below, each Party shall, within ten Business Days of a reasonable request by another Party:
 - (1) confirm to that other Party whether it is:
 - (a) a FATCA Exempt Party; or
 - (b) not a FATCA Exempt Party;
 - (2) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and
 - (3) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (B) If a Party confirms to another Party pursuant to paragraph (A)(1) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.
- (C) Paragraph (A) above shall not oblige the Lender to do anything, and paragraph (A)(3) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:
 - (1) any law or regulation;
 - (2) any fiduciary duty; or
 - (3) any duty of confidentiality.
- (D) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (A)(1) or (A)(2) above (including, for the avoidance of doubt, where paragraph (C) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

12.8 FATCA Deduction

- (A) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it

makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

- (B) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment.

13. **Increased Costs**

13.1 **Increased costs**

- (A) Subject to Clause 13.3 (*Exceptions*) the Borrower shall, within three (3) Business Days of a demand by the Lender, pay for the account of the Lender the amount of any Increased Costs incurred by the Lender or any of its Affiliates as a result of (1) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (2) compliance with any law or regulation made after the date of this Agreement.

The terms "law" and "regulation" in this paragraph (A) shall include any law or regulation concerning capital adequacy, prudential limits, liquidity, reserve assets or Tax.

- (B) In this Agreement "Increased Costs" means:

- (1) a reduction in the rate of return from the Facility or on the Lender's (or its Affiliate's) overall capital (including as a result of any reduction in the rate of return on capital brought about by more capital being required to be allocated by the Lender (or its Affiliate));
- (2) an additional or increased cost; or
- (3) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by the Lender or any of its Affiliates to the extent that it is attributable to the undertaking, funding or performance by the Lender of any of its obligations under any Finance Document or the Lender having entered into the Commitment or making any Loan.

13.2 **Increased cost claims**

- (A) If the Lender intends to make a claim pursuant to Clause 13.1 (*Increased costs*) it shall notify the Borrower of the event giving rise to the claim.
- (B) The Lender shall, as soon as practicable after a demand by the Borrower, provide a certificate confirming the amount of its Increased Costs.

13.3 **Exceptions**

- (A) Clause 13.1 (*Increased costs*) does not apply to the extent any Increased Cost is:

- (1) attributable to a Tax Deduction required by law to be made by an Obligor;
 - (2) attributable to a FATCA Deduction required to be made by a Party;
 - (3) compensated for by Clause 12.3 (*Tax indemnity*) (or would have been compensated for under Clause 12.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in 12.3(A) and (B) applied); or
 - (4) attributable to the wilful breach by the Lender or its Affiliates of any law or regulation.
- (B) In this Clause 13.3 reference to a "Tax Deduction" has the same meaning given to the term in Clause 12.1 (*Tax definitions*).

14. **Other indemnities**

14.1 **Currency indemnity**

- (A) If any sum due from an Obligor under the Finance Documents (a "Sum"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "First Currency") in which that Sum is payable into another currency (the "Second Currency") for the purpose of:

- (1) making or filing a claim or proof against that Obligor; or
- (2) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

that Obligor shall as an independent obligation, within three (3) Business Days of demand, indemnify the Lender against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (a) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (b) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

- (B) Each of the Borrower and the Corporate Guarantor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

14.2 **Other indemnities**

The Borrower shall indemnify the Lender and/or its affiliates, directors, officers, employees, agents, advisors and representatives (each an "Indemnified Party") against any claims, damages, costs, losses, taxes, expenses or liabilities ("Losses") incurred by or asserted or awarded against any Indemnified Party (1) in relation to this Agreement, any other Finance Documents or any transaction contemplated herein and/or therein, or (2) as a result of, among others:

- (A) the occurrence of any Event of Default;

- (B) any information produced or approved by any Obligor for the purpose of or in connection with the Facility being or being alleged to be misleading and/or deceptive in any material respect;
- (C) any enquiry, investigation, subpoena (or similar order) or litigation with respect to any Obligor or with respect to the transactions contemplated or financed under this Agreement;
- (D) a failure by an Obligor to pay any amount due under a Finance Document on its due date or in the relevant currency;
- (E) funding, or making arrangements to fund, a Utilisation requested by the Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by the Lender alone);
- (F) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Borrower;
- (G) investigating any event which it reasonably believes is a Default;
- (H) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or
- (I) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under this Agreement,

except where such Losses may be solely the result of such Indemnified Party's own gross negligence or wilful misconduct, as adjudicated and determined in a court of law in a competent jurisdiction and such judgement shall be final and non-appealable, and the Borrower shall pay to that Indemnified Party, within three (3) Business Days of demand, the amount equal to such Losses.

14.3 Indemnity to the Lender

Each of the Borrower and the Corporate Guarantor shall promptly indemnify the Lender (and every Receiver and Delegate) against any reasonable cost, loss or liability incurred by any of them as a result of:

- (A) reasonably acting or relying on any notice, request or instruction by or on behalf of any Obligor which it reasonably believes to be genuine, correct and appropriately authorised;
- (B) the taking, holding, protection or enforcement of the Transaction Security;
- (C) the exercise of any of the rights, powers, discretions and remedies vested in the Lender and each Receiver and Delegate by the Finance Documents or by law; or
- (D) any default by any Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents.

15. **Mitigation by the Lender**

15.1 **Mitigation**

- (A) The Lender shall, in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (*Illegality*), Clause 12 (*Tax gross-up and indemnities*) or Clause 13 (*Increased Costs*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate.
- (B) Clause 15.1(A) does not in any way limit the obligations of any Obligor under the Finance Documents.

15.2 **Limitation of liability**

- (A) The Borrower shall promptly indemnify the Lender for all costs and expenses reasonably incurred by the Lender as a result of steps taken by it under Clause 15.1 (*Mitigation*).
- (B) The Lender is not obliged to take any steps under Clause 15.1 (*Mitigation*) if, in the opinion of the Lender (acting reasonably), to do so might be prejudicial to it.

16. **Costs and expenses**

16.1 **Transaction expenses**

The Borrower shall within three Business Days of demand pay the Lender the amount of all costs and expenses (including legal fees) reasonably incurred by it (and by any Receiver or Delegate) in connection with the negotiation, preparation, printing, execution and perfection of:

- (A) this Agreement and any other documents referred to in this Agreement and the Transaction Security;
- (B) any other Finance Documents executed after the date of this Agreement; and
- (C) any document as evidence or proof of sufficient resources of the Borrower to finance the purchase price of the Offer as required by the SFC, the SEHK, any other Government Agency or any financial advisor of the Borrower.

16.2 **Amendment costs**

If (A) an Obligor requests an amendment, waiver or consent or (B) an amendment is required pursuant to Clause 23.6 (*Change of currency*), the Borrower shall, within three (3) Business Days of demand, reimburse the Lender for the amount of all costs and expenses (including legal fees) reasonably incurred by the Lender (and by any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

16.3 **Enforcement and preservation costs**

The Borrower shall, within three Business Days of demand, pay to the Lender and each other Secured Party the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of or the preservation of any rights under any Finance Document and the Transaction Security and any proceedings instituted by or against the Lender as a consequence of taking or holding the Transaction Security or enforcing these rights.

17. **Guarantee and Indemnity**

17.1 **Guarantee and indemnity**

The Corporate Guarantor irrevocably and unconditionally:

- (A) guarantees to the Lender punctual performance by the Obligors of all the Obligors' obligations under the Finance Documents;
- (B) undertakes with the Lender that whenever an Obligor does not pay any amount when due under or in connection with any Finance Document, the Corporate Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- (C) agrees with the Lender that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify the Lender immediately on demand against any cost, loss or liability it incurs as a result of an Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by the Corporate Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 17 if the amount claimed had been recoverable on the basis of a guarantee.

17.2 **Continuing guarantee**

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by the Obligors under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

17.3 **Reinstatement**

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by the Lender in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Corporate Guarantor under this Clause 17 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

17.4 **Waiver of defences**

The obligations of the Corporate Guarantor under this Clause 17 will not be affected by an act, omission, matter or thing which, but for this Clause 17, would reduce, release or prejudice any of its obligations under this Clause 17 (without limitation and whether or not known to it or the Lender) including:

- (A) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (B) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (C) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, execute, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (D) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (E) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (F) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security;
- (G) any insolvency or similar proceedings; or
- (H) this Agreement or any other Finance Document not being executed by or binding upon any other party.

