

Execution version

Dated 31 August 2016

GET NICE SECURITIES LIMITED
(as Lender)

and

BILLION EXPO INTERNATIONAL LIMITED
(as Borrower)

LOAN AGREEMENT
for
facilities of up to HK\$682,000,000

VINCENT T.K. CHEUNG, YAP & CO.
Solicitors & Notaries
11th Floor, Central Building
Nos.1-3 Pedder Street
Central, Hong Kong

TABLE OF CONTENTS

Clause	Page
1. INTERPRETATION.....	1
2. THE FACILITIES AND PURPOSE	6
3. CONDITIONS PRECEDENT.....	7
4. DRAWDOWN	9
5. INTEREST	10
6. REPAYMENT	10
7. PREPAYMENT	10
8. CHANGES IN CIRCUMSTANCES.....	11
9. PAYMENTS	12
10. TAXES.....	12
11. REPRESENTATIONS AND WARRANTIES	13
12. COVENANTS AND OTHER UNDERTAKINGS OF THE BORROWER.....	16
13. EVENTS OF DEFAULT.....	19
14. INDEMNITIES	21
15. FEES AND EXPENSES	22
16. RIGHT OF SET-OFF	23
17. CONFIDENTIALITY	24
18. NOTICES.....	24
19. MISCELLANEOUS	24
20. ASSIGNMENT	25
21. LAW AND JURISDICTION	26
SCHEDULE 1 (Address and Facsimile Number for Notification)	27
SCHEDULE 2 (Notice of Drawdown).....	28

THIS LOAN AGREEMENT dated 31 August 2016 is made

BETWEEN:

- (1) **GET NICE SECURITIES LIMITED**, a company incorporated in Hong Kong and having its registered office at 10/F., Cosco Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong (the "**Lender**"); and
- (2) **BILLION EXPO INTERNATIONAL LIMITED**, a company incorporated in the British Virgin Islands and having its registered office at OMC Chambers, Wickhams Cay 1, Road Town, Tortola, the British Virgin Islands (the "**Borrower**").

WHEREAS:

the Lender has at the request of the Borrower agreed to make available to the Borrower: (a) a loan facility of up to HK\$150,000,000 for the purpose of firstly refinancing the acquisition costs of the Initial Shares (as defined below) and only thereafter for such other purpose as may be agreed by the Lender; and (b) a loan facility of up to HK\$532,000,000 for the purpose of financing the payment for the Offer Shares (as defined below) and the Options (as defined below) tendered upon acceptance of the Offers (as defined below) and servicing of the Loan (as defined below), subject to and upon the terms and conditions of this Agreement.

1. INTERPRETATION

- 1.1 In this Agreement (including the Schedules), the following expressions shall, except where the context otherwise requires, have the meanings attributed to them respectively below:

"Additional Shares"	those Offer Shares tendered upon acceptance of the Share Offer which the Borrower acquires pursuant to the Share Offer, the payment for which is to be financed by Advance(s) under Facility B;
"Advance"	each lending under any Facility pursuant to Clause 4 or, as the context may require, the principal amount advanced to the Borrower on each such occasion;
"Availability Period"	means <ol style="list-style-type: none">(a) in relation to Facility A, the period commencing from the date of this Agreement and ending twelve (12) months after the date of this Agreement;(b) in relation to Facility B, the period commencing from the date of this Agreement and ending the earlier of (i) fourteen (14) days after the close of the Offers; or (ii) 31 December 2016; or (iii) the lapse of the Offers, or such other date as the parties may agree in writing;
"Business Day"	a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours;

“Code”	the Hong Kong Code on Takeovers and Mergers;
“Companies Ordinance”	the Companies Ordinance (Cap.622 of the Laws of Hong Kong);
“Company”	EPI (Holdings) Limited 長盈集團(控股)有限公司, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0689);
“Encumbrance”	(a) a mortgage, charge, pledge, lien, hypothecation, assignment, trust arrangement or security interest or other encumbrance of any kind securing any obligation of any person or any type of preferential arrangement (including without limitation title transfer and/or retention arrangements having a similar effect); (b) any arrangement whereby any rights are subordinated to any rights of any third party; (c) any contractual right of set-off; and/or (d) the interest of a vendor or lessor under any conditional sale agreement, lease, hire purchase agreement or other title retention arrangement other than an interest in a lease or hire purchase agreement which arose in the ordinary course of business;
“Events of Default”	any one or more of the events specified in Clause 13.1 and “prospective Events of Defaults” means any act or event which with the giving of notice and/or the lapse of time and/or the fulfilment of any other condition would become one or more of such events;
“Facility A”	a loan facility of up to HK\$150,000,000 to be made available by the Lender to the Borrower under this Agreement for the purpose set out in Clause 2.3;
“Facility B”	a loan facility of up to HK\$532,000,000 to be made available by the Lender to the Borrower under this Agreement for the purpose set out in Clause 2.4;
“Facilities”	mean collectively Facility A and Facility B, and “Facility” means either of them;
“Finance Documents”	means this Agreement, each Notice of Drawdown, each Security Document and each notice and document delivered or contemplated hereby or thereby to be delivered in connection herewith or therewith, and any other agreement or document executed by any person in relation to the transaction(s) contemplated hereby, which, by its terms purports to be a Finance Document;
“Guarantee”	means the guarantee (in the form and substance and in all other respects satisfactory to the Lender) to be executed by the Guarantor in favour of the Lender as security for the Outstanding Indebtedness, as originally executed or amended

	and/or supplemented from time to time;
“Guarantor”	Mr. Suen Cho Hung, Paul (孫粗洪) (holder of Hong Kong Identity Card No. P549018(2));
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Initial Shares”	1,212,160,119 Shares held by the Borrower;
“Interest Payment Date”	the last Business Day of each Interest Period;
“Interest Period”	the period of one (1) month commencing from and including the date of Advance and each successive period of one (1) month commencing on the last day of the preceding one, provided that if any such period would otherwise end after the Repayment Date, it shall instead end on the Repayment Date;
“Lender”	includes the successors in title and assignee(s) of the Lender;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	the aggregate amount of all Advances for the time being outstanding;
“Mandate Letter”	the mandate letter dated 31 August 2016 issued by the Lender to the Borrower and accepted by the Borrower;
“Material Adverse Effect”	means a material adverse effect on or material adverse change in: <ul style="list-style-type: none"> (a) the financial condition, assets, prospects or business of any of the Obligors; (b) the ability of any Obligor to perform and comply with its obligations under any Finance Document; (c) the validity, legality or enforceability of any Finance Document; or (d) the validity, legality or enforceability of any Security expressed to be created pursuant to any Security Document or on the priority and ranking of any of the Security;
“Mortgaged Shares”	means: <ul style="list-style-type: none"> (a) the Initial Shares; (b) the Additional Shares; and (c) where the context permits, includes the dividends and

those stocks, shares, rights, monies and other property referred to in Clause 2.3 of the Share Charge;

