

Dated 23 January 2025

AFFINITY OCEAN LIMITED
as Company

and

CSI PROPERTIES LIMITED
as Guarantor

and

KENTON HARMONY LIMITED
as Subscriber

SUBSCRIPTION AGREEMENT
in relation to HK\$500,000,000 guaranteed unsecured notes

**Baker
McKenzie.**
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THIS AGREEMENT is dated 23 January 2025 and made

BETWEEN

- (1) **AFFINITY OCEAN LIMITED**, a BVI business company incorporated with limited liability under the laws of the British Virgin Islands with company number 2167258 and having its registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands, as issuer (the "**Company**");
- (2) **CSI PROPERTIES LIMITED**, an exempted company incorporated under the laws of Bermuda with limited liability with registration number 16981, with its registered office at Conyers Corporate Services (Bermuda) Limited, Clarendon House, 2 Church Street, Hamilton, Pembroke HM 11, Bermuda as guarantor (the "**Guarantor**"); and
- (3) **KENTON HARMONY LIMITED**, a company incorporated under the laws of the Cayman Islands with registration number 409819 whose registered office is at the offices of Mourant Governance Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands as subscriber (the "**Subscriber**").

IT IS AGREED as follows:

**SECTION 1
INTERPRETATION**

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"**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-Corruption Law**" means the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-bribery or anti-corruption law or regulation in any jurisdiction.

"**Anti-Terrorism Law**" means the US Patriot Act, the US Money Laundering Control Act of 1986 (18 USC sect. 1956), the US Executive Order No. 13224 on Terrorist Financing: Blocking Property and Prohibiting Transaction with Persons who Commit, Threaten to Commit, or Support Terrorism, issued 23 September 2001, as amended by Order 13268 (the Executive Order), Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong) or any similar law enacted in the United States, any member nation of the European Union, Hong Kong, the United Nations or other applicable jurisdictions.

"**APLMA**" means the Asia Pacific Loan Market Association Limited.

"**Assignment Agreement**" means an agreement substantially in the form set out in Schedule 4 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee.

"**Authorisation**" means:

- (a) an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, lodgement or registration; or
- (b) in relation to anything which will be fully or partly prohibited or restricted by law if a Governmental Agency intervenes or acts in any way within a specified period after

lodgement, filing, registration or notification, the expiry of that period without intervention or action.

"Availability Period" means the period from and including the date of this Agreement to and including 30 April 2025 or such later date as agreed between the Company and the Subscriber.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in Hong Kong and Singapore.

"Call Settlement Date" has the meaning given to that term in Clause 7.4 (*Redemption at the option of the Company*).

"Change of Control Event Notice" has the meaning given to that term in paragraph (a) of Clause 7.3 (*Redemption at the option of the Holder following a Change of Control*).

"Change of Control Event Put Date" means the date which is one (1) day after the last day of the Put Option Period.

"Closing" means the closing of the issue of the Notes.

"Code" means the US Internal Revenue Code of 1986 and the regulations promulgated and rulings issued thereunder.

"Compliance Certificate" means a certificate substantially in the form set out in Schedule 5 (*Form of Compliance Certificate*).

"Confidential Information" means all information relating to the Company, any Obligor, the Group or the Finance Documents of which the Holder becomes aware in its capacity as, or for the purpose of becoming, the Holder or which is received by the Holder in relation to, or for the purpose of becoming the Holder under, the Finance Documents from either:

- (a) any member of the Group or any of its advisers; or
- (b) another Holder, if the information was obtained by the Holder directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

- (i) is or becomes public information other than as a direct or indirect result of any breach by the Holder of Clause 33 (*Confidential Information*); or
- (ii) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or
- (iii) is known by the Holder before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by the Holder after that date, from a source which is, as far as the Holder is aware, unconnected with the Group and which, in either case, as far as the Holder is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

"Confidentiality Undertaking" means a confidentiality undertaking substantially in a recommended form of the APLMA or in any other form agreed between the Company and the Subscriber.

"Controlling Shareholder" means Mr. Chung Cho Yee, Mico.

"Default" means an Event of Default or any event or circumstance specified in Clause 22 (*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.

"Disruption Event" means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Notes (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

"Environment" means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media:

- (a) air (including, without limitation, air within natural or man-made structures, whether above or below ground);
- (b) water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- (c) land (including, without limitation, land under water).

"Environmental Claim" means any claim, proceeding or investigation by any person in respect of any Environmental Law.

"Environmental Law" means any applicable law or regulation which relates to:

- (a) the pollution or protection of the Environment;
- (b) the conditions of the workplace; or
- (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including, without limitation, any waste.

"Environmental Permits" means any Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of the Company or any member of the Group conducted on or from the properties owned or used by the Company or the relevant member of the Group.

"Event of Default" means any event or circumstance specified as such in Clause 22 (*Events of Default*).

"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 paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

"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.

"Final Maturity Date" means the fourth anniversary of the Issue Date.

"Finance Document" means this Agreement, the Notes and any other document designated as such by the Company and the Holder.

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

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (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 balance sheet liability (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) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;
- (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 (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) 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; 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.

"GAAP" means generally accepted accounting principles in Hong Kong.

"Governmental Agency" means any government or any governmental agency, semi-governmental or judicial entity or authority (including any stock exchange or any self-regulatory organisation established under statute).

"Group" means the Guarantor and its Subsidiaries from time to time.

"Holder" means in respect of a Note, the person in whose name such Note is for the time being registered in the Register.

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

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

"IFRS" means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

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

"Interest Payment Date" means the last day of each Interest Period.

"Interest Period" means, in relation to a Note, each period determined in accordance with Clause 10 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 9.3 (*Default interest*).

"Issue Date" means the date on which the Note is issued by the Company to the Subscriber (or, if the context requires, proposed to be issued by the Company to the Subscriber as specified in the Subscription Request), in each case, during the Availability Period in accordance with Clause 5 (*Closing*).