17.5 Immediate recourse

The Corporate Guarantor waives any right it may have of first requiring the Lender (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Corporate Guarantor under this Clause 17. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

17.6 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, the Lender (or any trustee or agent on its behalf) may:

- (A) refrain from applying or enforcing any other moneys, security or rights held or received by the Lender (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Corporate Guarantor shall not be entitled to the benefit of the same; and
- (B) hold in an interest-bearing suspense account any moneys received from the Corporate Guarantor or on account of the Corporate Guarantor's liability under this Clause 17.

17.7 Deferral of Corporate Guarantors' rights

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Lender otherwise directs, the Corporate Guarantor will not exercise or otherwise enjoy the benefit of any right which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 17:

- (A) to be indemnified by an Obligor;
- (B) to claim any contribution from any other guarantor of or provider of security for any Obligor's obligations under the Finance Documents;
- (C) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Lender under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by the Lender;
- (D) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which the Corporate Guarantor has given a guarantee, undertaking or indemnity under Clause 17.1 (*Guarantee and indemnity*);
- (E) to exercise any right of set-off against any Obligor; and/or
- (F) to claim or prove as a creditor of any Obligor in competition with the Lender.
- (G) If the Corporate Guarantor shall receive any benefit, payment or distribution in relation to any such right it shall hold that benefit, payment or distribution (or so much of it as may be necessary to enable all amounts which may be or become payable to the Lender by the Obligors under or in connection with the Finance Documents to be paid in full) on trust for the Lender, and shall promptly pay or transfer the same to the Lender or as the Lender may direct for application in accordance with Clause 23 (*Payment mechanics*).

17.8 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Lender.

18. Representations

Each of the Borrower and the Corporate Guarantor makes the representations and warranties set out in this Clause 18 to the Lender on the date of this Agreement.

18.1 Status

- (A) It is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
- (B) It has the power to own its assets and carry on its business as it is being conducted.

18.2 Binding obligations

- (A) The obligations expressed to be assumed by it in each Transaction Document are, subject to any general principles of law limiting its obligations which are specifically referred to in any legal opinion delivered in accordance with Clause 4 (*Conditions of Utilisation*), legally valid, binding and enforceable obligations.
- (B) Without limiting the generality of Clause 18.2(A), subject to any general principles of law limiting its obligations which are specifically referred to in any legal opinion delivered in accordance with Clause 4 (*Conditions of Utilisation*), each Security Document to which it is a party creates the security interests which that Security Document purports to create and those security interests are valid and effective.

18.3 Non-conflict with other obligations

The entry into and performance by each Obligor of, and the transactions contemplated by, the Transaction Documents and the granting of the Transaction Security do not and will not conflict with:

- (A) any law or regulation applicable to it;
- (B) its constitutional documents; or
- (C) any agreement or instrument binding upon it or any Obligor or any of its or any Obligor's assets or constitute a default or termination event (however described) under any such agreement or instrument.

18.4 Power and authority

- (A) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is or will be a party and the transactions contemplated by those Transaction Documents.
- (B) No limit on its powers will be exceeded as a result of the borrowing, grant of security or giving of guarantees or indemnities contemplated by the Transaction Documents.

18.5 Validity and admissibility in evidence

All Authorisations required or desirable:

- (A) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents; and
- (B) to make the Transaction Documents to which it is a party admissible in evidence in its Relevant Jurisdictions,

have been obtained or effected and are in full force and effect (save, in the case of paragraph (B) above, (1) any registrations or filings which are specifically referred to in any legal opinion delivered in accordance with Clause 4 (*Conditions of Utilisation*))

and which are not overdue for payment, and (2) the payment of stamp duties for any transfer of the shares in Target pursuant to the Offer, in each case, which are not overdue for payment).

18.6 Governing law and enforcement

Subject to any general principles of law limiting its obligations which are referred to in any legal opinion delivered in accordance with Clause 4 (*Conditions of Utilisation*):

- (A) The choice of governing law of the Transaction Documents will be recognised and enforced in its Relevant Jurisdictions; and
- (B) Any judgment obtained in relation to a Transaction Document in the jurisdiction of the governing law of that Transaction Document will be recognised and enforced in its Relevant Jurisdictions.

18.7 Deduction of Tax

It is not required under the law of any of its Relevant Jurisdictions or at the address specified in this Agreement to make any deduction for or on account of Tax from any payment it may make under any Transaction Document.

18.8 No filing or stamp taxes

Subject to (A) any registrations or filings which are specifically referred to in any legal opinion delivered in accordance with Clause 4 (*Conditions of Utilisation*), and (B) the payment of stamp duties for any transfer of the shares in Target pursuant to the Offer, it is not necessary under the laws of its Relevant Jurisdictions that the Transaction Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Transaction Documents or the transactions contemplated by the Transaction Documents.

18.9 No default

- (A) No Event of Default is continuing or is reasonably likely to result from the making of any Utilisation or the entry into, the performance of, or any transaction contemplated by, any Transaction Document.
- (B) No other event or circumstance is outstanding which constitutes a default or termination event (however described) under any other agreement or instrument which is binding on it or to which its assets are subject which has or is reasonably likely to have a Material Adverse Effect.

18.10 No misleading information

Save as disclosed in writing to the Lender prior to the date of this Agreement:

- (A) any written information provided to the Lender or any of its Affiliates by or on behalf of an Obligor in connection with the Finance Documents or the Acquisition or the Offer was true, complete and accurate in all material respects as at the date the date it was provided or as at the date (if any) at which it is stated; and

- (B) nothing has arisen or changed that results in the information referred to in paragraph (A) above being untrue or misleading in any material respect.

18.11 Ranking

Subject to any general principles of law limiting its obligations which are specifically referred to in any legal opinion delivered in accordance with Clause 4 (*Conditions of Utilisation*):

- (A) its payment obligations under the Finance Documents rank at least *pari passu* with the claims of all of its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally; and
- (B) the Transaction Security has or will have first ranking priority and it is not subject to any prior ranking or *pari passu* ranking Security.

18.12 No proceedings

No litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency or regulatory body which, if adversely determined, are reasonably likely to have a Material Adverse Effect have (to the best of its knowledge and belief, having made due and careful enquiry) been started or threatened against it.

18.13 Insolvency

No:

- (A) corporate action, legal proceeding or other procedure or step described in Clause 21.7 (*Insolvency proceedings*); or
- (B) creditors' process described in Clause 21.8 (*Creditors' process*),

has been taken or, to the knowledge of any Obligor, threatened in relation to an Obligor or any other member of the Group; and none of the circumstances described in Clause 21.6 (*Insolvency*) applies to any Obligor or any other member of the Group.

18.14 No breach of laws

It (and each of the Obligors) has complied with all laws, regulations and Authorisations applicable to it or its business where failure to do so would have or is reasonably likely to have a Material Adverse Effect.

18.15 Good title to assets

It and each of the Obligors:

- (A) is the sole legal and beneficial owner of all assets over which it purports to grant Transaction Security; and
- (B) has a good and valid title to, and all appropriate Authorisations to use, the assets necessary to carry on its business as presently conducted.

18.16 **No adverse consequences**

- (A) It is not necessary under the laws of its Relevant Jurisdictions:
- (1) in order to enable the Lender to enforce its rights under any Finance Document; or
 - (2) by reason of the execution of any Finance Document or the performance by it of its obligations under any Finance Document,
- that the Lender should be licensed, qualified or otherwise entitled to carry on business in Hong Kong.
- (B) The Lender is not or will not be deemed to be resident, domiciled or carrying on business in Hong Kong by reason only of the execution, performance and/or enforcement of any Finance Document.

18.17 **Immunity**

- (A) The entry into by it of each Finance Document constitutes, and the exercise by it of its rights and performance of its obligations under each Finance Document will constitute, private and commercial acts performed for private and commercial purposes.
- (B) It is not entitled to claim immunity from suit, execution, attachment or other legal process in any proceedings taken in its jurisdiction of incorporation in relation to any Finance Document to which it is a party.

18.18 **Authorised Signatories**

Any person specified as its authorised signatory under schedule 1 (*Conditions precedent*) or Clause 19.1(E) is authorised to sign Utilisation Requests (in the case of the Borrower only) and other notices on its behalf.

18.19 **Shares**

The shares in Target which are subject to the Transaction Security are fully paid and not subject to any option to purchase or similar rights. The constitutional documents of companies whose shares are subject to the Transaction Security do not and could not restrict or inhibit any transfer of those shares on creation or enforcement of the Transaction Security.