“Notice of Drawdown”	the notice of drawdown of an Advance under any of the Facilities substantially in the form set out in Schedule 2;
“Obligors”	the Borrower, the Guarantor, the Shareholder and any party to the Security Documents (other than the Lender) and “Obligor” shall be construed accordingly;
“Offers”	mean collectively the Share Offer and the Option Offer;
“Offer Shares”	all issued Shares other than those held by the Borrower and parties acting in concert with it (as defined in the Code);
“Options”	the outstanding option(s) granted by the Company pursuant to its share option scheme adopted on 6 November 2006 entitling holders thereof to subscribe for an aggregate of 10,556,460 Shares;
“Option Offer”	the voluntary conditional cash offer to cancel all the Options at HK\$0.01 per Option in accordance with the Code;
“Outstanding Indebtedness”	the principal of the Loan outstanding, interest and all other amounts from time to time payable by the Borrower and other Obligors pursuant to, under or in connection with the Finance Documents including, without limitation, all costs, charges and expenses (including legal fees) on a full indemnity basis incurred by the Lender in connection with the enforcement or exercise or intended or attempted exercise of any right, power or remedy of the Lender under the Finance Documents;
“PRC”	the People's Republic of China;
“Repayment Date”	means: <ul style="list-style-type: none">(a) in relation to Facility A, the date immediately falling twelve (12) months from the date of this Agreement; and(b) in relation to Facility B, the date immediately falling six (6) months after the date of the first Advance under Facility B;
“Security”	means a mortgage, charge, pledge, lien or other security interest expressed to be created pursuant to this Agreement and the Security Documents;
“Securities Account”	means the account with account no. M051657 opened and maintained by the Borrower with the Lender, including any renewal or redesignation of such account(s), or such other account of the Borrower designated by the Lender as “Securities Account”;

“Security Documents”	the Share Charge, the Guarantee, the Subordination Agreement and any other agreements, mortgages, charges and other documents executed from time to time by any person as security for the Borrower's obligations hereunder or under any other Finance Documents;
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Share Charge”	a share mortgage (in the form and substance and in all other respects satisfactory to the Lender) in relation to the Mortgaged Shares to be executed by the Borrower in favour of the Lender as security for the Outstanding Indebtedness, as originally executed or amended and/or supplemented from time to time;
“Share Offer”	the voluntary conditional cash offer to acquire the Offer Shares by the Borrower at HK\$0.1680 per Offer Share in accordance with the Code;
“Shareholder”	Premier United Group Limited, a company incorporated in the British Virgin Islands and having its registered office at OMC Chambers, Wickhams Cay 1, Road Town, Tortola, the British Virgin Islands;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subordination Agreement”	the subordination agreement, incorporating an assignment of loan (in the form and substance and in all other respects satisfactory to the Lender) to be executed by the Borrower, the Shareholder and the Guarantor in favour of the Lender as security for the Outstanding Indebtedness, as originally executed or amended and/or supplemented from time to time; and
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong.

1.2 Except to the extent that the context requires otherwise, any reference in this Agreement to:

- (1) an “**agency**” of a state or government means any ministry, agency, board, bureau, commission, department, authority, statutory corporation (whether autonomous or not) or other instrumentality of or any corporation or other entity owned or controlled by such state or government;
- (2) any “**document**” shall include that document as in force for the time being and as amended in accordance with the terms thereof or with the agreement of the parties thereto and with the consent of the Lender, if required hereunder;
- (3) any “**enactment**” shall include same as from time to time re-enacted, amended, extended, consolidated or replaced;

- (4) **"laws and regulations"** shall include all constitutional provisions, treaties, conventions, statutes, acts, laws, decrees, ordinances, subsidiary and subordinate legislation, orders, rules and regulations having the force of law, rules of civil and common law and equity, directives, instructions, notifications, circulars, policy statements and guidelines (whether or not having the force of laws) and other similar authorities;
- (5) a **"person"** includes any individual, company, corporation, firm, partnership, joint venture, association, organisation, unit or trust (in each case, whether or not having separate legal personality);
- (6) **"subsidiary"** and **"holding company"** shall have the meaning attributed thereto by the Companies Ordinance;
- (7) **"tax"** includes any present or future tax, levy, impost, duty, charge, fees, deduction or withholding of any nature and whatever called, by whomsoever, on whomsoever and wherever imposed, levied, collected, withheld or assessed;
- (8) **"years"** and **"months"** mean calendar years and months respectively, under the Gregorian Calendar. For the avoidance of doubt, a calendar month means a period beginning on one day of a calendar month and ending on the day numerically corresponding to such day in the following calendar month, provided that if the period begins on the last day of a calendar month or there is no such numerically corresponding day in the following month, the period shall end on the last day in such following calendar month; and
- (9) an Event of Default being **"outstanding"** or **"continuing"** means that it has not been waived and, in any other case, it has not been remedied or waived.

1.3 The headings in this Agreement are inserted for convenience only and shall be ignored in construing this Agreement. Unless the context otherwise requires, references in this Agreement to the singular shall be deemed to include references to the plural and *vice versa*, references to one gender shall include all genders and references to "it" shall include reference to human beings.

1.4 References in this Agreement to clauses and schedules are references to clauses and schedules to this Agreement and references to sub-clauses and paragraphs are, unless otherwise stated, reference to sub-clauses and paragraphs of the clause, sub-clause or, as appropriate, the schedule to which the reference appears.

1.5 Unless expressly provided to the contrary in a Finance Document, a person who is not a party to a Finance Document has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce or to enjoy the benefit of any term of that Finance Document. Unless expressly provided in a Finance Document, the consent of any person who is not a party to that Finance Document is not required to vary such Finance Document at any time.

2. **THE FACILITIES AND PURPOSE**

2.1 The Lender, relying upon each of the representations, warranties, undertakings and covenants of the Borrower set out in this Agreement, agrees to make available to the Borrower the

Facilities upon the terms and subject to the conditions of this Agreement.

- 2.2 In no event shall the Lender have any obligation to honour a request for a drawdown under a Facility if the Outstanding Indebtedness under the relevant Facility at such time (including the requested drawdown) would exceed such Facility.
- 2.3 The Borrower shall apply the amounts advanced by the Lender under Facility A for the purpose of firstly repaying the Existing Loan and only thereafter for such other purpose as may be agreed by the Lender.
- 2.4 The Borrower shall apply the amounts advanced by the Lender under Facility B solely for the purpose of financing the payment for the Offer Shares and the Options tendered upon acceptance of the Offers and servicing of the Loan.
- 2.5 Notwithstanding any description of the Facilities or other provisions herein, the Lender is not bound to monitor or verify or be responsible for the purpose or the application of any amount advanced under the Facilities pursuant to this Agreement.
- 2.6 In consideration of the agreement by the Lender to make available to the Borrower the Facilities pursuant to the terms and conditions of this Agreement, the Borrower hereby covenants with the Lender that the Borrower will repay the Outstanding Indebtedness in the manner and at the times herein provided.

3. CONDITIONS PRECEDENT

- 3.1 Subject to Clause 4, the obligation of the Lender to make an Advance under the Facilities to the Borrower is conditional upon:
 - (1) the Lender having received from the Borrower, in the form and substance satisfactory to the Lender:
 - (a) this Agreement duly executed by the Borrower;
 - (b) the Share Charge duly executed by the Borrower and the documents required to be delivered by the Borrower to the Lender under the Share Charge;
 - (c) the Guarantee duly executed by the Guarantor together with the surety notice duly signed by the Guarantor;
 - (d) the Subordination Agreement duly executed by the Borrower, the Shareholder and the Guarantor;
 - (e) certified copies of each of the following documents together with a certificate signed by a director of the corporate Obligor certifying that each of such documents is true, complete and up-to-date:
 - (i) the Certificate of Incorporation and (if any) current Business Registration Certificate of such Obligor;
 - (ii) the Memorandum and Articles of Association of such Obligor;

- (iii) the register of directors and the register of shareholders of such Obligor;
- (iv) the certificate of good standing in respect of such Obligor dated not earlier than seven (7) days prior to the date of this Agreement;
- (v) the certificate of incumbency in respect of such Obligor dated not earlier than three (3) days prior to the date of this Agreement issued by its registered agent;
- (vi) written resolutions of all the directors (or sole director) of such Obligor and written resolutions of all the shareholders (or sole shareholder) of such Obligor:
 - (1) approving the terms of and the transactions contemplated by the Finance Documents to which it is a party and authorizing the execution of the Finance Documents to which it is a party;
 - (2) authorizing a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
 - (3) authorizing a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any drawdown notice) to be signed and/or despatched by it under or in connection with the Finance Documents;
- (f) a certified true copy of the Hong Kong Identity Card of the Guarantor and his address proof;
- (g) evidence that all necessary authorisations have been obtained and all necessary filings, registrations and other formalities have been or will, as soon as practicable, be completed in order to ensure that the Finance Documents and such other documents in connection therewith are valid, enforceable and legally binding;
- (h) evidence that any process agent referred to in the Finance Documents has accepted its appointment;
- (i) such other documents in connection with the Finance Documents as the Lender may reasonably request;
- (2) the Borrower having all fees and expenses payable by it to the Lender pursuant to Clause 15;
- (3) the Initial Shares having been duly deposited and remain deposited into the Securities Account; and
- (4) the Additional Shares, the acquisition of which is funded by a previous Advance under Facility B, having been duly deposited and remain deposited in the Securities Account.