"Issue Price" means, in respect of the Subscriber, 93 per cent. of the principal amount of the Note to be subscribed by the Subscriber, being HK\$465,000,000 as at the date of this Agreement.

"Listed Subsidiary" means any Subsidiary, the shares of which are at the relevant time listed on The Stock Exchange of Hong Kong Limited, or any other stock exchange.

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

- (a) the business, operations or financial condition of the Group taken as a whole;
- (b) the ability of any of the Obligors to perform its obligations under the Finance Documents; or
- (c) the validity or enforceability of, or the rights or remedies of the Holder under, the Finance Documents.

"Material Subsidiary" means any Subsidiary of the Guarantor:

- (a) whose net profit, gross revenue or gross assets (in each case, consolidated in the case of a Subsidiary which itself has consolidated Subsidiaries) represent not less than 5 per cent. of the consolidated net profit, consolidated gross revenue, or, as the case may be, the consolidated gross assets of the Group by reference to the latest audited or reviewed financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited or reviewed consolidated financial statements of the Guarantor, provided that:

- (i) in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited or reviewed consolidated financial statements of the Guarantor relate for the purpose of applying each of the foregoing tests, the reference to the Guarantor's latest audited or reviewed consolidated financial statements shall be deemed to be a reference to such audited or reviewed financial statements as if such Subsidiary had been shown therein by reference to its then latest relevant audited or reviewed financial statements, adjusted as deemed appropriate by the auditor for the time being, after consultation with the Guarantor;
 - (ii) if at any relevant time in relation to the Guarantor or any Subsidiary no financial statements are prepared and audited, its gross revenue and gross assets (consolidated, if applicable) shall be determined on the basis of pro forma consolidated financial statements (consolidated, if applicable) prepared for this purpose; and
 - (iii) if the financial statements of any Subsidiary (not being a Subsidiary referred to in proviso (i) above) are not consolidated with those of the Guarantor, then the determination of whether or not such Subsidiary is a Material Subsidiary shall be based on a pro forma consolidation of its financial statements (consolidated, if appropriate) with the consolidated financial statements (determined on the basis of the foregoing) of the Guarantor; or
- (b) to which all or substantially all of the business, undertaking and assets of another Subsidiary (which immediately prior to such transfer is a Material Subsidiary) is transferred, whereupon (i) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (ii) the transferee Subsidiary shall immediately become a Material Subsidiary, provided that on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary shall be determined pursuant to the provisions of subparagraph (a) above.

"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) below) 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.

"New Holder" means, in relation to an assignment or transfer or proposed assignment or transfer of a Note, any entity which is or is proposed to be the assignee or transferee of such Note.

"Note Certificates" means a note certificate in or in substantially the form set out in Schedule 3 (*Form of Note Certificate*) including any replacement Note Certificate issued pursuant to Clause 6.5 (*Replacement of Note Certificates*).

"Notes" means the HK\$500,000,000 8.22 per cent. guaranteed note due on the Final Maturity Date.

"Obligor" means the Company or the Guarantor.

"Obligors' Agent" means the Company, appointed to act on behalf of the other Obligor in relation to the Finance Documents pursuant to Clause 2.4 (*Obligors' Agent*).

"Original Financial Statements" means the audited consolidated financial statements of the Group for its financial year ended 31 March 2024.

"Party" means a party to this Agreement.

"Put Option Notice" means a notice of exercise relating to the put option contained in Clause 7.3 (*Redemption at the option of the Holder following a Change of Control*) in or in substantially the form set out in Schedule 7 (*Form of Put Option Notice*).

"Put Option Period" means the period of 14 days starting on the day after the date on which the Company gives a Change of Control Event Notice.

"Register" means the register of Notes maintained by the Company.

"Related Fund", in relation to a fund (the **"first fund"**), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

"Repeating Representations" means each of the representations set out in Clause 18 (*Representations*) other than Clause 18.7 (*Deduction of Tax*), Clause 18.8 (*No filing or stamp taxes*), paragraph (b) of Clause 18.9 (*No default*), paragraph (c) of Clause 18.11 (*Financial statements*), 18.12 (*Pari passu ranking*), Clause 18.13 (*No proceedings*), Clause 18.14 (*No breach of laws*), Clause 18.15 (*Environmental Laws*), Clause 18.16 (*Taxation*), Clause 18.17 (*Holding Company*), Clause 18.19 (*Security*), Clause 18.20 (*Sanctions and Anti-corruption laws*), Clause 18.21 (*Ownership*), Clause 18.22 (*No immunity*) and Clause 18.23 (*Solvency*).

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

"Restricted Party" means a person that is:

- (a) listed on, or owned or controlled by a person listed on, or acting on behalf of a person listed on, any Sanctions List;
- (b) located in, incorporated under the laws of, or owned or (directly or indirectly) controlled by, or acting on behalf of, a person located in or organised under the laws of a country or territory that is the target of country-wide or territory-wide Sanctions; or
- (c) otherwise a target of Sanctions.

"RI Completion" has the meaning given to it in the agreement in relation to subscription of shares in Grand Future Ventures Limited and related matters dated on or about the date of this Agreement and made between Petto Bell Limited, Digisino Assets Limited and Grand Future Ventures Limited.

"Sanctions" means the economic sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by any Sanctions Authority.

"Sanctions Authority" means each of:

- (a) the United States government;
- (b) the United Nations;
- (c) the European Union;
- (d) the United Kingdom;
- (e) Hong Kong; and
- (f) the respective governmental institutions and agencies of any of the foregoing, including, without limitation, OFAC, the United States Department of State, and His Majesty's Treasury of the United Kingdom.

"Sanctions List" means the "Specially Designated Nationals and Blocked Persons" list maintained by OFAC, the Consolidated List of Financial Sanctions Targets and the Investment Bank List maintained by His Majesty's Treasury of the United Kingdom, or any similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities.

"Securities Act" means the United States Securities Act of 1933, as amended.