18.20 **Acquisition Documents**

The Acquisition Documents contain all the material terms of the acquisition of the Acquisition Shares.

18.21 **Offer Documents**

The contents of the Offer Documents (when issued):

- (A) do not (or will not) contain any untrue statement by the Borrower or omit any information which makes any statement for which the Borrower or its directors

are responsible, misleading in any material respect and all expressions of expectation, intention, belief and opinion of the Borrower and/or its directors contained in any Offer Documents were honestly made on reasonable grounds after due and careful consideration by the Borrower; and

- (B) taken as a whole, contain all the material terms of the Offer.

18.22 **Anti-Money Laundering and Anti-Terrorism Financing**

The operations of each member of the Group are, and have been, conducted at all times in compliance with Anti-Money Laundering Laws and Anti-Terrorism Financing Laws, and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving a member of the Group with respect to Anti-Money Laundering Laws and Anti-Terrorism Financing Laws is pending and, to the best of the Borrower's or the Corporate Guarantor's knowledge, no such actions, suits or proceedings are threatened or contemplated.

18.23 **Anti-Bribery Conduct**

- (A) To its best knowledge and belief, after reasonable enquiry and diligence, it and all its Subsidiaries have conducted and are conducting their businesses in compliance with the Anti-Bribery Laws.
- (B) To its best knowledge and belief, after reasonable enquiry and diligence, it and all its Subsidiaries have instituted and maintained systems, controls, policies and procedures designed to:
 - (1) detect incidences of bribery and corruption; and
 - (2) promote and achieve compliance with the Anti-Bribery Laws.
- (C) Neither it nor any of its Subsidiaries, nor as far as it is (or ought reasonably to be) aware, after reasonable enquiry and diligence, any of their respective directors, officers, employees, agents, representatives or any other persons acting for or on behalf of it or any of its Subsidiaries has:
 - (1) directly or indirectly, made, offered to make, promised to make or authorized the payment or giving of, anything of value to any person, while knowing that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to a person to influence that person in his or her official capacity, induce that person to do or omit an act in violation of his or her lawful duty, or to secure any improper advantage in order to assist in obtaining or retaining business for or with, or directing business to, any person that may constitute an "unlawful payment" or "improper transfer of value" within the meaning of, and is not in any other way in violation of the Anti-Bribery Laws;
 - (2) directly or indirectly used any corporate funds of a member of the Group for any unlawful contribution, gift, entertainment or other unlawful expense relating to political office or activity;

- (3) made any direct or indirect unlawful payment or improper transfer of value to any public official or any company employee from corporate funds of a member of the Group;
- (4) received directly or indirectly any bribe, rebate, payoff, influence payment, kickback or other unlawful payment or improper transfer of value prohibited under any Anti-Bribery Laws; or
- (5) been (as far as it is aware) or is subject to any litigation, arbitration or administrative, regulatory or criminal proceedings or investigation with regard to any actual or alleged unlawful payment, improper transfer of value or other violation of any Anti-Bribery Laws.

18.24 Sanctions

- (A) Neither the Borrower nor the Corporate Guarantor nor any of their Subsidiaries, nor, to the best of their knowledge, any director, officer, employee, agent, controlled affiliate or other person acting on behalf, at the direction or in the interest of the Borrower or the Corporate Guarantor or any of their respective Subsidiaries is a Person that is a Sanction Target.
- (B) Neither the Borrower nor the Corporate Guarantor has or intends to have any business operations or other dealings:
 - (1) in a Sanctioned Country, including the Crimea region, Cuba, Iran, Sudan, North Korea and Syria,
 - (2) with any Specially Designated National (“SDN”) on OFAC’s SDN list or with a designated person targeted by asset freeze sanctions imposed by the UN, EU or HMT or any other applicable sanctions authority.
- (C) Each of the Borrower and the Corporate Guarantor have instituted and maintain policies and procedures designed to prevent Sanctions violation by it, their Subsidiaries and by persons associated with them and their Subsidiaries.
- (D) Each of the Borrower and the Corporate Guarantor neither know nor have reason to believe that it or any of their Subsidiaries are or may become the subject of Sanctions-related investigations or juridical proceedings.

18.25 Repetition

The Repeating Representations are deemed to be made by each Obligor by reference to the facts and circumstances then existing on the date of each Utilisation Request and the first day of each Interest Period.

19. Information undertakings

The undertakings in this Clause 19 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or the Commitment is in force.

19.1 Information: miscellaneous

Each of the Borrower and the Corporate Guarantor shall supply to the Lender:

- (A) at the same time as they are dispatched, copies of all documents dispatched by it or Target to its shareholders generally (or any class of them) or to its creditors generally (or any class of them);
- (B) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any member of the Group, and which, if adversely determined, would reasonably be expected to have a Material Adverse Effect;
- (C) promptly, such information as the Lender may reasonably require about the Charged Property and compliance of the Obligors with the terms of any Security Documents;
- (D) promptly on request, such further information regarding the financial condition, assets and operations of the Group and/or any member of the Group (including any requested amplification or explanation of any item in the financial statements, budgets or other material provided by any Obligor under this Agreement) as the Lender may reasonably request; and
- (E) promptly, notice of any change in authorised signatories of any Obligor signed by a director or company secretary of such Obligor accompanied by specimen signatures of any new authorised signatories.

19.2 **Notification of default**

- (A) Each of the Borrower and the Corporate Guarantor shall notify the Lender of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).
- (B) Promptly upon a reasonable request by the Lender, each of the Borrower and the Corporate Guarantor shall supply to the Lender a certificate signed by one of its directors on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

19.3 **"Know your customer" checks**

If:

- (A) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
- (B) any change in the status of an Obligor or the composition of the shareholders of an Obligor after the date of this Agreement; or
- (C) a proposed assignment or transfer by a Lender of any of its rights and/or obligations under this Agreement,

obliges the Lender (or, in the case of Clause 19.3 (C), any prospective new lender) to comply with "*know your customer*" or similar identification procedures in

circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Lender (for itself or, in the case of the event described in Clause 19.3(C), on behalf of any prospective new lender) in order for the Lender, or, in the case of the event described in Clause 19.3(C), any prospective new lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

19.4 **Stock Exchange and Listing Rules**

- (A) Notwithstanding the other provisions of this Clause 19, the Corporate Guarantor shall not be obliged to provide any information under this Clause 19 to the extent that the provision of such information would contravene the Listing Rules, provided that as and when the provision of such information by the Corporate Guarantor is no longer prohibited by the Listing Rules, the Corporate Guarantor shall promptly provide such information to the Lender.
- (B) Where any document which the Corporate Guarantor is required to provide pursuant to this Clause 19 has become public information as a result of a publication on to any electronic website maintained by any stock exchange on which shares in or other securities of any member of the Group are listed or any electronic website required by any such stock exchange to be maintained by or on behalf of any member of the Group, the Corporate Guarantor can satisfy the relevant obligations to provide such information by advising the Lender of the details of the electronic website and relevant pages where such information is located.

20. **General undertakings**

The undertakings in this Clause 20 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Available Commitment is in force.

20.1 **Authorisations**

Each of the Borrower and the Corporate Guarantor shall (and shall ensure each other Obligor and Target will) promptly:

- (A) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (B) supply certified copies to the Lender of,

any Authorisation required under any law or regulation of a Relevant Jurisdiction to enable it to perform its obligations under the Transaction Documents and to ensure the legality, validity, enforceability or admissibility in evidence of any Transaction Document.

20.2 **Compliance with laws**

Each of the Borrower and the Corporate Guarantor shall (and shall ensure that each other Obligor and each member of the Group will) comply in all respects with all laws to which it may be subject, if failure so to comply has or is reasonably likely to have a Material Adverse Effect.

20.3 **Merger**

Save with the prior written consent of the Lender, the Borrower shall not (and the Corporate Guarantor shall ensure that no other Obligor (other than itself) will) enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction.

20.4 **Change of business**

Each of the Borrower and the Corporate Guarantor shall procure that no substantial change is made to the general nature of the business of any Obligor (other than the Corporate Guarantor) from that carried on at the date of this Agreement;

20.5 **Preservation of assets**

Each of the Borrower and the Corporate Guarantor shall (and shall ensure that each other Obligor will) maintain in good working order and condition (ordinary wear and tear excepted) all of its assets necessary in the conduct of its business.