3.2 The conditions set out in this Clause are inserted for the sole benefit of the Lender and may be

waived in whole or in part and with or without conditions by the Lender without prejudicing its right to require fulfilment of such other conditions at any time thereafter.

4. DRAWDOWN

- 4.1 Subject to Clause 3, the Facilities are available for multiple drawdowns and the Borrower may on any Business Day make a drawing under the Facilities during the Availability Period if:
- (1) the Lender shall have received a duly completed and signed original Notice of Drawdown no later than 12:00 noon (Hong Kong time) (a) in respect of Facility A, on the date of such Advance to be made; and (b) in respect of Facility B, on the date falling two (2) Business Days immediately before the date on which such Advance is to be made;
 - (2) all the representations and warranties set out in Clause 11 and other representations and warranties made by the Obligors in or in connection with the Finance Documents shall be true and accurate as at the date of each Advance with reference to the facts and circumstances then subsisting;
 - (3) no Event of Default or prospective Event of Default shall have occurred or is continuing (or would be likely to occur as a result of an Advance being made); and
 - (4) all undertakings given by the Borrower in this Agreement shall have been duly complied with, observed and performed.
- 4.2 A Notice of Drawdown once given under Clause 4.1 shall be irrevocable and shall oblige the Borrower to drawdown the entire amount of the Advance stated therein.
- 4.3 The conditions set out in this Clause are inserted for the sole benefit of the Lender and may be waived in whole or in part and with or without conditions by the Lender without prejudicing its right to require fulfilment of such other conditions at any time thereafter.
- 4.4 For the avoidance of doubt, if the Lender is requested by the Borrower to deposit any amount under Facility B to an account designated by the Borrower and the Lender has acted accordingly, irrespective of whether such request conforms with the Notice of Drawdown and irrespective of the Borrower's purposes, the Borrower is deemed to have drawdown such amount under Facility B and such amount forms part of the Outstanding Indebtedness forthwith on the day when the Lender honours the Borrower's request.
- 4.5 If the Lender does not receive immediately available funds from the Borrower to finance the payment or, as the case may be, payment in full, for the Offer Shares or the Options within six (6) Business Days following the later of (i) the date on which the Offers become or are declared unconditional and (ii) the date of receipt of a duly completed acceptance, the Lender may utilise Facility B for such payment and the Borrower is deemed to have drawdown under Facility B such amount so utilised and such amount forms part of the Outstanding Indebtedness forthwith on the day the Lender utilises such amount.
- 4.6 In respect of each Facility, any part of such Facility not advanced on the expiry of the Availability Period relevant to it shall be cancelled.
- 4.7 The Borrower and the Lender acknowledge and confirm that:

- (1) the Borrower is indebted to the Lender in the amount of HK\$114,037,108.97 (comprising principal of HK\$113,854,447.93 and interest of HK\$182,661.04) as at 29 August 2016 (“Existing Loan”); and
- (2) upon the signing of this Agreement, the Borrower shall be deemed to have drawdown an amount equal to the Existing Loan under Facility A which shall immediately be applied in repayment of the Existing Loan, and the Borrower shall be deemed to be in receipt of the Advance of such proceeds of Facility A.

5. INTEREST

- 5.1 The Borrower shall pay interest on the Loan in accordance with the provisions of this Clause 5.
- 5.2 Interest on the Loan shall accrue at the rate of twelve per cent. (12%) per annum.
- 5.3 Interest on the Loan shall be calculated on the actual number of days elapsed on the basis of a 365-day year from and including the date of Advance or the last preceding Interest Payment Date (as the case may be) to but excluding the date on which repayment is made and shall be payable in arrears on each and every Interest Payment Date.
- 5.4 Without prejudice to any other right or remedy of the Lender, if the Borrower defaults in payment or repayment on the due date of any part of the Loan, interest or other amounts payable hereunder, the Borrower shall pay interest on such overdue sum(s) from the due date until payment in full (before and after judgment) at the rate which is 24% per annum. Such interest shall be calculated on the actual number of days elapsed on the basis of a 365-day year and compounded monthly.
- 5.5 The Lender’s certificate of the amount of interest payable under this Agreement shall, in the absence of manifest error, be conclusive and binding on the Borrower.

6. REPAYMENT

- 6.1 Without prejudice to Clauses 7.1 and 13.2 but subject to Clause 6.2, the Borrower shall repay the Loan on the Repayment Date.
- 6.2 Notwithstanding anything to the contrary contained in this Agreement, the Lender shall have the right at any time (even in the absence of an Event of Default) by notice in writing to the Borrower to require the Borrower to repay on demand the Loan, interest thereon and all other Outstanding Indebtedness and, in the event of the Lender exercising such right, the Facilities shall automatically be cancelled and shall not thereafter be available to the Borrower and the Borrower shall repay to the Lender the Loan, interest thereon and all other Outstanding Indebtedness immediately on demand by the Lender.

7. PREPAYMENT

- 7.1 The Borrower may prepay and without any penalty the whole or any part of the Loan on any Business Day provided that:
 - (1) the Borrower shall have given to the Lender not less than seven (7) Business Days’ notice in writing of its intention to make such prepayment, specifying the principal

amount to be prepaid and the date on which prepayment is to be made; and

- (2) the Borrower shall at the same time pay to the Lender all accrued interest on the amount to be prepaid calculated up to the date of prepayment.

7.2 A notice of intention to prepay under this Agreement shall not be effective until actually received by the Lender but once having been given by the Borrower shall be irrevocable and shall oblige the Borrower to make the specified prepayment and failure to make prepayment in accordance with such a notice shall be an Event of Default.

7.3 The Borrower shall have no right to prepay the Loan other than the rights expressly provided herein.

7.4 No amount repaid or prepaid under this Agreement may be re-borrowed by the Borrower.

8. CHANGES IN CIRCUMSTANCES

8.1 If at any time the Lender determines that any law or regulation or application or interpretation thereof by any governmental agency or judicial authority shall make it (or make it apparent to the Lender that it is or will be) unlawful or otherwise not feasible for the Lender to give effect to or maintain its obligations hereunder (which shall include the funding of the Loan by the Lender), upon the Lender notifying the Borrower, the Facilities shall be cancelled and the Borrower shall repay the Lender the whole (but not part only) of the Outstanding Indebtedness at such time as specified by the Lender.