"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.

"Subscription Request" means a request substantially in the form set out in Schedule 2 (*Form of Subscription Request*).

"Subsidiary" means, in relation to any person (the "first person") at any particular time, any other person (the "second person"):

- (a) in which the first person holds a majority of the voting rights;
- (b) of which the first person has the power to appoint or remove a majority of the members of the governing body of the second person or otherwise; or
- (c) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first person.

"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).

"Transfer Date" means, in relation to an assignment or transfer of a Note, the date on which the Company registers such assignment or transfer in the Register.

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

"US" means the United States of America.

1.2 Construction

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

- (i) any "**Subscriber**", any "**Holder**", any "**Obligor**" or any "**Party**" shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Finance Documents;
 - (ii) "**assets**" includes present and future properties, revenues and rights of every description;
 - (iii) "**disposal**" includes a sale, transfer, assignment, grant, lease, licence, declaration of trust or other disposal, whether voluntary or involuntary, and "**dispose**" will be construed accordingly;
 - (iv) 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;
 - (v) "**including**" shall be construed as "including without limitation" (and cognate expressions shall be construed similarly);
 - (vi) "**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;
 - (vii) 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);
 - (viii) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
 - (ix) a provision of law is a reference to that provision as amended or re-enacted from time to time; and
 - (x) a time of day is a reference to Hong Kong time.
- (b) The determination of the extent to which a rate is "**for a period equal in length**" to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of this Agreement.
 - (c) Section, Clause and Schedule headings are for ease of reference only.
 - (d) 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.
 - (e) A Default (other than an Event of Default) is "continuing" if it has not been remedied or waived and an Event of Default is "continuing" if it has not been waived.

1.3 Currency symbols and definitions

In this Agreement, "**HK\$**" and "**Hong Kong dollars**" denote the lawful currency of Hong Kong.

1.4 Third party rights

- (a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623) to enforce or to 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.

1.5 Meaning of Outstanding

For the purposes of this Agreement and the Notes (but without prejudice to its status for any other purpose), a Note shall be considered to be "outstanding" unless one or more of the following events has occurred:

- (a) it has been redeemed in full, or purchased in accordance with Clause 7 (*Redemption*), and in either case has been cancelled in accordance with Clause 8 (*Cancellation*);
- (b) the due date for its redemption in full has occurred and all sums due in respect of such Note (including all accrued interest) have been received by the Holder and remain available for payment against presentation and surrender of the relevant Note Certificate;
- (c) proceedings to enforce a claim for principal and interest in respect of such Note have become barred; or
- (d) it is held by, or by a person for the benefit of, the Company or any of its Affiliates.

SECTION 2 THE NOTES

2. THE NOTES

2.1 Authorisation of the Notes

- (a) The Company has authorised the creation and issue of HK\$500,000,000 in aggregate principal amount of the Notes.
- (b) The Notes will be in registered form and denominated in HK dollars.
- (c) The Notes will be represented by Note Certificates.

2.2 Authorisation of the guarantee

The Guarantor has authorised the giving of its guarantee in relation to the Notes.

2.3 Constitution of the Notes

On and from the Issue Date, the Company constitutes the Notes and covenants in favour of the Holder that it will (and will procure that each Obligor and each member of the Group will) duly perform and comply with the obligations expressed to be undertaken by it in this Agreement and in each Note Certificate (and for this purpose any reference in any Note Certificate and/or in this Agreement to any obligation or payment under or in respect of the Notes shall be construed to include a reference to any obligation or payment under or pursuant to this provision).

2.4 Obligors' Agent

- (a) Each Obligor (other than the Company) by its execution of this Agreement irrevocably appoints the Company (acting through one or more authorised signatories) to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:
 - (i) the Company on its behalf to supply all information concerning itself contemplated by this Agreement to the Holder and to give all notices and instructions, to make such agreements and to effect the relevant amendments, supplements and variations capable of being given, made or effected by any Obligor notwithstanding that they may affect the Obligor, without further reference to or the consent of that Obligor; and
 - (ii) the Holder to give any notice, demand or other communication to that Obligor pursuant to the Finance Documents to the Company,

and in each case the Obligor shall be bound as though the Obligor itself had given the notices and instructions or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

- (b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Obligors' Agent or given to the Obligors' Agent under any Finance Document on behalf of another Obligor or in connection with any Finance Document (whether or not known to any other Obligor and whether occurring before or after such other Obligor became an Obligor under any Finance Document) shall be binding for all purposes on that Obligor as if that Obligor had expressly made, given or concurred with it. In the event of any conflict between any notices or other communications of the Obligors' Agent and any other Obligor, those of the Obligors' Agent shall prevail.

3. PURPOSE

3.1 Purpose

The Company shall apply the proceeds of the Notes towards general corporate purposes including repaying outstanding Financial Indebtedness of the Group, financing general working capital requirements of the Group and any other purpose expressly agreed by the Holder.

3.2 Monitoring

The Holder is not bound to monitor or verify the application of proceeds relating to the issuance of the Notes pursuant to this Agreement.

4. ISSUE AND SUBSCRIPTION OF THE NOTES

4.1 Undertaking to issue

The Company and the Guarantor undertake to the Subscriber that, subject to and in accordance with the terms and conditions of this Agreement, Notes in the aggregate principal amount of HK\$500,000,000 will be issued to the Subscriber on the Issue Date, in accordance with the provisions of this Agreement.

4.2 Undertaking to subscribe

The Subscriber undertakes to the Company and the Guarantor that, subject to and in accordance with the terms and conditions of this Agreement, it will subscribe for Notes in the aggregate principal amount of HK\$500,000,000 on the Issue Date at the Issue Price.