20.6 **Pari passu ranking**

Each of the Borrower and the Corporate Guarantor shall (and shall procure each other Obligor to) ensure that at all times any unsecured and unsubordinated claims of the Lender against it under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

20.7 **Arm's length basis**

- (A) Except as permitted by Clause 20.7(B), each of the Borrower and the Corporate Guarantor shall ensure no Obligor (other than the Corporate Guarantor) will enter into any transaction with any person except on arm's length terms and for full market value.
- (B) Payment of fees, costs and expenses payable under the Finance Documents in the amounts set out in the Finance Documents delivered to the Lender under Clause 4.1 (*Initial conditions precedent*) or agreed by the Lender shall not be a breach of this Clause 20.7.

20.8 **Dividends and share redemption**

Save with the prior written consent of the Lender, the Borrower shall not (and will ensure that no other Obligor (other than the Corporate Guarantor) will):

- (A) declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital);

- (B) repay or distribute any dividend or share premium reserve;
- (C) pay or allow any member of the Group or any Obligor to pay any management, advisory or other fee to or to the order of any of the shareholders of the Borrower; or
- (D) redeem, repurchase, defease, retire or repay any of its share capital or resolve to do so.

20.9 Access

If a Default is continuing or the Lender reasonably suspects a Default is continuing or may occur, each of the Borrower and the Corporate Guarantor shall ensure that each Obligor (other than the Corporate Guarantor) will, (not more than once in every financial year unless the Lender reasonably suspects a Default is continuing or may occur) permit the Lender and/or accountants or other professional advisers of the Lender free access at all reasonable times and on reasonable notice at the risk and cost of the Obligor to the premises, assets, books, accounts and records of each such Obligor.

20.10 Purpose

- (A) Each of the Borrower and the Corporate Guarantor shall ensure all amounts borrowed by the Borrower shall be applied in accordance with the purpose specified for such Loan in accordance with Clause 3 (*Purpose*).
- (B) Each of the Borrower and the Corporate Guarantor shall ensure that no Loan is used in a way in conflict with any applicable laws and regulations.
- (C) Each of the Borrower and the Corporate Guarantor shall not use (and shall procure that none of its directors, officers, employees and agents acting on behalf of it will use) any proceeds of the Loans:
 - (1) in furtherance of an offer, payment, promise to pay, or authorisation of the payment or giving of money, or anything else of value, to any person in a manner that would cause a breach of any laws, rules, and regulations of any applicable jurisdiction concerning or relating to bribery or corruption; or
 - (2) in any manner that would result in the violation by any Party of any Sanctions applicable to it, any Anti-Money Laundering Laws, any Anti-Terrorism Financing Laws or any Anti-Bribery Laws.

20.11 Security Accounts

- (A) The Borrower shall, on or before the first Utilisation Date, ensure that:
 - (1) it opens and thereafter maintains the Borrower Security Account; and
 - (2) Bao Da opens and thereafter maintains the Bao Da Security Account.
- (B) The Borrower shall ensure that, at all times:

- (1) all shares in Target and all dividends and other distributions accrued and arising from the shares in Target (in each case) beneficially owned by the Borrower shall be transferred and deposited into, and thereafter maintained only in, the Borrower Security Account;
 - (2) (from the day of the Completion) the shares in Target beneficially owned by the Borrower and deposited into the Borrower Security Account (which, at all times, shall remain subject to Transaction Security) shall not be less than 37.17% of the entire issued share capital of Target, except if any placement, issuance, redemption, substitution, exchange, option rights or otherwise ("Proposed Transaction") is arranged which would result in the Borrower holding less than 37.17% of the entire issued share capital of Target, the Borrower shall:
 - (a) seek the Lender's consent by not less than 10 Business Days' prior notice; and
 - (b) in the event that the Lender agrees to the Proposed Transaction, the Borrower may proceed with the Proposed Transaction; and
 - (3) Bao Da shall transfer and deposit at least 1,144,151,739 ordinary shares in Target into the Bao Da Security Account prior to the first Utilisation Date and all dividends and other distributions accrued and arising from such shares in Target (in each case) beneficially owned by Bao Da shall be transferred and deposited into the Bao Da Security Account.
- (C) Without prejudice to the rights of the Lender under the Security Documents, the Borrower shall (and shall procure that each other Obligor and each other member of the Group will) ensure that none of the amounts and/or securities standing to the credit of any Borrower Security Account or any Bao Da Security Account shall be withdrawn, transferred or applied by the Borrower except in the following circumstances:
- (1) *public float*: subject to (x) paragraph (B)(2) above being complied with and (y) no Event of Default continuing, in each case, at the time of and after the proposed withdrawal, transfer or application, if, at any time, public shareholders of Target hold less than twenty-five per cent. (25%) of the entire issued share capital of Target the Borrower shall (and shall ensure the relevant Obligor will) direct the Lender or such other Placing Agent (after having supplied, or procured the supply of, such documentation and other evidence to the Lender reasonably satisfactory to it that the conditions set out in (x) and (y) above are and will be satisfied):
 - (a) to arrange for private placement of sufficient quantity of shares in Target in accordance with the terms and conditions of the Placing Documents in order to restore the public float of Target to at least twenty-five (25%) of the entire issued share capital of Target within three (3) months (or any such shorter period required by SEHK) of the public shareholding falling below 25%; and

- (b) to apply proceeds of the aforesaid private placement of the shares in Target immediately upon receipt towards prepayment or repayment of the Loans or interest then due and payable under this Agreement;
- (2) *dividends*: in respect of any cash dividend deposited into the Borrower Security Account and/or the Bao Da Security Account in accordance with paragraph (B)(1) or (B)(3) above respectively, to apply immediately all such cash dividend towards prepayment of the Loans and/or interest then due and payable under this Agreement;
- (3) *LTV prepayment*: in respect of any prepayment made in accordance with paragraph (C)(1) of Clause 20.12 (*LTV Ratio*), to transfer amounts standing to the credit of the Borrower Security Account, as applicable, and/or the Bao Da Security Account towards prepayment or repayment of the Loans and/or interest then due and payable under this Agreement;
- (4) *voluntary prepayment*: the Borrower may apply any amount standing to the credit of the Borrower Security Account in repayment of the Loans on a Repayment Date or on any other date on which the Loans will be repaid in full; and
- (5) *Loan Reduction Date*: at any time after the Loan Reduction Date, subject to (x) paragraph (B)(2) above being complied with, (y) no Event of Default continuing and (z) compliance by the Borrower with its obligations under Clause 20.12 (*LTV Ratio*), in each case, at the time of and after the proposed withdrawal, transfer or application, the Borrower may withdraw or transfer surplus securities standing to the credit of any Borrower Security Account and sell or otherwise trade such securities for its own account.

20.12 LTV Ratio

- (A) The Borrower must ensure that for the period from and including the date of this Agreement and to and including the Final Repayment Date:
 - (1) at any time prior to the Loan Reduction Date, the LTV Ratio shall not exceed 55% and the PV Ratio shall not exceed 80%; or
 - (2) at any time upon and after the Loan Reduction Date, the LTV Ratio shall not exceed 20% and the PV Ratio shall not exceed 40%,

provided that the Lender may at any time and from time to time, in its absolute discretion, adjust the LTV Ratio and/or the PV Ratio in such manner as the Lender shall consider fit and notify the Borrower.

- (B) For the purpose of this Clause 20.12:

"LTV Ratio" means, at any time, the ratio expressed as a percentage equal to:

$$\frac{L}{M}$$

“PV Ratio” means, at any time, the ratio expressed as a percentage equal to:

$$\frac{L}{T}$$

Where,

L is, at any time, the aggregate amount of the principal amount of all outstanding Loans and any accrued (but unpaid) interest, fees and expenses thereon at that time.

M is the Margin Value at that time.

T is the Market Value at that time.