8.2 If at any time the Lender determines that, as a result of any law or regulation or any application or interpretation by any governmental agency or judicial authority:

- (1) the Lender is subjected or will be subjected to tax or the Lender's basis of taxation is changed or will be changed (other than tax on the overall net income of the Lender and/or a change of the rate of such tax) in respect of repayment of the Loan or the payment of interest thereon or any amounts payable hereunder; or
- (2) any reserve requirement against any assets, deposits with or for the account of, or loans by the Lender is imposed, modified or deemed applicable or will be imposed, modified or deemed applicable; or
- (3) the basis of taxation on the Lender in respect of any principal or interest paid by the Lender on, or otherwise in respect of, deposits from third parties acquired or utilised to effect or maintain the Loan or any part of it; or
- (4) any other condition affecting this Agreement or the Loan is imposed or will be imposed,

and the result of the foregoing is:

- (a) to increase the cost to the Lender of making or funding the Loan; or
- (b) to reduce any amount payable to the Lender or to reduce its effective return hereunder; or
- (c) that the Lender is required to make any payment or forego any interest or other return

on or calculated by reference to the gross amount of any sum receivable by it from the Borrower hereunder,

by or of an amount which the Lender deems material, then and in any such case the Borrower shall pay to the Lender from time to time on demand such amount as will compensate the Lender for such additional cost, reduction, payment or foregone interest or other amount.

- 8.3 A certificate of the Lender as to the amount payable by the Borrower under Clause 8.2 and the basis therefor shall, in the absence of manifest error, be conclusive and binding on the Borrower.

9. PAYMENTS

- 9.1 All payments to be made by the Borrower to the Lender pursuant to this Agreement shall be made in Hong Kong dollars in immediately available funds and, unless expressly provided in this Agreement to the contrary, shall be made to the Lender not later than 11:00 a.m. (Hong Kong time) on the due day to such account as the Lender may from time to time stipulate in writing.
- 9.2 Any repayment, settlement or discharge in relation to any Outstanding Indebtedness shall be conditional upon no payment by the Borrower to, or recovery from the Borrower by, the Lender being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws of general application or any similar event or for any other reason and shall in those circumstances be void.
- 9.3 Except as otherwise expressly provided herein, the Lender is hereby irrevocably and unconditionally authorized by the Borrower to apply any payment received in discharge of the Borrower's obligations hereunder in one or more of such obligations (being in respect of the Loan, any moneys whatsoever owing hereunder, interest or otherwise) as the Lender may in its absolute discretion determine.
- 9.4 If a payment under the Finance Documents is due on a day which is not a Business Day, the due date for that payment will instead be the preceding Business Day.

10. TAXES

- 10.1 All amounts payable by the Borrower hereunder shall be made without set-off, counterclaim or other deductions and free and clear of and without deduction for or on account of any taxes (other than tax on the overall net income of the Lender) now or hereafter imposed, levied, collected, withheld or assessed by any government, country, state or any political sub-division or taxing authority thereof or therein or any federation or organisation of which any such government, country, state or any political sub-division thereof may at the time of payment be a member.
- 10.2 If the Borrower is prohibited by law from making payments without deduction or withholding as provided in Clause 10.1 then:
- (1) the Borrower shall ensure that such deduction and/or withholding complies with the legal requirement;
 - (2) the Borrower shall pay to the Lender such additional amounts as necessary in order that

the net amounts received by the Lender, after such deduction or withholding shall equal the amount which it would have received had no such deduction or withholding been required to be made;

- (3) the Borrower shall immediately and in any event no later than the date after which penalties would attach cause to be paid over to the relevant authority the full amount of the deduction or withholding which it is required to deduct or withhold including the whole amount of any deduction or withholding from any additional amount paid pursuant to paragraph (2) above; and
- (4) the Borrower shall deliver to the Lender within thirty (30) days of payment or the due date or on demand satisfactory evidence of payment of such deduction or withholding to the relevant authority.

10.3 Without prejudice and in addition to Clauses 10.1 and 10.2, the Borrower shall fully indemnify and keep the Lender fully indemnified against all tax (other than tax on the overall net income of the Lender) now or hereafter imposed, levied, collected or assessed by the taxing authority of Hong Kong or other jurisdiction in respect of interest, fees, charges, expenses and any other sums paid or payable by the Borrower to the Lender under this Agreement and/or the Mandate Letter. For the purpose aforesaid, the Borrower shall, on each occasion on which payment is made by the Borrower to the Lender in respect of interest, fee, charges, expenses and any other sums under this Agreement and/or the Mandate Letter, pay to the Lender such additional amount as the Lender may require to discharge the tax imposed by the taxing authority of Hong Kong or other jurisdiction on such payment.

11. REPRESENTATIONS AND WARRANTIES

11.1 The Borrower hereby represents and warrants to the Lender as follows:

- (1) the Borrower is duly organised and validly existing in good standing under the laws of the British Virgin Islands, has full power and authority to own its assets and carry on its business as it is now being conducted;
- (2) the Borrower has full power, authority and legal rights to enter into the transactions contemplated by this Agreement and any other Finance Documents to which it is a party and has taken and obtained all necessary corporate and other action, licence, approval and consents to authorise the execution, delivery and performance of this Agreement and other Finance Documents to which it is a party;
- (3) each of the Finance Documents has been duly and validly executed and delivered by the relevant Obligor and constitutes or will, if executed and delivered, constitute valid and legally binding obligations of the relevant Obligor enforceable in accordance with their terms;
- (4) as at the date hereof and for so long as any amount remains owing under any Finance Documents, the Borrower legally and beneficially owns the Initial Shares which represent approximately 27.76% of the entire issued share capital of the Company (subject to such decrease due to the issue of new Shares upon exercise of subscription rights under the Options which have not been cancelled under the Option Offer but not otherwise);
- (5) except in accordance with this Agreement and the other Finance Documents, the

Borrower has not sold, granted any rights of pre-emption over or disposed of or otherwise encumbered the benefit of any rights and interests in connection with the Mortgaged Shares;

- (6) the Borrower's rights, title and interests in connection with the Mortgaged Shares are not subject to any Encumbrances or third party rights or challenge other than those created under the Security Documents;
- (7) neither the execution and delivery of the Finance Documents to which the Borrower is a party nor the performance by the Borrower of any of its obligations or the exercise of any of its rights hereunder or thereunder will:
 - (a) contravene or be in conflict with or result in a breach of any law, enactment, rule, regulation, judgment, decree, order, permit, authorization, agreement or obligation applicable to it or cause any limitation placed on it; or
 - (b) conflict with, or result in any breach of any of the terms of, or constitute a default under, any agreement or other instrument or document to which the Borrower is a party or is subject or by which it or any of its property or assets are bound;
- (8) except for each requirement set out below:
 - (a) entry of the particulars of the Security created pursuant to the Share Charge and the Subordination Agreement in the register of mortgages and charges of the Borrower and the Shareholder respectively; and
 - (b) registration of the Share Charge and the Subordination Agreement with the Registrar of Corporate Affairs in the British Virgin Islands,

all authorisations, consent, licence and approval required from any governmental or other authority or from any creditors of the Borrower for or in connection with the execution, delivery, legality, validity, priority and performance of the Finance Documents to which it is a party have been obtained and are in full force and effect and there has been no default under the conditions or restrictions of any of the same;

- (9) each Security Document creates (or, once executed and/or effected in accordance with legal requirements, will create) in favour of the Lender the security interests which it is expressed to create with the ranking and priority it is expressed to have;
- (10) none of the Obligors has taken any action for bankruptcy, winding-up, liquidation or dissolution and no steps have been taken or proceedings started or is threatened for the bankruptcy, winding-up, liquidation or dissolution or for the appointment of a receiver, trustee or similar officer of any of the Obligors, no order has been made and no resolution has been passed for the winding up of or bankruptcy, or for a provisional liquidator to be appointed in respect of, any of the Obligors, and no petition has been presented and no meeting has been convened for the purpose of winding up any of the same; no receiver has been appointed in respect of any of the Obligors or all or any of its assets; none of the Obligors is insolvent, or unable to pay its debts within the meaning of section 178 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32), or has stopped paying its debts as they fall due; no voluntary arrangement between any of the Obligors and any of its creditors and no unsatisfied

judgment which is material to the condition of any of the Obligors is outstanding against such Obligor;