5. CLOSING

5.1 Selection of Issue Date

- (a) The Company may select the Issue Date for a Note by delivery of a duly completed Subscription Request to the Holder not later than 5:00 p.m. (Hong Kong time) on the date falling 10 Business Days before the proposed Issue Date (or such shorter period agreed between the Company and the Subscriber).
- (b) The Subscription Request is irrevocable and will not be regarded as having been duly completed unless:
 - (i) the proposed Issue Date is a Business Day falling within the Availability Period; and
 - (ii) it specifies the request for issuance of the Notes in full.

5.2 Closing

- (a) The Closing shall occur at such place as the Company and the Subscriber may agree on the Issue Date.
- (b) At the Closing, the Company will deliver, or cause to be delivered, to the Subscriber the Notes to be subscribed for by the Subscriber in the form of a single Note Certificate dated the Issue Date and registered in the Register in the Subscriber's name, against payment by the Subscriber to the Company of the net proceeds of the issue of such Notes to such account of the Company as the Company designates to the Subscriber in writing at least three (3) Business Days prior to the Issue Date.
- (c) If, at the Closing:

(i) the Company fails to issue a Note to the Subscriber in accordance with this Clause 5; or

(ii) any of the conditions precedent specified in Clause 5.3 (*Conditions precedent to Closing*) have not been fulfilled to the Subscriber's satisfaction,

the Subscriber may reschedule the Closing to another date within the Availability Period.

(d) An election by the Subscriber under paragraph (c) above shall not operate as a waiver of any rights the Subscriber may have by reason of such failure or such non-fulfilment.

(e) If no Issue Date has occurred on or prior to last day of the Availability Period, the Subscriber shall be relieved of all further obligations under this Agreement.

5.3 Conditions precedent to Closing

(a) The Subscriber will only be obliged to subscribe for Notes if:

(i) on or prior to the date falling 10 Business Days prior to the Issue Date (or such shorter period agreed between the Company and the Subscriber),

(A) the Subscriber has received all of the documents and other evidence listed in Schedule 1 (*Conditions precedent*) in form and substance satisfactory to it; and

(B) the Subscriber has received all necessary information to enable it to make payment in accordance with paragraph (b) of Clause 5.2 (*Closing*);

(ii) on or prior to the Issue Date, the Subscriber has received in form and substance satisfactory to it:

(A) evidence of RI Completion; and

(B) evidence that any waivers, consents, authorisations, clearances and approvals which are required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong for this Agreement and the transactions contemplated under this Agreement have been granted, fulfilled or given (as applicable), and all such waivers, consents, authorisations, clearances and approvals have not been revoked or withdrawn; and

(iii) on the Issue Date:

(A) no Default is continuing or would result from the issue of the Notes; and

(B) the representations to be made by each Obligor pursuant to Clause 18 (*Representations*) are true in all material respects.

(b) The Subscriber shall notify the Company promptly upon receipt of all of the documents and other evidence listed in Schedule 1 (*Conditions precedent*) in form and substance satisfactory to it.

SECTION 3
REGISTRATION AND TITLE

6. REGISTER AND TITLE

6.1 Registration of Notes

- (a) The Company shall maintain a Register in respect of the Notes in accordance with the regulations in Schedule 6 (*Regulations Concerning Transfers and Registration of the Notes*).
- (b) A Note Certificate will be issued by the Company to the Holder in respect of its registered holding.
- (c) Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register by the Company.

6.2 Title

- (a) The Holder of each Note shall (except as otherwise required by law) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest in such Note, any writing on the Note Certificate relating to such Notes or any notice of any previous loss or theft of such Note Certificate) and no person shall be liable for so treating the Holder.
- (b) The Company shall promptly on demand by the Holder (and in any event by no later than two (2) Business Days after demand) send to the Holder a complete and correct copy of the Register.

6.3 Registration and delivery of Note Certificates

Within five (5) Business Days of the surrender of a Note Certificate in accordance with Clause 23.1 (*Transfer of Notes*), the Company will register the transfer in question and deliver, at the Company's expense (except as provided below), a new Note Certificate of a like principal amount to the Notes transferred to each relevant Holder to the address specified for the purpose by such relevant Holder and, if applicable, a new Note Certificate to the Existing Holder in accordance with paragraph (c) of Clause 23.1 (*Transfer of Notes*).

6.4 Regulations concerning transfers and registration

All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer and registration of Notes set out in Schedule 6 (*Regulations Concerning Transfers and Registration of the Notes*).

6.5 Replacement of Note Certificates

Promptly following receipt by the Company of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note Certificate, and:

- (a) in the case of loss, theft or destruction, of an indemnity reasonably satisfactory to it; or
 - (b) in the case of mutilation, upon surrender and cancellation of such Note Certificate,
- the Company shall, at its own expense, execute and deliver, a replacement Note Certificate.

SECTION 4
REDEMPTION, PURCHASE AND CANCELLATION

7. REDEMPTION

7.1 Scheduled redemption

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at a price equal to 100.5 per cent. of their principal amount on the Final Maturity Date.

7.2 Redemption at the option of the Holder due to illegality

If, in any applicable jurisdiction, it becomes unlawful for the Holder to hold the Notes:

- (a) the Holder shall promptly notify the Company upon becoming aware of that event;
- (b) the Subscriber will not be required to fund such Note specified in a Subscription Request; and
- (c) the Company shall redeem all the Notes on the Interest Payment Date occurring immediately after the Holder has notified the Company or, if earlier, the date specified by the Holder in the notice delivered to the Company (being no earlier than the last day of any applicable grace period permitted by law, each an "Illegality Early Redemption Date") at a price equal to:
 - (i) in the case of an Illegality Early Redemption Date falling on a date prior to the third anniversary of the Issue Date, 100 per cent. of its principal amount together with interest accrued to such date; or
 - (ii) in the case of an Illegality Early Redemption Date falling on a date on or after the third anniversary of the Issue Date, 100.5 per cent. of its principal amount together with interest accrued to such date.