“Margin Value” means, at any time, the value in Hong Kong Dollars (as determined by the Lender in its sole and absolute discretion absent manifest error) equal to the aggregate amount of:

- (1) the value of all shares in Target beneficially owned by the Borrower and deposited into the Borrower Security Account on the relevant Exchange Business Day, which equals the product of:
 - (a) the number of all shares in Target deposited in the Borrower Security Account on that relevant Exchange Business Day; and
 - (b) the closing price of all shares in Target deposited in the Borrower Security Account on that relevant Exchange Business Day;
- (2) the value of all shares in Target beneficially owned by Bao Da and deposited into the Bao Da Security Account on the relevant Exchange Business Day, which equals the product of:
 - (a) the number of all shares in Target deposited in the Bao Da Security Account on that relevant Exchange Business Day; and
 - (b) the closing price of all shares in Target deposited in the Bao Da Security Account on that relevant Exchange Business Day; and
- (3) the aggregate amount of:
 - (a) cash; and
 - (b) any other securities acceptable to the Lender (the value of such securities to be determined by the Lender at its sole and absolute discretion),

(items (a) and (b) above, collectively, the “Additional Securities”) each deposited into the Borrower Security Account, the Bao Da Security

Account or such other account(s) designated by the Lender from time to time pursuant to paragraph (C) below.

“Market Value” means, at any time, the value in Hong Kong Dollars (as determined by the Lender in its sole and absolute discretion absent manifest error) equal to the aggregate of:

- (1) the value of all shares in Target beneficially owned by the Borrower and deposited into the Borrower Security Account on the relevant Exchange Business Day, which equals the product of:
 - (a) the number of all shares in Target deposited in the Borrower Security Account on that relevant Exchange Business Day; and
 - (b) the closing price of all shares in Target deposited in the Borrower Security Account on that relevant Exchange Business Day; and
- (2) the aggregate amount of Additional Securities deposited into the Borrower Security Account or such other account(s) of the Borrower designated by the Lender from time to time pursuant to paragraph (C) below,

Provided that, for the purpose of determining the Margin Value or the Market Value at any time, if any shares in Target or any Additional Securities beneficially owned by the Borrower or Bao Da and (in each case) deposited into the Borrower Security Account and/or the Bao Da Security Account (as applicable) are suspended from trading on the SEHK for more than two (2) consecutive Exchange Business Days (or days that would have been Exchange Business Days but for the occurrence of a general market suspension), other than (i) any trading halt in connection with a transaction required to be disclosed under Chapter 14 or 14A of the Listing Rules; (ii) any suspension of trading of the shares in Target under the Code; and (iii) any trading halt arising in connection with the Acquisition and/or the Offer, or otherwise ceases to be traded on the SEHK, the portion of the Margin Value in respect of such shares in Target or (as the case may be) such Additional Securities shall be deemed to be zero (and the Margin Value of shares in Target shall be determined with reference to the last Exchange Business Day on which such shares were traded in the case of any suspension or trading halt referred to in (i), (ii) or (iii) above).

- (C) If at any time the Borrower fails to comply with paragraph (A) above, the Lender may, by giving notice to the Borrower require the Borrower to:
 - (1) prepay all or any part of the Loans; and/or
 - (2) deposit or procure the deposit of all Additional Securities into the Borrower Security Account, the Bao Da Security Account or such other account(s) designated by the Lender from time to time; and
 - (3) charge all such Additional Securities in form and substance satisfactory to the Lender,

(it being at the discretion of the Borrower as to which of one or more of the actions in paragraphs (1) to (3) above it so effects) to ensure the LTV Ratio and the PV Ratio are restored to the applicable ratio required under paragraph (A) above within two (2) Business Days of such notice.

(D) If:

- (1) the Borrower fails to restore the LTV Ratio and/or the PV Ratio in accordance with paragraph (C) above; and/or
- (2) any of the shares in Target or any other Additional Securities (in each case) beneficially owned by the Borrower or Bao Da and deposited into the Borrower Security Account or the Bao Da Security Account (as applicable) or (as the case may be) such other account(s) designated by the Lender from time to time ceases to be traded on the SEHK,

without limiting any other rights of the Lender under this Agreement or any Security Documents:

- (a) an Event of Default shall immediately occur under Clause 21.2 (*LTV Ratio*) without the need for any further notice or demand to be given to the Borrower;
- (b) the Lender may exercise all rights under any Finance Documents (including without limitation, the right to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents and in respect of any Security constituted by any Security Document and/or any guarantee and/or indemnity constituted by any Finance Document);
- (c) the Lender may sell all shares in Target beneficially owned by the Borrower or Bao Da, including without limitation any shares held in any of the Borrower Security Account in the name of the Borrower or the Bao Da Security Account in the name of Bao Da; and/or
- (d) the Lender may declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable.

20.13 Offer undertakings

(A) **Offer Documents**

The Borrower will:

- (1) procure that the Offer Circular and the Mandatory Offer Document (or, as the case may be, the Composite Offer and Response Document) are dispatched as soon as reasonably practicable;
- (2) procure that the terms of the Offer Circular and the Mandatory Offer Document or (as the case may be) the Composite Offer and Response Document are not inconsistent with, or contrary to, the terms of the draft Offer Announcement delivered to the Lender under the terms of this

Agreement where such change would be materially prejudicial to the interests of the Lender, unless the Lender has approved in writing such change in advance (such consent not to be unreasonably withheld or delayed); and

- (3) provide a copy of the Offer Circular and the Mandatory Offer Document or (as the case may be) the Composite Offer and Response Document to the Lender promptly on the same day as it is despatched to the shareholders of Target.

(B) Progress of Offer

The Borrower will keep the Lender informed as to any material developments in relation to the Offer and promptly on reasonable request provide the Lender with information as to the progress of the Offer and with any material information or advice received in relation to the Offer.

(C) Terms of the Offer

The Borrower shall:

- (1) not increase, and ensure there is no increase in, the amount of cash payable by it in respect of the shares in Target pursuant to the Offer or otherwise vary the cash consideration payable pursuant to the Offer without the prior written consent of the Lender;
- (2) not waive or amend (and use reasonable endeavours to ensure there is no waiver or amendment to) or declare or treat as satisfied any condition of the Offer where such waiver or consent would be materially prejudicial to the interests of the Lender unless either:
 - (a) the Lender has given its prior written consent; or
 - (b) to the extent required by the Code or the Panel;
- (3) if it becomes aware of a circumstance or event which is or could reasonably be construed to be covered by any condition of the Offer which, if not waived, would entitle the Borrower (with the Panel's consent, if needed) to lapse or withdraw the Offer, it shall promptly notify the Lender in writing; and
- (4) if a circumstance or event referred to in Clause 20.13(C)(3) occurs and the Lender states that, in its reasonable opinion, that circumstance or event could have a Material Adverse Effect:
 - (a) promptly request the Panel to agree to the lapsing or withdrawal of the Offer as a result of the non-satisfaction of that condition; and
 - (b) if the Panel so agrees, not waive that condition or treat it as satisfied, and withdraw the Offer at the earliest opportunity.

(D) Offer shares

The Borrower shall procure that all shares in Target acquired pursuant to the Offer are transferred and deposited direct into the Borrower Security Account as soon as reasonably practicable.

20.14 Announcements

- (A) The Borrower shall duly make all announcements and disclosures required by the Listing Rules, the Code and the SFO in connection with the Acquisition and the Offer.
- (B) The Borrower will agree with the Lender the content of, and will deliver to the Lender copies of, all publicity material, press releases and announcements intended to be published in relation to the Acquisition or the Facility (other than the Offer Documents or the Offer Announcement) and agree with the Lender the content of any such material, release, or announcement which refers to the Lender or the Facility as soon as practicable prior to their publication, unless otherwise required by the Code, the Panel, any regulation, any applicable stock exchange, any applicable government or other regulatory authority.

20.15 Regulatory clearances and authorisations

Except to the extent necessary to comply with any obligations of confidentiality to any regulatory authority, and unless otherwise required by the Code, the Panel, any regulation, any applicable stock exchange, any applicable government or other regulatory authority, the Borrower shall keep the Lender informed and consult with it as to:

- (A) the terms and conditions of any assurance or undertaking proposed to be given by or on behalf of the Borrower or, so far as the Borrower is aware, Target to any person for the purpose of obtaining any authorisation or clearance in connection with the Acquisition or the Offer; and
- (B) any terms or conditions proposed in connection with any Authorisation required by law in connection with the Acquisition.

20.16 Target

The Borrower shall ensure that at all times after the Completion Date:

- (A) Target shall operate its business on normal commercial terms and shall not enter into any business or transactions which the Lender reasonably believes has or is reasonably likely to have a Material Adverse Effect; and
- (B) if Target proposes entering into any transaction, guarantee, facility, acquisition, merger, transfer, sale, disposal, lease or creation of any Security over any of its assets which is not in the ordinary course of business of Target, Target may only enter into such transaction upon consulting and obtaining prior consent from all of its directors.