- (11) no litigation, arbitration or administrative proceedings is currently taking place or pending or threatened against any of the Obligors or their respective assets or revenues which, in the absolute opinion of the Lender, may have a Material Adverse Effect, in particular, the Obligor's ability to repay the Outstanding Indebtedness or any part thereof;
- (12) the Borrower is not, nor would the Borrower be with the giving of notice or lapse of time or satisfaction of any other condition, in default under any law, regulation, judgment, order, authorization, agreement or obligation applicable to it or its assets or revenues, the consequences of which default could materially and adversely affect its business or financial condition or its ability to perform its obligations under the Finance Documents to which it is a party;
- (13) each of the Obligors is generally subject to civil and commercial law and to legal proceedings and none of the Obligors or any of their respective assets or revenues is entitled to any immunity or privilege (sovereign or otherwise) from any set-off, judgment, execution, attachment or other legal process;
- (14) the submission by the Borrower to the non-exclusive jurisdiction of the Hong Kong courts as party to the Finance Documents is valid and binding;
- (15) the documentation and information supplied to the Lender by or on behalf of the Borrower in connection with the negotiation and the preparation of the Finance Documents were and are true and accurate in all material respects and do not contain any misstatement of fact or omit any material fact and in the case of documentation, the copies of documents supplied are true and complete;
- (16) neither the Obligors nor the Lender is required to make any deduction or withholding from amounts payable by any Obligor under any Finance Document for or on account of any taxes now or hereafter imposed by any taxing authority;
- (17) no Event of Default or prospective Event of Default is continuing, or has occurred or will occur as a result of the entry into this Agreement or any of the Security Documents by any Obligor;
- (18) no event, fact or matter has occurred which has or might have any Material Adverse Effect;
- (19) except for each requirement set out in Clause 11.1(8) and payment of registration and filing fees (if any) payable to the relevant authorities, it is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of the Finance Documents that any of them or any other instrument be notarized, filed, recorded, registered or enrolled in any court, public office or elsewhere or that any stamp, registration or similar tax or charge be paid in Hong Kong, the British Virgin Islands, Bermuda or elsewhere on or in relation to the Finance Documents and each of the Finance Documents is in proper form for its enforcement in the courts of Hong Kong;
- (20) the Shareholder is the sole legal and beneficial owner of all the issued shares of the

Borrower;

- (21) the Guarantor is (a) the sole legal and beneficial owner of all the issued shares of the Shareholder and (b) the sole beneficial owner of all the issued shares of the Borrower;
- (22) save and except for (a) the liabilities under the Finance Documents, (b) the Existing Loan which will be repaid from the proceeds under Facility A and (c) the shareholder loan due by the Borrower to the Shareholder which will be subordinated and assigned to the Lender under the Subordination Agreement, the Borrower has no liabilities; and
- (23) the Loan will be used by the Borrower solely for the purposes set forth in Clause 2.

11.2 The Borrower hereby further represents, warrants and agrees that each of the representations and warranties contained in Clause 11.1 shall be correct and complied with in all respects for so long as any part of the Facilities remains available or any part of the Outstanding Indebtedness remain outstanding and shall without prejudice to the foregoing be deemed to be repeated on the date on which each Advance is made.

11.3 The Borrower hereby acknowledges that the Lender has agreed to make or continue to make the Facilities available to the Borrower in reliance upon the representations and warranties contained in Clause 11.1.

12. COVENANTS AND OTHER UNDERTAKINGS OF THE BORROWER

12.1 Reports and Information

The Borrower undertakes and agrees that, throughout the continuance of this Agreement and so long as any part of the Facilities remains available or any sum remains owing hereunder or under any other Finance Documents it will, unless the Lender otherwise agrees in writing, supply or procure to supply, to the Lender promptly on request, such additional financial or other information relating to the Obligors and/or the Company as the Lender may from time to time request.

12.2 Affirmative Undertakings of the Borrower

The Borrower undertakes and agrees that so long as any part of the Facilities remains available or any sum remains owing hereunder or under any other Finance Document, unless the Lender otherwise agrees in writing:

- (1) it will promptly inform the Lender of:
 - (i) the occurrence of any Event of Default and the steps (if any) taken to remedy the same;
 - (ii) any litigation, arbitration or administrative proceeding involving any Obligor which, if adversely determined, might have a Material Adverse Effect;
 - (iii) default by any Obligor in the performance of any material obligation under any other loan agreement or indebtedness;
 - (iv) any dispute with any governmental authority that might have a Material Adverse Effect;

- (v) the occurrence of any event, fact or matter which will or is likely to give rise to any Material Adverse Effect;
 - (vi) any circumstances or events which may give rise to any material claims or liabilities including taxation (whether present or future, actual or contingent and joint or several) howsoever or any part thereof in respect of any Obligor;
 - (vii) any fact, circumstance or event which:
 - (a) is in any way inconsistent with any of the undertakings in this Clause 12 or any of the representations and warranties set out in Clause 11, or suggests that any fact warranted may not be as warranted or may be misleading; and/or
 - (b) might affect the willingness of a prudent lender to enter into a loan agreement or grant a loan, or the amount of the loan which such lender would be prepared to grant, or to continue to grant;
- (2) the Borrower will maintain its corporate existence, properly maintain all of its accounting books and financial records in accordance with applicable financial standards applied on a consistent basis, and conduct its business (if any) in a proper and efficient manner and in compliance with all laws, regulations, authorizations, agreements and obligations applicable to it and pay all taxes imposed on it when due;
 - (3) each Obligor will maintain in full force and effect all such approvals, licences, permits and authorizations as are necessary for it to own its assets and/or to carry on its business as it is now being conducted, and take immediate steps to obtain and thereafter maintain in full force and effect any other approvals, licences, permits and authorizations which may become necessary or advisable for such purposes and comply with all conditions attached to all approvals, licences, permits and authorizations obtained;
 - (4) each Obligor will at all times comply with applicable laws and safety standards in the conduct of its businesses (if any);
 - (5) each Obligor will obtain, maintain in full force and effect and comply with the terms of all applicable laws, regulations and permits and if requested, supply certified copies to the Lender of:
 - (a) any authorization required under any applicable law or regulation for the validity, enforceability or admissibility of, any Finance Document or to enable it to perform its obligations under the Finance Document; and
 - (b) any authorization required under any applicable law or regulation to enable it to perform its obligations under, or for the validity, enforceability or admissibility of any Finance Document to which it is a party;
 - (6) it will comply in all respects with all reporting and disclosure obligations and requirements in connection with its interest in the Mortgaged Shares;
 - (7) it will maintain the Securities Account with the Lender;

- (8) it will deposit or procure the deposit of all Additional Shares into the Securities Account forthwith upon its acquisition thereof; and
- (9) it will pay all fees and expenses payable to the Lender and/or its affiliated company(ies) in accordance with the terms of the Mandate Letter.