7.3 Redemption at the option of the Holder following a Change of Control Event

- (a) If a Change of Control Event occurs, the Company shall promptly notify the Holder of the occurrence of such event in writing (a "Change of Control Event Notice").
- (b) The Company shall, at the option of the Holder, redeem all the Notes on the Change of Control Event Put Date at a price equal to:
 - (i) in the case of a Change of Control Event Put Date falling on a date prior to the third anniversary of the Issue Date, 100 per cent. of its principal amount together with interest accrued to such date; or
 - (ii) in the case of a Change of Control Event Put Date falling on a date on or after the third anniversary of the Issue Date, 100.5 per cent. of its principal amount together with interest accrued to such date.
- (c) In order to exercise the option contained in this Clause 7.3, the Holder of a Note must, during the Put Option Period, deposit with the Company the Note Certificate relating to such Note and a duly completed Put Option Notice.
- (d) Upon such deposit, the Company shall deliver a duly completed receipt for such Note Certificate to the depositing Holder.
- (e) Subject to paragraph (f) below, once a Note Certificate is deposited with a duly completed Put Option Notice in accordance with this Clause 7.3, it may not be withdrawn.

- (f) If, prior to the Change of Control Event Put Date, any such Note becomes immediately due and payable or, upon due deposit of any such Note Certificate and Put Option Notice, payment of the redemption moneys is improperly withheld or refused on the Change of Control Event Put Date, such Note Certificate shall, without prejudice to the exercise of the Put Option Notice, be returned to the Holder at the address specified by such Holder in the relevant Put Option Notice.
- (g) For so long as any outstanding Note Certificate is held by the Company in accordance with this Clause 7.3, the depositor of such Note Certificate and not the Company shall be deemed to be the holder of such Note Certificate for all purposes.
- (h) A "Change of Control Event" occurs if:
 - (i) the Controlling Shareholder does not or ceases to:
 - (A) hold, directly or indirectly, at least 30 per cent. of the voting rights of the issued share capital of the Guarantor; or
 - (B) be the largest single shareholder of the Guarantor;
 - (ii) the Guarantor does not or ceases to directly own 100 per cent. of the issued shares of and voting rights in the Company; or
 - (iii) the Guarantor consolidates with or merges into or sells or transfers all or substantially all of its assets to any other person other than the Controlling Shareholder, unless the consolidation, merger, sale or transfer will result in the Controlling Shareholder:
 - (A) holding, directly or indirectly, at least 30 per cent. of the voting rights of the issued share capital of the Guarantor (in the case of a consolidation or merger) or the successor entity (in the case of a sale or transfer); or
 - (B) being the largest single shareholder of the Guarantor (in the case of a consolidation or merger) or the successor entity (in the case of a sale or transfer).

7.4 Redemption at the option of the Company

The Company may redeem the Notes in whole or in part (but if in part, being an amount that reduces the aggregate principal amount of the Notes then outstanding by a minimum amount of HK\$100,000,000 and integral multiples of HK\$50,000,000) at any time on or after the day immediately prior to the second anniversary of the Issue Date (each a "Call Settlement Date") at the redemption price set out opposite the corresponding Call Settlement Date in the table below, together with interest accrued to such date by giving not less than 30 nor more than 60 days' notice to the Holder (which notice shall be irrevocable and shall oblige the Company to redeem the Notes on the relevant Call Settlement Date at such price plus accrued interest to such date):

Call Settlement Date	Redemption Price
On the day immediately prior to the second anniversary of the Issue Date	95.4 per cent. of the principal amount of the relevant Notes
On or after the second anniversary of the Issue Date but before the third anniversary of the Issue Date	97.8 per cent. of the principal amount of the relevant Notes
On or after the third anniversary of the Issue Date but before the Final Maturity Date	100.5 per cent. of the principal amount of the relevant Notes

7.5 Partial redemption

- (a) If the Notes are redeemed in part in accordance with Clause 7.4 (*Redemption at the option of the Company*), each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Call Settlement Date bears to the aggregate principal amount of outstanding Notes on such date.
- (b) On a partial redemption of the Notes, the Company will note on the Register a memorandum of the amount and date of any redemption in part in respect of each Note.

7.6 No other redemption

The Company shall not be entitled to redeem the Notes otherwise than in accordance with this Clause 7 (*Redemption*).

7.7 Redemption amount

Any redemption under this Agreement shall be made together with accrued interest on the amount redeemed and without premium or penalty.

8. CANCELLATION

Any Note which is redeemed or any Note which is purchased and surrendered for cancellation by the Company or any of its Affiliates shall be cancelled and may not be reissued or resold.

SECTION 5 INTEREST

9. INTEREST

9.1 Calculation of interest

The rate of interest applicable to the Notes for each Interest Period is 8.22 per cent. per annum.

9.2 Payment of interest

- (a) Subject to Clause 26.4 (*Business Days*), the Company shall pay accrued interest on the Notes on each Interest Payment Date.
- (b) Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Clause 9.2 (both before and after judgment) until the day on which all sums due in respect of such Note up to that day are received by or on behalf of the Holder.

9.3 Default interest

- (a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the Unpaid Sum from the due date up to the date of actual payment (both before and after judgment) at a rate which is two per cent. per annum higher than which would have been payable if the overdue amount had, during the period of non-payment, constituted the value of a Note in the currency of the Unpaid Sum for successive Interest Periods, each of a duration selected by the Holder. Any interest accruing under this Clause 9.3 shall be immediately payable by the relevant Obligor on demand by the Holder.
- (b) If any Unpaid Sum consists of all or part of a Note which became due on a day which was not the last day of an Interest Period relating to that Note:

- (i) the first Interest Period for that Unpaid Sum shall have a duration equal to the unexpired portion of the current Interest Period relating to that Note; and
- (ii) the rate of interest applying to the Unpaid Sum during that first Interest Period shall be two per cent. per annum higher than the rate which would have applied if the Unpaid Sum had not become due.
- (c) Default interest (if unpaid) arising on an Unpaid Sum will be compounded with the Unpaid Sum at the end of each Interest Period applicable to that Unpaid Sum but will remain immediately due and payable.