20.17 Financial Indebtedness

- (A) Except with the prior written consent of the Lender or as permitted under Clause 20.17(B) below, each of the Borrower and the Corporate Guarantor shall ensure that no Obligor (other than the Corporate Guarantor) will incur or allow to remain outstanding any Financial Indebtedness.
- (B) Clause 20.17(A) does not apply to:
 - (1) any Financial Indebtedness arising under the Finance Documents;
 - (2) any Financial Indebtedness owed by any Target Group Member to any Obligor or its Affiliates which does not exceed HK\$6,000,000,000 (or its equivalent in other currencies) in aggregate for Target Group at any time;
 - (3) any Financial Indebtedness incurred or allowed to remain outstanding by the Borrower or any other member of the Group on or before the Completion Date; and
 - (4) any Financial Indebtedness of the Borrower and any other member of the Group not permitted by the preceding paragraphs and the outstanding principal amount of which does not exceed HK\$3,000,000,000 (or its equivalent in other currencies) in aggregate for the Group at any time.

20.18 **Conditions subsequent**

The Borrower shall, promptly upon the Lender's request at any time after the end of the offer period of the Offer as the Lender deems appropriate (acting reasonably), enter into the Placing Documents and do all acts and execute all documents as the Lender may reasonably require (and in such form as the Lender may require) for executing the Placing.

20.19 **Shareholder loans**

- (A) The Borrower shall not, and shall procure that Bao Da shall not, without the prior written consent of the Lender (which shall not be unreasonably withheld), incur or repay any Financial Indebtedness from or to the Corporate Guarantor or any of its Subsidiaries.
- (B) The Corporate Guarantor shall not, without the prior written consent of the Lender (which shall not be unreasonably withheld), require the Borrower or Bao Da to repay any Financial Indebtedness to it or to any of its Subsidiaries.

20.20 **Sanctions Compliance**

- (A) Each of the Borrower and the Corporate Guarantor will not directly or indirectly use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity:
 - (1) to fund or facilitate any activities of or business with any individual or entity ("Person") that, at the time of such funding or facilitation, is (collectively, a "Sanction Target"):

- (a) the subject or the target of any Sanctions; or
 - (b) owned 50% or more by or otherwise controlled by, or acting on behalf of one or more Persons referenced in paragraph (a) above; or
 - (c) located, organized or resident in a country or territory that is the subject or the target of Sanctions (including but not limited to, Cuba, Iran, North Korea, Sudan, the Crimea region in Ukraine and Syria) (each, a "Sanctioned Country"),
- (2) to fund or facilitate any activities of or business in any Sanctioned Country; or
- (3) in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as initial purchaser, advisor, investor or otherwise) of Sanctions.

20.21 **Anti-Bribery Law**

- (A) Each of the Borrower and the Corporate Guarantor shall not (and shall ensure that no other Obligor will) directly or indirectly use the proceeds of the Facility for any purpose which breaches the US Foreign Corrupt Practices Act of 1977 or The Bribery Act 2010 of the United Kingdom or any Anti-Bribery Laws.
- (B) Each of the Borrower and the Corporate Guarantor shall (and shall ensure that each other Obligor will) conduct its business in compliance with applicable Anti-Bribery Laws and maintain policies and procedures designed to promote and achieve compliance with such law.

21. **Events of Default**

Each of the events or circumstances set out in this Clause 21 is an Event of Default (save for Clause 21.17 (*Acceleration*)).

21.1 **Non-payment**

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless its failure to pay is caused by administrative or technical error and payment is made within three (3) Business Days of its due date.

21.2 **LTV Ratio**

Any requirement of Clause 20.12 (*LTV Ratio*) is not satisfied.

21.3 **Covenants**

- (A) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 21.1 (*Non-payment*) and Clause 21.2 (*LTV Ratio*)).

- (B) No Event of Default under paragraph (A) above will occur if the failure to comply is capable of remedy and is remedied within three (3) Business Days of the earlier of (1) the Lender giving notice to the Borrower; and (2) any Obligor becoming aware of the failure to comply.

21.4 **Misrepresentation**

Any representation or statement made or deemed to be made by an Obligor in the Transaction Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Transaction Document is or proves to have been incorrect or misleading in material aspects when made or deemed to be made.

21.5 **Cross default**

- (A) Any Financial Indebtedness of an Obligor is not paid when due nor within any originally applicable grace period.
- (B) Any Financial Indebtedness of an Obligor is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (C) Any commitment for any Financial Indebtedness of an Obligor is cancelled or suspended by a creditor of an Obligor as a result of an event of default (however described).
- (D) Any creditor of an Obligor becomes entitled to declare any Financial Indebtedness of an Obligor due and payable prior to its specified maturity as a result of an event of default (however described).
- (E) No Event of Default will occur under this Clause 21.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (A) to (D) above is less than US\$100,000 (or its equivalent in other currencies).

21.6 **Insolvency**

- (A) An Obligor is unable or admits inability to pay its debts as they fall due or is deemed to or declared to be unable to pay its debts under applicable law, suspends or threatens to suspend making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding the Lender in its capacity as such) with a view to rescheduling any of its indebtedness.
- (B) The value of the assets of an Obligor or any member of the Group is less than its liabilities (taking into account contingent and prospective liabilities).
- (C) A moratorium is declared in respect of any indebtedness of an Obligor.

21.7 **Insolvency proceedings**

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of an Obligor;
 - (B) a composition, compromise, assignment or arrangement with any creditor of an Obligor;
 - (C) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of an Obligor or any of its assets; or
 - (D) enforcement of any Security over any assets of an Obligor,
- or any analogous procedure or step is taken in any jurisdiction.

21.8 Creditors' process

Any expropriation, attachment, sequestration, distress or execution or any analogous process pursuant to the final non-appealable judgment of a competent court of any jurisdiction affects any asset or assets of an Obligor having an aggregate value of HK\$10,000,000 and is not discharged within three (3) Business Days after such final non-appealable judgment has been entered in relation to such assets.

21.9 Unlawfulness and invalidity

- (A) It is or becomes unlawful for an Obligor to perform any of its obligations under the Transaction Documents or any Transaction Security created or expressed to be created or evidenced by the Security Documents ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than the Lender) to be ineffective.
- (B) Any obligation or obligations of any Obligor under any Transaction Documents are not or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Lender under the Transaction Documents.

21.10 Cessation of business

Any Obligor suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business which has or is reasonably likely to have a Material Adverse Effect.

21.11 Expropriation

The authority or ability of any Obligor to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any Government Agency or other person in relation to any Obligor or any of its assets.

21.12 Repudiation and rescission of agreements

Any Obligor (or any other relevant party) rescinds or purports to rescind or repudiates or purports to repudiate a Transaction Document or any of the Transaction Security

or evidences an intention to rescind or repudiate a Transaction Document or any Transaction Security.

21.13 Litigation

Any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened in relation to the Transaction Documents or the transactions contemplated in the Transaction Documents or against any Obligor or any member of the Group or its assets which has or is reasonably likely to have a Material Adverse Effect.

21.14 Listing

Target and/or the Corporate Guarantor is suspended from listing for a period of two (2) consecutive Exchange Business Days or longer or ceases to be listed on the SEHK, other than (1) any trading halt in connection with a transaction required to be disclosed under Chapter 14 or 14A of the Listing Rules, (2) any suspension of trading of the shares in Target under the Code, and (3) any trading halt arising in connection with the Acquisition and/or the Offer.

21.15 Change in equity

- (A) The Corporate Guarantor is not or ceases to be the legal and beneficial owner of 100% of the ordinary voting share capital of each of the Borrower and Bao Da.
- (B) The Corporate Guarantor's equity capital falls below HK\$6,000,000,000.

21.16 Material adverse change

Any event or circumstance occurs which the Lender reasonably believes has or is reasonably likely to have a Material Adverse Effect.