12.3 Negative Undertakings

The Borrower undertakes and agrees that, throughout the continuance of this Agreement and so long as any part of the Facilities remains available or any sum remains owing hereunder or under any other Finance Document that the Borrower will not, unless the Lender otherwise consents in writing:

- (1) change or permit to be changed the authorized person operating the Securities Account, save and except in accordance with the Lender's instructions;
- (2) do or allow any act or omission which would constitute a breach of any of the representations and warranties set out in Clause 11;
- (3) make any loans, grant any credit, nor give any guarantee or indemnity (except as required by this Agreement or any other Finance Document) to or for the benefit of any person or otherwise voluntarily assume, any liability, whether actual or contingent, in respect of any obligation of any other person;
- (4) create or permit to subsist any Encumbrance over all or any of its assets (except as required by this Agreement or any other Finance Document);
- (5) terminate any agreement or waive any right thereunder, where such termination or waiver may result in a Material Adverse Effect;
- (6) amend its memorandum and articles of associations or equivalent document;
- (7) permit any transfer of shares in its issued capital or warrants, or any allotment or issue or grant or enter into agreement for the allotment or issue or grant of any new shares, or warrants or debentures or bonds or any option to subscribe for new shares or subdivide or consolidate all or any of its shares or change of the nominal value or the rights attaching to any such shares;
- (8) sell, transfer, assign, dispose, lien or relinquish, any right or interest in or to any property, assets or rights, or enter into any contract to do so;
- (9) merge with or into or consolidate with any other person;
- (10) enter into any transaction other than the Offers and further purchase of the Shares;
- (11) enter into or be or become a party to, any agreement or instrument containing a so-called "negative pledge" agreement or other similar arrangement pursuant to which the Borrower would be prohibited or limited in any way from creating, incurring, assuming or permitting to exist any Encumbrance that might in the future be granted to the Lender for the benefit of the Lender in respect of any part of the assets, properties or rights of the Borrower;

- (12) permit any change to the financial year end of the Borrower;
- (13) alter the terms of any financing/lending documents or security arrangements, where such alteration shall result in a Material Adverse Effect as a whole;
- (14) commence, compromise, settle, release, discharge or compound, any civil, criminal, arbitration or other proceedings or any liability, claim, action, demand or dispute or waive any right in relation to any of the foregoing;
- (15) appoint any new directors;
- (16) release, compromise or write off any amount recorded in the books of account as owing by any debtors;
- (17) terminate or allow to lapse any insurance policy in respect of any material assets now in effect;
- (18) carry on any business other than the acquisition of the Mortgaged Shares;
- (19) enter into any partnership or joint venture arrangement;
- (20) dispose of the ownership, possession, custody or control of any corporate or other books or records which are required under any law, regulation or rule to be kept; or
- (21) take any action to wind-up or liquidate itself.

13. EVENTS OF DEFAULT

- 13.1 There shall be an Event of Default if at any time and for any reason any one of the following events shall have occurred or is continuing (whether within or beyond the control of the parties concerned):
- (1) any of the Mortgaged Shares at any time are not deposited into the Securities Account; or
 - (2) any Obligor fails to pay any sums in accordance with the terms of this Agreement or any other Finance Documents when due;
 - (3) any Obligor fails to duly perform, observe or comply with any of its obligations or is in breach of any covenants, agreements or undertakings under this Agreement or any of the other Finance Documents (other than payment obligations); or
 - (4) any of the representations, warranties or undertakings by any Obligor contained in any Finance Document is not complied with or is or proves to have been untrue or incorrect or misleading when made or when repeated or deemed to have been made or repeated, by reference to the circumstances then existing; or
 - (5) any Obligor and/or the Company becomes bound to repay prematurely any other loan or other obligation for borrowed money by reason of a default by it or if it fails to make any payment in respect thereof on a due date for such payment or becomes bound to make payment under any guarantee given by it by reason of a default by the principal debtor or if it fails to make any payment in respect thereof on the due date for such

payment or any present or future security on or over any asset of any Obligor and/or the Company become enforceable; or

- (6) a petition is presented or a proceeding is commenced or an effective resolution is passed or a notice is issued convening a meeting for the purpose of passing any such resolution or any decree or order is made by any competent court or other step is taken by any person for the winding up, insolvency, administration, reorganisation, reconstruction, dissolution or bankruptcy of any Obligor and/or the Company or application is made for the appointment of any liquidator, receiver, trustee, curator or sequestrator or other similar official of any Obligor and/or the Company in respect of all or a substantial part of its assets (save for the purposes of an amalgamation, merger or reconstruction not involving insolvency the terms of which shall have received the prior written approval of the Lender); or
- (7) any Obligor and/or the Company becomes insolvent, is unable to, or shall admit inability to pay its debts as they fall due; stops payment to creditors generally or ceases or threatens to cease to carry on its business or any substantial part thereof; disposes or threatens to dispose of all or a substantial part of its assets; proposes or takes any action for readjustment, rescheduling, deferral or a moratorium of all or part of its debts; proposes or enters into any composition, arrangements with or any assignment for the benefit of its creditors generally; or
- (8) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any part of the assets of any Obligor and/or the Company and is not discharged or stayed within seven (7) days or a judgment of any court is not discharged within thirty (30) days unless an appeal therefrom has been duly lodged during the said thirty (30) day period and execution is stayed pending appeal; or
- (9) any consent, licence, approval or authorisation of any governmental agency of any country or state or political subdivision thereof required for or in connection with the execution, delivery, performance, legality, validity, enforceability or admissibility in evidence of any Finance Document is revoked or withheld or materially modified or otherwise ceases to be in full force and effect; or
- (10) any Finance Document ceases to be in full force and effect or any Obligor repudiates any Finance Document or does or causes to be done any act or thing evidencing an intention to repudiate any Finance Document or any action or proceeding of or before any court or authority shall be commenced (and not withdrawn or dismissed within a period of fourteen (14) days after its commencement) to enjoin or restrain the performance of and compliance with any obligations expressed to be assumed by any Obligor in any Finance Document to which any of it is party or in any event to question the right and power of any Obligor to enter into, exercise its rights under and perform and comply with any obligations expressed to be assumed by any of it in any Finance Document or the legality, validity and enforceability of any Finance Document; or
- (11) it is or will become unlawful for any Obligor to perform or comply with any one or more of its obligations under any Finance Document; or
- (12) any event, fact or matter has occurred or is likely to occur which, in the sole opinion of the Lender, will or is likely to give rise to a Material Adverse Effect; or
- (13) anything is done or omitted by any Obligor which in the sole opinion of the Lender,

materially affects the ability of any Obligor to perform its obligations under any Finance Document; or

- (14) by or under the authority of the government of Hong Kong, the British Virgin Islands, Bermuda or any instrument or agency thereof, (a) the management of the Borrower is wholly or partially displaced or the authority of the Borrower in the conduct of its business is wholly or partially curtailed; or (b) all or a majority of the share capital of the Borrower or the whole or any part of its revenues or assets is seized, nationalized expropriated or compulsorily acquired; or
- (15) anything shall be done or suffered or omitted to be done by any Obligor which would (in the opinion of the Lender) materially adversely put in jeopardy the security created by the Security Documents; or
- (16) the Shares are suspended for whatever cause from trading on the Stock Exchange for more than fourteen (14) consecutive trading days, the Company is placed under any stage of delisting by the Stock Exchange or the Shares are delisted by the Stock Exchange; or
- (17) the Market Value of the Mortgage Shares falls below 140% of the amount of the Loan then outstanding. For the purpose of this Clause 13.1(17), "**Market Value**" means the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for any consecutive five trading days of the Stock Exchange.

13.2 The Lender may, without prejudice to any of its other rights or any power or remedy available to it, upon and at any time after the occurrence of an Event of Default, by notice to the Borrower to:-

- (1) cancel the whole or any part of the Facilities;
- (2) declare that the Loan, interest thereon and all other Outstanding Indebtedness is immediately due and payable, whereupon they shall become immediately due and payable;
- (3) declare the security constituted by any Finance Documents to be immediately enforceable whereupon they shall become immediately enforceable; and/or
- (4) exercise any or all of the other remedies which may be available to the Lender in law or equity.

13.3 The Lender's determination as to whether or not any Event of Default has occurred shall be conclusive and binding on the Borrower.