9.4 Notification of rates of interest

The Company shall promptly notify the Holder of the determination of a rate of interest under this Agreement.

10. INTEREST PERIODS

- (a) Each Interest Period shall have a duration of six (6) Months or such other period agreed between the Company and the Holder.
- (b) The first Interest Period will start on the Issue Date. Each subsequent Interest Period will start on the expiry of its preceding Interest Period and end on, and exclude, the immediately following Interest Payment Date.
- (c) An Interest Period for a Note shall not extend beyond the Final Maturity Date.

11. FEES

- (a) The Company shall, on or prior to the first anniversary of the Issue Date, pay to the Holder an extension fee computed at the rate of 3.00 per cent. per annum on the aggregate principal amount of the Notes outstanding on the first anniversary of the Issue Date.
- (b) The Company shall, on or prior to the second anniversary of the Issue Date, pay to the Holder an extension fee computed at the rate of 3.00 per cent. per annum on the aggregate principal amount of the Notes outstanding on the second anniversary of the Issue Date.
- (c) The Company shall, on or prior to the third anniversary of the Issue Date, pay to the Holder an extension fee computed at the rate of 3.00 per cent. per annum on the aggregate principal amount of the Notes outstanding on the third anniversary of the Issue Date.

SECTION 6
ADDITIONAL PAYMENT OBLIGATIONS

12. TAX GROSS-UP AND INDEMNITIES

12.1 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 either the increase in a payment made by an Obligor to the Holder 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) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Company 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 Holder accordingly. Similarly, the Holder shall notify the Company on becoming so aware in respect of a payment payable to the Holder.
- (c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from the relevant Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) 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.
- (e) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Company shall deliver to the Holder entitled to the payment evidence reasonably satisfactory to the Holder that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.
- (f) The Holder shall provide such cooperation as may be reasonably requested by the Company in completing any procedural formalities necessary for that Obligor to obtain authorisation to make that payment without a Tax Deduction (if applicable).

12.3 Tax indemnity

- (a) The Company shall within three (3) Business Days of demand pay to the Holder an amount equal to the loss, liability or cost which the Holder determines will be or has been (directly or indirectly) suffered for or on account of Tax by the Holder in respect of a Finance Document.
- (b) Paragraph (a) above shall not apply:

- (i) with respect to any Tax assessed on the Holder:
 - (A) under the law of the jurisdiction in which the Holder is incorporated (or otherwise established) or, if different, the jurisdiction (or jurisdictions) in which the Holder is treated as resident for tax purposes; or
 - (B) under the law of the jurisdiction in which the Holder is located in respect of amounts received or receivable in that jurisdiction, if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by the Holder; or
- (ii) to the extent a loss, liability or cost:
 - (A) is compensated for by an increased payment under Clause 12.2 (*Tax gross-up*);
 - (B) would have been compensated for by an increased payment under Clause 12.2 (*Tax gross-up*); or
 - (C) relates to a FATCA Deduction required to be made by a Party.
- (c) The Holder making, or intending to make a claim under paragraph (a) above shall promptly notify the Company of the event which will give, or has given, rise to the claim.

12.4 Tax Credit

If an Obligor makes a Tax Payment and the Holder 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 Holder has obtained and utilised that Tax Credit,

the Holder shall pay an amount to the Obligor which the Holder 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 Company shall pay and, within three (3) Business Days of demand, indemnify the Holder against any cost, loss or liability the Holder 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 Holder shall be deemed to be exclusive of any Indirect Tax. If any Indirect Tax is chargeable on any supply made by the Holder to any Party in connection with a Finance Document, that Party shall pay to the Holder (in addition to and at the same time as paying the consideration) an amount equal to the amount of the Indirect Tax.
- (b) Where a Finance Document requires any Party to reimburse the Holder for any costs or expenses, that Party shall also at the same time pay and indemnify the Holder against all Indirect Tax incurred by the Holder in respect of the costs or expenses to the extent

that the Holder reasonably determines that it is not entitled to credit or repayment in respect of the Indirect Tax.

12.7 FATCA information

- (a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:
 - (i) confirm to that other Party whether it is:
 - (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party;
 - (ii) 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
 - (iii) 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)(i) 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 any Holder to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:
 - (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) 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)(i) or (a)(ii) 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 and, in addition, shall notify the Company and the Holder.

13. INCREASED COSTS

13.1 Increased Costs

- (a) Subject to Clause 13.3 (*Exceptions*) the Company shall, within three (3) Business Days of a demand by the Holder, pay for the account of the Holder the amount of any Increased Costs incurred by the Holder or any of its Affiliates as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation made after the date of this Agreement.
- (b) In this Agreement "**Increased Costs**" means:
 - (i) a reduction in the rate of return from the Notes or on the Holder's (or its Affiliate's) overall capital;
 - (ii) an additional or increased cost; or
 - (iii) a reduction of any amount due and payable under any Finance Document,which is incurred or suffered by the Holder or any of its Affiliates to the extent that it is attributable to the Holder holding the Notes or performing its obligations under any Finance Document.

13.2 Increased Cost claims

- (a) The Holder intending to make a claim pursuant to Clause 13.1 (*Increased Costs*) shall notify the Company of the event giving rise to the claim.
- (b) The Holder shall, as soon as practicable after a demand by the Company, 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:
 - (i) attributable to a Tax Deduction required by law to be made by an Obligor;
 - (ii) attributable to a FATCA Deduction required to be made by a Party;
 - (iii) 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 paragraph (b) of Clause 12.3 (*Tax indemnity*) applied); or
 - (iv) attributable to the wilful breach by the relevant Holder or its Affiliates of any law or regulation.