21.17 Acceleration

On and at any time after the occurrence of an Event of Default which is continuing the Lender may by notice to the Borrower:

- (A) cancel the Commitment at which time it shall immediately be cancelled;
- (B) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable;
- (C) declare that all or part of the Loans be payable on demand, at which time they shall immediately become payable on demand by the Lender; and/or
- (D) exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

21.18 Rights during the Certain Funds Period

- (A) Notwithstanding any term of this Agreement, during the Certain Funds Period the Lender is not entitled to:
- (1) refuse to make available any Loan;
 - (2) exercise any rights, power or discretion to terminate, suspend or cancel the obligation to make any Loan (other than under Clause 7.1 (*Illegality*));
 - (3) exercise any right of rescission, set-off or similar right or remedy which it or they may have in respect of this Agreement or in respect of any Loan;
 - (4) take any of the steps referred to in Clause 21.17 (*Acceleration*), in respect of any Loan or that part of the Commitment which may be utilised by way of any Loan; or
 - (5) exercise any right of set-off or counterclaim in respect of any Loan,
- except as provided in paragraph (B) below.
- (B) Paragraph (A) above does not apply if the entitlement to take any of the actions referred to in such paragraph arises because:
- (1) the conditions precedent referred to in Clause 4.1 (*Initial conditions precedent*) have not been complied with;
 - (2) a Major Default is outstanding; or
 - (3) it is unlawful for the Lender to perform any of its obligations under the Finance Documents.

22. **Changes to the Lender**

22.1 **Assignments and transfers by the Lender**

Subject to this Clause 22, the Lender may without the consent of any Obligor:

- (A) assign any of its rights; or
- (B) transfer by novation any of its rights and obligations,

under any Finance Document to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets.

22.2 **Security over the Lender's rights**

In addition to the other rights provided to the Lender under this Clause 22, the Lender may, without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of the Lender including, without limitation any charge, assignment or other Security to

secure obligations to a federal reserve or central bank except that no such charge, assignment or Security shall:

- (A) release the Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or other Security for the Lender as a party to any of the Finance Documents; or
- (B) require any payments to be made by an Obligor or grant to any person any more extensive rights than those required to be made or granted to the Lender under the Finance Documents.

22.3 **Changes to the Obligors**

No Obligor or any other member of the Group may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

23. **Payment mechanics**

23.1 **Payments to the Lender**

- (A) On each date on which an Obligor is required to make a payment under a Finance Document, that Obligor shall make the same available to the Lender (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Lender as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (B) Payment shall be made to such account in the principal financial centre of the country of that currency with such bank as the Lender specifies.

23.2 **Partial payments**

- (A) If the Lender receives a payment for application against amounts due in respect of any Finance Documents that is insufficient to discharge all the amounts then due and payable by an Obligor under those Finance Documents, the Lender shall apply that payment towards the obligations of that Obligor under those Finance Documents in the following order:
 - (1) first, in or towards payment *pro rata* of any unpaid fees, costs and expenses of the Lender under those Finance Documents;
 - (2) secondly, in or towards payment *pro rata* of any accrued interest, fee or commission due but unpaid under those Finance Documents;
 - (3) thirdly, in or towards payment *pro rata* of any principal due but unpaid under those Finance Documents; and
 - (4) fourthly, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.
- (B) The Lender may vary the order set out in Clauses 23.2(A)(2) to 23.2(A)(4).

- (C) Clauses 23.2(A) and 23.2(B) will override any appropriation made by an Obligor.

23.3 **Set-off by Obligors**

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

23.4 **Business Days**

- (A) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (B) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

23.5 **Currency of account**

- (A) Subject to paragraphs (B) and (C) below, Hong Kong Dollars is the currency of account and payment for any sum due from an Obligor under any Finance Document.
- (B) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- (C) Any amount expressed to be payable in a currency other than Hong Kong Dollars shall be paid in that other currency.

23.6 **Change of currency**

- (A) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
 - (1) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Lender (after consultation with the Borrower); and
 - (2) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Lender (acting reasonably).
- (B) If a change in any currency of a country occurs, this Agreement will, to the extent the Lender (acting reasonably and after consultation with the Borrower) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

23.7 **Set-off**

The Lender may set off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by the Lender) against any matured obligation owed by the Lender to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Lender may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

24. **Notices**

24.1 **Communications in writing**

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

24.2 **Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

(A) in the case of the Borrower and the Corporate Guarantor, that identified with its name below; and

(B) in the case of the Lender, that notified in writing to the Borrower,

or any substitute address, fax number or department or officer as the Party may notify to the Lender (or the Lender may notify to the Borrower, if a change is made by the Lender) by not less than five Business Days' notice.

24.3 **Delivery**

(A) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:

(1) if by way of fax, when received in legible form; or

(2) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 24.2 (*Addresses*), if addressed to that department or officer.

(B) Any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender and then only if it is expressly marked for the attention of the department or officer identified with the Lender's signature below (or any substitute department or officer as the Lender shall specify for this purpose).

- (C) Any communication or document made or delivered to the Borrower in accordance with this Clause 24.3 will be deemed to have been made or delivered to each of the Obligors.
- (D) Any communication or document which becomes effective, in accordance with paragraphs (A) to (C) above, after 5:00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

24.4 Notification of address and fax number

Upon receipt of notification of an address or fax number or change of address or fax number pursuant to Clause 24.2 (*Addresses*) or changing its own address or fax number, the Lender shall notify the other Parties.

24.5 Electronic communication

- (A) Any communication to be made between any two Parties under or in connection with the Finance Documents may be made by electronic mail or other electronic means (including by way of posting to a secure website) if those two Parties:
 - (1) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and
 - (2) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.
- (B) Any such electronic communication as specified in paragraph (A) above to be made between the Borrower or the Corporate Guarantor and the Lender may only be made in that way to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication.
- (C) Any such electronic communication as specified in paragraph (A) above made between any two Parties will be effective only when actually received (or made available) in readable form and in the case of any electronic communication made by the Borrower or the Corporate Guarantor to the Lender only if it is addressed in such a manner as the Lender shall specify for this purpose.
- (D) Any electronic communication which becomes effective, in accordance with paragraph (C) above, after 5 p.m. in the place in which the Party to whom the relevant communication is sent or made available has its address for the purpose of this Agreement shall be deemed only to become effective on the following day.
- (E) Any reference in a Finance Document to a communication being sent or received shall be construed to include that communication being made available in accordance with this Clause 24.5.

24.6 English language

- (A) Any notice given under or in connection with any Finance Document must be in English.
- (B) All other documents provided under or in connection with any Finance Document must be:
 - (1) in English; or
 - (2) if not in English, and if so required by the Lender, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

25. **Calculations and certificates**

25.1 **Accounts**

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by the Lender are *prima facie* evidence of the matters to which they relate.

25.2 **Certificates and determinations**

Any certification or determination by the Lender of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

25.3 **Day count convention**

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

26. **Partial invalidity**

If, at any time, any provision of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

27. **Remedies and waivers**

No failure to exercise, nor any delay in exercising, on the part of the Lender or another Secured Party, any right or remedy under the Finance Documents, shall operate as a waiver, of any such right or remedy or constitute an election to affirm any of the Finance Documents. No election to affirm any of the Finance Documents on the part of the Lender shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in the Finance Documents are cumulative and not exclusive of any rights or remedies provided by law.

28. **Amendments and waivers**

Any term of the Finance Documents may be amended or waived only with the consent of the Lender and the Obligors which are party to such Finance Document, and any such amendment or waiver will be binding on all Parties.

29. **Confidentiality**

The Lender may deliver copies of the Finance Documents and/or disclose any information received by it under or pursuant to any Finance Document or any other information about the Borrower, any Obligor or any member of the Group and the Finance Documents as the Lender shall reasonably consider appropriate to:

- (A) any of its Affiliates;
- (B) its head office and any other branch;
- (C) any of its professional advisers and any other person providing services to it (provided that such person is under a duty of confidentiality, contractual or otherwise, to the Lender);
- (D) an Obligor or any member of the Group;
- (E) any person permitted by an Obligor;
- (F) any person to the extent required for the purpose of any litigation, arbitration or regulatory proceedings or procedure;
- (G) to a governmental, quasi-governmental, supervisory, banking, taxation or other regulatory authority;
- (H) any person to whom, and to the extent that, information is required to be disclosed by any applicable law or regulation;
- (I) to any rating agency;
- (J) to any insurer or insurance broker of, or direct or indirect provider of credit protection to, the Lender or any Affiliate of the Lender;
- (K) to any person with whom the Lender or any of its Affiliates may enter into any hedging transaction in connection with this Agreement; and
- (L) any other person:
 - (1) to (or through) whom the Lender assigns, novates or transfers (or may potentially assign, novate or transfer) all or any of its rights and obligations under this Agreement (or any agent or adviser of such person); or
 - (2) with (or through) whom the Lender enters into (or may potentially enter into) any participation or sub-participation in relation to, or any other transaction under which payments are to be made by reference to, the

Facility, this Agreement, the Borrower, any Obligor or any member of the Group (or any agent or adviser of such person).