14. INDEMNITIES

14.1 Without prejudice to any other right or remedy of the Lender, upon:

- (1) the occurrence of an Event of Default; and/or
- (2) the declaration of all or part of the Outstanding Indebtedness to be immediately due and payable pursuant to Clause 13.2 or otherwise in accordance with the terms of this Agreement; and/or

- (3) the Borrower failing to make a drawing or satisfy the conditions precedent after having delivered the Notice of Drawdown; and/or
- (4) any repayment or prepayment being made otherwise than on the Repayment Date or the expected date of prepayment (as the case may be); and/or
- (5) any sums payable by the Borrower under this Agreement not being paid when due, and at any time thereafter,

the Borrower shall pay to the Lender on demand such amount or amounts as shall fully indemnify the Lender against all losses, expenses and liabilities which the Lender may sustain or incur by reason of the occurrence of any of the foregoing including but not limited to any loss, expense, premium or penalties suffered or incurred by the Lender in liquidating or re-employing deposits from third parties acquired to effect or maintain the Loan or any part thereof. A certificate of the Lender setting forth the amount of such losses, expenses and liabilities and specifying the basis therefor shall, in the absence of manifest error, be conclusive and binding on the Borrower.

- 14.2 The Borrower shall indemnify the Lender and keep the Lender indemnified against all losses, expenses, liabilities, actions and claims which the Lender may sustain or incur by reason of the failure of the Obligors in performing, observing and complying with any of the terms and conditions of the Finance Documents.
- 14.3 Any payment made to the Lender by or on behalf of the Borrower in a currency (the “**Currency of Payment**”) other than the currency in which the payment should have been made pursuant to the Finance Documents (the “**Currency of Obligation**”) in whatever circumstances including without limitation the payment of damages for breach of any Finance Document shall only constitute a discharge to the Borrower to the extent of the amount of the Currency of Obligation which the Lender is able, on the Business Day following the date of receipt by it of such payment in the Currency of Payment, to purchase in the foreign exchange market of its choice with the amount so received. If the amount of the Currency of Obligation which the Lender is so able to purchase falls short of the amount originally due to the Lender hereunder, the Borrower shall fully indemnify and hold the Lender harmless against any loss or damage arising as a result. This indemnity shall constitute a separate and independent obligation from the other obligations herein and shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by the Lender from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum or sums in respect of amounts due hereunder or under any such judgment or order. Any such loss or damage aforesaid shall be deemed to constitute a loss suffered by the Lender.

15. FEES AND EXPENSES

- 15.1 The Borrower shall pay to the Lender (a) a non-refundable arrangement fee at the rate of 1.5% of the principal amount of Facility B and (b) a non-refundable documentation fee of HK\$400,000, such fees shall be payable by the Borrower to the Lender on or before the signing of this Agreement (whether or not any Advance is made).
- 15.2 The Borrower shall be responsible for and pay to the Lender upon demand on a full indemnity basis (whether or not any Advance is made) all costs, charges and expenses (including all legal fees on a full indemnity basis) incurred by the Lender in connection with the perfection and

enforcement of the Finance Documents and the preservation, enforcement, exercise of any of the rights, powers or remedies of the Lender hereunder or thereunder or otherwise in connection with the Loan or the admissibility into evidence of the Finance Documents.

- 15.3 The Borrower shall be responsible for and pay to the Lender upon demand all stamp, registration and similar duties, taxes and charges (including any such duties, taxes and charges payable by the Lender) imposed by any country, state or political subdivision thereof or any taxing authority therein or thereof in connection with the execution, delivery, perfection, performance or enforcement of any of the Finance Documents or in preserving or exercising any of the rights, powers and remedies of the Lender hereunder and thereunder or otherwise in connection with the Loan or the admissibility into evidence of the Finance Documents.

16. RIGHT OF SET-OFF

- 16.1 Without prejudice to any other right or remedy of the Lender, the Lender may (without being under any obligation to do so), and the Borrower hereby authorises the Lender without notice notwithstanding any settlement of account or other matter whatsoever combine or consolidate all or any then existing accounts (whether current, deposit, loan or of any other nature whatsoever) and whether in Hong Kong dollars or in any other currency of the Borrower whether alone or jointly with others and to apply (to the extent of the available credit balance) any credit balance (whether or not then due) to which the Borrower is entitled on any one or more of such accounts in or towards satisfaction of any liabilities of the Borrower to the Lender under any Finance Document to which the Borrower is a party whether such liabilities be present, future, actual, contingent, primary, collateral, several or joint. For the purposes aforesaid, the Lender may use all or any part of such credit balance to buy such other currencies as may be necessary to effect such application or set-off.
- 16.2 Subject and without prejudice to the Lender's rights under Clause 9.3, if any amount payable under this Agreement and/or the Security Documents shall become due and payable pursuant to a declaration under Clause 13.2, all amounts received or recovered by the Lender under this Agreement and the Security Documents shall be applied, subject to any prior ranking claims, and subject to the right of the Lender to credit any such monies to a suspense account, as follows:
- (1) in or towards the discharge of, on a full indemnity basis, all costs, expenses and charges (including legal fees) incurred by the Lender in connection with the perfection and enforcement of this Agreement and/or the Security Documents and the preservation or exercise or intended or attempted exercise of any rights, powers and remedies hereunder or thereunder or otherwise in connection with the Loan or the admissibility into evidence of this Agreement and/or the Security Documents;
 - (2) in or towards the discharge of fees and all other amounts (other than the Loan and interest payable by the Borrower under this Agreement) payable by the Borrower pursuant to, under or in connection with the Mandate Letter, this Agreement and/or the Security Documents;
 - (3) in or towards the discharge of interest (including default interest) payable by the Borrower pursuant to, under or in connection with this Agreement and/or the Security Documents;
 - (4) in or towards the discharge of the Loan; and

- (5) as to the balance, subject to the rights of any third parties of which the Lender has actual notice, to the Borrower.

17. CONFIDENTIALITY

- 17.1 No public announcement or communication of any kind shall be made in respect of the subject matter of this Agreement unless specifically agreed between the parties or unless an announcement is required pursuant to the applicable law and the regulations or the requirements of the Stock Exchange, the Securities and Future Commission of Hong Kong or any other regulatory body or authority. Any announcement by any party required to be made pursuant to any relevant law or regulation or the requirements of the Stock Exchange or any other regulatory body or authority shall be issued only after such prior consultation with the other party as is reasonably practicable in the circumstances.
- 17.2 Each of the parties undertakes to the other of them that it will not, at any time after the date of this Agreement, divulge or communicate to any person other than to its professional advisers, or when required by law, or to its respective officers or employees whose province it is to know the same any confidential information concerning the business, accounts, finance or contractual arrangements or other dealings, transactions or affairs of the other party which may be within or may come to its knowledge and it shall use its best endeavours to prevent the publication or disclosure of any such confidential information concerning such matters.

18. NOTICES

- 18.1 All notices or communications required to be served or given pursuant to this Agreement:
- (1) shall be in writing and may be sent by prepaid postage, mail (by courier if to another country) or facsimile (but, if by facsimile from the Borrower, shall promptly be confirmed by mail) or personal delivery;
 - (2) shall be sent to the parties at the facsimile number or address from time to time designated in writing by that party to the other; the initial facsimile number and address so designated by each party being set out in Schedule 1;
 - (3) if sent to a party shall be deemed to have been given and received by such party (a) within two (2) days after the date of posting, if sent by mail; (b) when delivered, if delivered by hand or courier; and (c) on despatch, if sent by facsimile; and
 - (4) shall be in the English language.