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:
 - (i) making or filing a claim or proof against that Obligor; or

- (ii) 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 Holder to whom that Sum is due 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 Obligor 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 Company shall (or shall procure that an Obligor will), within three (3) Business Days of demand, indemnify the Holder against any cost, loss or liability incurred by the Holder as a result of:

- (a) the occurrence of any Event of Default;
- (b) the information produced or approved by any Obligor (including any update of, or supplement to, information already provided) being or being alleged to be misleading and/or deceptive in any 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 the Finance Documents;
- (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, its subscription for the Notes 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 Holder alone);
- (f) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or
- (g) the Notes (or part of the Notes) not being redeemed in accordance with a notice of redemption given by the Company.

15. MITIGATION BY THE HOLDER

15.1 Mitigation

- (a) The Holder shall, in consultation with the Company, take all reasonable steps to mitigate any circumstances which arise and which would result in the Notes ceasing to be available or any amount becoming payable under or pursuant to Clause 7.2 (*Redemption at the option of the Holder due to 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 Notes and Finance Documents to another Affiliate.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

15.2 Limitation of liability

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

16. COSTS AND EXPENSES

16.1 Transaction expenses

The Company shall promptly on demand pay the Holder the amount of all costs and expenses (including legal fees) reasonably incurred by any of them in connection with the negotiation, preparation, printing and execution of:

- (a) this Agreement and any other documents referred to in this Agreement; and
- (b) any other Finance Documents executed after the date of this Agreement.

16.2 Amendment costs

If:

- (a) an Obligor requests an amendment, waiver or consent; or
- (b) an amendment is required pursuant to Clause 26.6 (*Change of currency*),

the Company shall, within five (5) Business Days of demand, reimburse the Holder for the amount of all costs and expenses (including legal fees) reasonably incurred by it in responding to, evaluating, negotiating or complying with that request or requirement.

16.3 Enforcement costs

The Company shall, within five (5) Business Days of demand, pay to the Holder the amount of all costs and expenses (including legal fees) incurred by the Holder in connection with the enforcement of, or the preservation of any rights under, any Finance Document.

SECTION 7 GUARANTEE

17. GUARANTEE AND INDEMNITY

17.1 Guarantee and indemnity

The Guarantor irrevocably and unconditionally:

- (a) guarantees to the Holder punctual performance by the Company of all the Company's obligations under the Finance Documents;
- (b) undertakes with the Holder that whenever the Company does not pay any amount when due under or in connection with any Finance Document, the Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) agrees with the Holder that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify the Holder immediately on demand against any cost, loss or liability it incurs as a result of the Company 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 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 any Obligor 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 Holder 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 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 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 Holder) 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, 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 without limitation any change in the purpose of, any extension of the maturity of the Notes or any increase in the principal amount of the Notes 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; or
- (g) any insolvency or similar proceedings.

17.5 Immediate recourse

The Guarantor waives any right it may have of first requiring the Holder (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 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 Holder (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 Holder (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 Guarantor shall not be entitled to the benefit of the same; and
- (b) hold in a suspense account any moneys received from the Guarantor or on account of the Guarantor's liability under this Clause 17.

17.7 Deferral of Guarantor's 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 Holder otherwise direct, the Guarantor will not exercise or enjoy the benefit of any rights 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 Holder under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by the Holder;

- (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 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 Holder.

If the Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Holder by the Obligors under or in connection with the Finance Documents to be paid in full on trust for the Holder and shall promptly pay or transfer the same as the Holder may direct for application in accordance with Clause 26 (*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 Holder.

SECTION 8
REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

18. REPRESENTATIONS

Each Obligor makes the representations and warranties set out in this Clause 18 to the Subscriber on the date of this Agreement and to the Holder, by reference to the facts and circumstances then existing, on the Issue Date.

18.1 Status

- (a) It is a limited liability company, duly incorporated and validly existing and in good standing under the laws of its jurisdiction of incorporation.
- (b) It and each of its Subsidiaries has the power to own its assets and carry on its business as it is being conducted.

18.2 Binding obligations

The obligations expressed to be assumed by it in each Finance Document are, subject to any general principles of law limiting its obligations which are specifically referred to in any legal opinion delivered pursuant to Clause 5.3 (*Conditions precedent to Closing*), legal, valid, binding and enforceable obligations.

18.3 Non-conflict with other obligations

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its or any of its Subsidiaries' constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its Subsidiaries or any of its or any of its Subsidiaries' assets or constitute a default or termination event (howsoever 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 Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.
- (b) No limit placed on its powers will be exceeded as a result of the borrowing or giving of guarantees or indemnities contemplated by the Finance Documents to which it is a party.

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 Finance Documents to which it is a party; and
- (b) to make the Finance Documents to which it is a party admissible in evidence in its jurisdiction of incorporation,

have been obtained or effected and are in full force and effect.

18.6 Governing law and enforcement

- (a) The choice of the governing law of the Finance Documents will be recognised and enforced in its jurisdiction of incorporation.
- (b) Any judgment obtained in relation to a Finance Document will be recognised and enforced in its jurisdiction of incorporation.
- (c) Its submission to the jurisdiction of the governing law of a Finance Document to which it is a party is valid under the law of its jurisdiction of incorporation.

18.7 Deduction of Tax

It is not required to make any Tax Deduction from any payment it may make under any Finance Document.

18.8 No filing or stamp taxes

Under the law of its jurisdiction of incorporation it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents.

18.9 No default

- (a) No Event of Default is continuing or is reasonably likely to result from the issue of the Notes or the entry into, or the performance of, or any transaction contemplated by, any Finance Document.
- (b) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which might have a Material Adverse Effect.

18.10 No misleading information

- (a) Any factual information provided by any member of the Group for the purposes of the Finance Documents was true and accurate in all material respects and was not misleading in any material respect as at the date it was provided or as at the date (if any) at which it was stated to be given.
- (b) It has not omitted to supply any information which, if disclosed would make the information referred to in paragraph (a) above being untrue or misleading in any material respect.