This Clause supersedes any previous agreement relating to the confidentiality of such information.

30. **Counterparts**

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

31. **Governing law**

This Agreement is governed by Hong Kong law.

32. **Enforcement**

32.1 Jurisdiction of Hong Kong courts

(A) The courts of Hong Kong have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement) (a "Dispute").

(B) The Parties agree that the courts of Hong Kong are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

(C) This Clause 32.1 is for the benefit of the Lender and the other Secured Parties only. As a result, the Lender or such other Secured Party shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender and the other Secured Parties may take concurrent proceedings in any number of jurisdictions.

33. **Execution as a deed**

This Agreement is intended by the Corporate Guarantor to it to take effect as a deed for the benefit of the Lender. It has been entered into by the Corporate Guarantor under seal as a deed and delivered on the date stated at the beginning of this Agreement, and has been executed under hand by the Lender and the Borrower on such date.

Schedule 1 **CONDITIONS PRECEDENT**

1 **Obligors**

- (A) A copy of the constitutional documents of each Obligor other than the Personal Guarantor.
- (B) A copy of a resolution of the board of directors of each Obligor other than the Personal Guarantor:
 - (1) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute, deliver and perform Finance Documents to which it is a party;
 - (2) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf;
 - (3) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party; and
 - (4) (in the case of the Borrower) approving the terms of, and the transactions contemplated by, the Offer Documents and approving the release of the Offer Documents.
- (C) A specimen of the signature of each person authorised by the resolution referred to in paragraph (B) above to sign any Finance Document or any related documents.
- (D) A certificate from each Obligor (signed by a director, as applicable) confirming that borrowing or guaranteeing or securing, as appropriate, the Commitment would not cause any borrowing, guarantee, security or similar limit binding on it/him to be exceeded.
- (E) A certificate from each Obligor (signed by a director, as applicable) certifying that each copy document relating to it/him specified in this schedule is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of this Agreement.
- (F) A copy of the Hong Kong identity card and specimen signature of the Personal Guarantor.

2 **Finance Documents**

- (A) This Agreement executed by the Borrower and the Corporate Guarantor.
- (B) The Personal Guarantee executed by, and the related warning notice acknowledged by, the Personal Guarantor.

- (C) The Borrower Share Charge executed by the Borrower.
- (D) The Bao Da Share Charge executed by Bao Da.
- (E) The Fee Letter executed by the Borrower.
- (F) A copy of all notices required to be sent under the Security Documents executed by the relevant Obligor(s) duly acknowledged by the addressee.
- (H) A copy of stock transfer forms or equivalent duly executed by the relevant Obligor in blank in relation to the assets subject to or expressed to be subject to the Transaction Security and other documents of title to be provided under the Security Documents.

3 Other documents and evidence

- (A) A copy of any other Authorisation or other document, opinion or assurance which the Lender considers to be necessary or desirable (if it has notified the Borrower accordingly) in connection with the entry into and performance of obligations by any Obligor or the Lender under the Facility or otherwise contemplated by any Finance Document or for the validity and enforceability of any Finance Document.
- (B) Evidence that the fees, costs and expenses then due from the Borrower pursuant to Clause 11 (*Fees*), Clause 12.5 (*Stamp taxes*) and Clause 16 (*Costs and expenses*) have been paid or will be paid by the first Utilisation Date.
- (C) Evidence that all steps required to perfect the Security created under the Finance Documents have been performed.
- (D) Evidence that the Selling shareholders have opened a securities accounts with the Lender and the Selling shareholders have transferred (in aggregate) the Acquisition Shares into such accounts.
- (E) Evidence that the Borrower Security Account and Bao Da Security Account have been opened with the Lender, and that (1) the Acquisition Shares have been deposited in the Borrower Security Account and (2) the Bao Da Shares have been deposited in the Bao Da Security Account.
- (F) Evidence that the Lender is satisfied with the outcome of due diligence conducted against the Obligors and Target.

4 Legal Opinions

- (A) A legal opinion from Simmons & Simmons in relation to Hong Kong law, substantially in the form agreed with the Lender.
- (B) A legal opinion from Maples & Calder (Hong Kong) LLP in relation to Cayman Islands law, substantially in the form agreed with the Lender.

5 Acquisition

Evidence satisfactory to the Lender that the Completion Date has occurred, that the Borrower has become the beneficial owner of all Acquisition Shares and that all Acquisition Shares have been deposited in the Borrower Security Account.

6 Offer-related conditions

- (A) A certified true copy of the Offer Announcement, the Mandatory Offer Document and the Offer Circular or (as the case may be) the Composite Offer and Response Document;
- (B) A certificate from the Borrower (signed by a director) confirming that:
 - (1) the conditions under the Offer Documents (including without limitation, all necessary approval, filing and authorisation of Target under the Offer Documents (if any)) have been satisfied or waived (where such waiver would not reasonably be expected to be materially adverse to the interests of the Lender or where such waiver is granted with the consent of the Lender) (other than (A) payment of the consideration payable pursuant to the Offer and (B) such other conditions which are by their nature only capable of being satisfied on a later date);
 - (2) none of the terms and conditions of the Offer Documents has been amended, waived or treated as satisfied in any manner which would reasonably be expected to be materially adverse to the interests of the Lender (except with the consent of the Lender); and
 - (3) no corporate action, legal proceeding or other procedure or step described in Clause 21.7 (*Insolvency proceedings*) or creditors' process described in Clause 21.8 (*Creditor's process*) has been taken or, to the knowledge of the Borrower (having made due and careful enquiry), threatened in relation to Target and none of the circumstances described in Clause 21.6 (*Insolvency*) applies to Target.
- (C) A copy of a financial report issued by a reputable independent financial advisor acceptable to the Lender and appointed by the Borrower to provide financial advice in respect of the Offer.
- (A) A copy of a resolution of the director(s) of the Borrower:
 - (1) approving the terms of, and the transactions contemplated by, the Offer Announcement; and
 - (2) approving the release of the Offer Announcement.

Schedule 2 **FORM OF UTILISATION REQUEST**

From: Hong Kong Bao Xin Asset Management Limited (香港寶信資產管理有限公司)

To: CCB International Securities Limited 建銀國際證券有限公司

Dated:

Dear Sirs

Hong Kong Bao Xin Asset Management Limited (香港寶信資產管理有限公司) - HK\$620,000,000 Facility Agreement dated January 2019 (the "Facility Agreement")

- 1 We refer to the Facility Agreement. This is a Utilisation Request. Terms defined in the Facility Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
- 2 We wish to borrow a Loan on the following terms:
 - (a) Proposed Utilisation Date: [] 2019 (or, if that is not a Business Day, the next Business Day)
 - (b) Amount: [] or, if less, the Available Commitment
- 3 We confirm that each condition specified in paragraph (B) of Clause 4.1 (*Initial conditions precedent*) and Clause 4.2 (*Further conditions precedent relating to*).
- 4 The proceeds of this Loan should be credited to [**account**].
- 5 This Utilisation Request is irrevocable.

Yours faithfully

authorised signatory for

Hong Kong Bao Xin Asset Management Limited (香港寶信資產管理有限公司)

EXECUTION PAGES

THIS AGREEMENT was duly signed on behalf of the Borrower and the Lender and duly executed as a deed by the Corporate Guarantor and is intended to be and is hereby delivered by the Corporate Guarantor as a deed on the date first specified on page 1 above.

THE BORROWER

Hong Kong Bao Xin Asset Management Limited (香港寶信資產管理有限公司)



By: *Li Minbin*

Address: *Rooms 1908-1909, 19/F., Lippo Centre Tower 2, 89 Queensway, Hong Kong*

Fax: (852) *2419 1223*

Attention: *Ho Ka Yin Simon*

THE CORPORATE GUARANTOR

SIGNED, SEALED and DELIVERED as a deed

by and on behalf of

China Goldjoy Group Ltd

by:

✓

Director

Director

Address: *Rooms 1908-1909, 19/F., Lippo Centre Tower 2, 89 Queensway, Hong Kong*

Fax: (852) *2419 1223*

Attention: *Ho Ka Yin Simon*

THE LENDER

CCB International Securities Limited 建銀國際證券有限公司


By: Xue Liang