19. MISCELLANEOUS

- 19.1 A certificate issued by the Lender as to any sum payable by the Borrower under this Agreement and the Security Documents and any other certificate, determination, notification or opinion of the Lender provided for in this Agreement shall, in the absence of manifest error, be conclusive evidence against the Borrower.
- 19.2 The Borrower hereby irrevocably authorises the Lender to complete, date and put into effect any document executed by or on behalf of the Borrower and deposited with the Lender.
- 19.3 If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any

respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

- 19.4 Save as may be expressly otherwise provided herein, time is of the essence of this Agreement but no failure or delay on the part of the Lender to exercise any power, right or remedy hereunder shall operate as a waiver thereof nor shall a waiver by the Lender of any particular default by the Borrower affect or prejudice the right, power or remedy of the Lender in respect of any other default or any subsequent default of the same or a different kind nor shall any single or partial exercise by the Lender of any power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any power, right or remedy.
- 19.5 No power, right or remedy conferred under this Agreement upon the Lender is intended to be exclusive of any other power, right or remedy but shall be cumulative and shall be in addition to every other power and remedy now or hereafter existing at law, in equity, by statute or contract or otherwise.
- 19.6 No waiver of any Event of Default shall be effective unless in writing signed by the Lender.
- 19.7 This Agreement and the Security Documents may not be amended save in writing duly signed by all parties hereto and thereto.
- 19.8 The Lender may grant waivers, consents or indulgence in respect of any one or more obligations of or conditions or requirements imposed on or applied to the Borrower under or in connection with this Agreement including without limitation any condition or requirement applicable to the making of an Advance under the Facilities, or prepayment of the Loan and any such waiver, consents or indulgence may be given subject to such terms and conditions as may be imposed by the Lender.
- 19.9 This Agreement can be executed in any number of counterparts all of which, when taken together, shall constitute one and the same document. A party hereto may enter into this Agreement by signing any counterpart. This Agreement shall not be effective until it has been signed by all parties hereto.
- 19.10 The Borrower acknowledges that Vincent T. K. Cheung, Yap & Co. acts for the Lender only. The Borrower has been invited to seek independent legal advice on this Agreement as well as the transactions contemplated hereunder.

20. ASSIGNMENT

- 20.1 This Agreement shall enure for the benefit of the parties hereto and their respective successors, permitted assignees and transferees.
- 20.2 The Borrower may not assign any of its rights or obligations under this Agreement.
- 20.3 The Lender may at any time without the consent of or notice to the Borrower assign to any other person (the “Assignee Lender(s)”) all or any part of the Lender’s rights and benefits and/or obligations under this Agreement and/or the other Security Documents. If the Lender so assigns its rights and benefits and/or obligations, the Assignee Lender(s) shall have the same rights and benefits and/or obligations against the Borrower under this Agreement and/or the Security Documents as if it/they were an original party hereto or thereto in respect of the rights

and benefits and/or obligations assigned to it/them, and the Borrower shall look only to the Assignee Lender(s) (to the exclusion of the Lender) in respect of the obligations of the Lender so assigned to the Assignee Lender(s).

- 20.4 The Lender may disclose to a potential assignee or any other person proposing to enter into contractual arrangements with it in relation to this Agreement such information about the Borrower as it may think fit.

21. LAW AND JURISDICTION

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

- 21.2 The Borrower hereby irrevocably submits to the jurisdiction of the courts of Hong Kong and of any country in which it has assets and hereby irrevocably waives any objection to any proceedings in any such courts on the basis of forum non conveniens. The Borrower agrees that a judgment in any proceedings brought in any such courts may be enforced in any other jurisdiction by suit on the judgment or in any other manner permitted by law.

- 21.3 The submission in Clause 21 is non-exclusive and the Lender reserves the right to proceed in any other jurisdiction having or claiming or accepting jurisdiction in respect thereto.

- 21.4 The Borrower agrees that in any legal action or proceedings against it or its assets in connection with this Agreement, no immunity from such legal action or proceedings shall be claimed by, or on behalf of, the Borrower, or with respect to its assets, and the Borrower hereby irrevocably waives any such right of immunity which it or its assets now has/have, or may hereafter acquire, or which may be attributed to it or its assets, and consents generally, in respect of any such legal action or proceedings, to the giving of any relief, or the issue of any process in connection with such action or proceedings including, without limitation, the making, enforcement or execution against any property whatsoever, of any order or judgment which may be made or given in such action or proceedings.

- 21.5 The Borrower irrevocably appoints the Guarantor currently of Suite 1501, 15th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong, to receive, for it and on its behalf, service of process in any question, dispute, suit, action or proceedings arising out of or in connection with this Agreement. The Borrower agrees that any such legal process shall be sufficiently served on it if delivered to its process agent at its address specified in this Clause 21.5 or at the process agent's last known address in Hong Kong. If for any reason the Borrower's process agent is unable to act as such, the Borrower shall promptly notify the Lender and forthwith appoint a substitute process agent acceptable to the Lender. Without affecting the right of the Lender to serve process in any other way permitted by law, the Borrower irrevocably consents to service of process given in the manner provided for notices in this Clause 21.5.

SCHEDULE 1

Address and Facsimile Number for Notification

<u>Party</u>	<u>Address</u>	<u>Facsimile number</u>
The Lender	10/F., Cosco Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong	2537 2987
The Borrower	Suite 1501, 15 th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong	3162 6669

SCHEDULE 2

Notice of Drawdown

Date: []

To: Get Nice Securities Limited

We refer to the loan agreement dated [] 2016 (the “**Loan Agreement**”) pursuant to which you have agreed to advance the Facilities in the aggregate principal amount of HK\$682,000,000 to us subject to the terms and conditions therein.

We hereby:

- (1) give you notice that we intend to make a drawdown of HK\$[] under [[Facility A]/[Facility B]] on [];
- (2) certify that the proceeds of the Advance are to be used for the purpose set out in [[Clause 2.3]/[Clause 2.4]] of the Loan Agreement;
- (3) certify that no Event of Default or prospective Event of Default has occurred or is continuing (or would be likely to occur) as a result of the drawdown requested hereunder; and
- (4) certify that the representations and warranties set out in Clause 11 of the Loan Agreement and other representations and warranties made by the Obligor in or in connection with the other Finance Documents are true and correct on the date hereof with reference to the facts and circumstances now existing; and
- (5) confirm that the covenants set out in Clause 12 of the Loan Agreement will at all times hereafter be duly complied with, observed and performed.

We confirm that each condition precedent under the Loan Agreement which is required to be satisfied on the date of this Notice of Drawdown is satisfied.

We hereby irrevocably authorise and direct you to pay the proceeds of the Advance to []. Acknowledgement receipt by the recipient shall be deemed as our receipt of the drawdown sum.

This Notice of Drawdown is irrevocable.

Expressions capitalised and not defined in this Notice of Drawdown shall have the meanings attributed thereto in the Loan Agreement.

For and on behalf of
Billion Expo International Limited

Name:
Director

IN WITNESS WHEREOF this Agreement has been executed on the day and year first above written

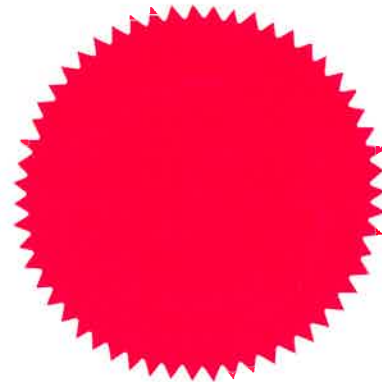
THE BORROWER

SEALED with the common seal of)
BILLION EXPO INTERNATIONAL LIMITED)
and SIGNED by *Suen Cho Hung, Paul*)
in the presence of:)

Chan Yuk Yee

CHAN YUK YEE

[Signature]



THE LENDER

SIGNED by)
)
for and on behalf of)
GET NICE SECURITIES LIMITED)
in the presence of:)

IN WITNESS WHEREOF this Agreement has been executed on the day and year first above written

THE BORROWER

SEALED with the common seal of)
BILLION EXPO INTERNATIONAL LIMITED)
and SIGNED by)
)
in the presence of:)

THE LENDER

SIGNED by *Nb Hon San Larry*)
)
for and on behalf of)
GET NICE SECURITIES LIMITED)
in the presence of:)
Soyching Han)

For and on behalf of
結好證券有限公司
GET NICE SECURITIES LIMITED
[Signature]
.....
Authorized Signature(s)