18.11 Financial statements

- (a) Its financial statements most recently supplied to the Holder (which, at the date of this Agreement, are the Original Financial Statements) were prepared in accordance with GAAP consistently applied.
- (b) Its financial statements most recently supplied to the Holder (which, at the date of this Agreement, are the Original Financial Statements) give a true and fair view of and represent its financial condition and operations (consolidated in the case of the Guarantor) for the period to which they relate.

- (c) There has been no material adverse change in its business or financial condition (or the business or consolidated financial condition of the Group) since the date of the Original Financial Statements.

18.12 Pari passu ranking

Its payment obligations under the Finance Documents to which it is a party rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

18.13 No proceedings

- (a) No litigation, arbitration or administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, is reasonably likely to have a Material Adverse Effect has or have (to the best of its knowledge and belief after having made due and careful enquiries) been started or threatened against it or any member of the Group.
- (b) No judgment or order of a court, arbitral body or agency which is reasonably likely to have a Material Adverse Effect has (to the best of its knowledge and belief after having made due and careful enquiries) been made against it or any member of the Group.

18.14 No breach of laws

No Obligor has (and no member of the Group has) breached any law or regulation which would materially and adversely affect its ability to perform its obligations under the Finance Documents to which it is a party.

18.15 Environmental Laws

To the best of its knowledge and belief (after having made due and careful enquiry):

- (a) no circumstances have occurred which would prevent the compliance by any member of the Group with Clause 21.7 (*Environmental compliance*) in a manner or to an extent which has or is reasonably likely to have a Material Adverse Effect; and
- (b) no Environmental Claim has been commenced or is threatened against any member of the Group where that claim has or is reasonably likely, if determined against any member of the Group or such person, to have a Material Adverse Effect.

18.16 Taxation

Each Obligor has complied in all respects with all Tax laws and regulations applicable to it and its business where failure to do so has or is reasonably likely to have a Material Adverse Effect.

18.17 Holding Company

The Company has not carried on any business, trade or activity since the date of its incorporation other than as permitted under Clause 21.8 (*Holding Company*).

18.18 Authorised signatures

Any person specified as its authorised signatory under Schedule 1 (*Conditions precedent*) or paragraph (e) of Clause 19.4 (*Information: miscellaneous*) is authorised to sign a Subscription Request (in the case of the Company only) and other notices on its behalf.

18.19 Security

- (a) No charges, liens, encumbrances or other security interests or third party rights or interests, conditions, planning consents, orders, regulations, defects or other restrictions exists over any Assets which would materially interfere with its use other than any Security granted over such Assets in the ordinary course of business.
- (b) In this Clause 18.19, "Assets" means any real property, personal property and any other assets owned by any member of the Group or any rights or interests thereto, in each case as are necessary to conduct the business now operated by such member of the Group.

18.20 Sanctions and Anti-corruption laws

- (a) Neither it nor any of its Subsidiaries nor, to its knowledge (having made all due and careful enquiries), any director, officer, agent, employee or Affiliate of it or any of its Subsidiaries, is currently a Restricted Party.
- (b) Neither it nor any of its Subsidiaries nor, to its knowledge (having made all due and careful enquiries), any director, officer, agent, employee or Affiliate of it or any of its Subsidiaries, has violated or is violating any Sanctions.
- (c) Neither it nor any of its Subsidiaries nor, to its knowledge (having made all due and careful enquiries), any director, officer, agent, employee or Affiliate of it or any of its Subsidiaries, has failed to comply with any applicable Anti-Corruption Laws or Anti-Terrorism Laws.
- (d) Each member of the Group has instituted and maintain policies and procedures designed to promote and achieve compliance with Anti-Corruption Laws and Anti-Terrorism Laws by any of its and their directors, officers, agents, employees and Affiliates.

18.21 Ownership

- (a) The Guarantor directly owns 100 per cent. of the issued shares of and voting rights in the Company.
- (b) The Controlling Shareholder directly or indirectly owns at least 30 per cent. of the issued shares of and voting rights in the Guarantor.

18.22 No immunity

- (a) Its entry into and performance of the Finance Documents constitute private and commercial acts performed for private and commercial purposes.
- (b) No Obligor will be entitled to claim any immunity for itself or any of its assets from suit, execution, attachment or other legal process in any proceedings taken in its jurisdiction of incorporation in relation to any Finance Document.

18.23 Solvency

No:

- (a) corporate action, legal proceeding or other procedure or step described in paragraph (a) of Clause 22.7 (*Insolvency proceedings*); or
- (b) creditors' process described in Clause 22.9 (*Creditors' process*),

has been taken or, to its knowledge, threatened in relation to it or any Material Subsidiary; and none of the circumstances described in Clause 22.6 (*Insolvency*) applies to it or any Material Subsidiary.

18.24 Private offering by the Company

- (a) Neither the Company nor anyone acting on its behalf has offered or sold the Notes or any similar securities to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect of the Notes or any similar securities with, any person other than the Subscriber, each of which has been offered the Notes privately for investment.
- (b) Neither the Company nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or subscription of the Notes to the registration requirements of the Securities Act or to the registration, filing or qualification requirements of any securities or blue sky laws of any applicable jurisdiction.
- (c) Neither the Company nor anyone acting on its behalf has taken, or will take, any action that would require the Company to publish a prospectus in any applicable jurisdiction in respect of the issuance or sale of the Notes.

18.25 Repetition

- (a) The Repeating Representations are deemed to be made by each Obligor by reference to the facts and circumstances then existing on the date of the Subscription Request, the Issue Date and on the first day of each Interest Period.
- (b) The representations and warranties set out in Clause 18.11 (*Financial statements*) shall only be made once in respect of each set of financial statements and shall be deemed to be made on the date such financial statements are delivered.

19. INFORMATION UNDERTAKINGS

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

19.1 Financial statements

The Company shall supply to the Holder:

- (a) as soon as the same become available, but in any event within 180 days after the end of each of its financial years:
 - (i) its audited financial statements for that financial year; and
 - (ii) the audited consolidated financial statements of the Guarantor for that financial year; and
- (b) as soon as the same become available, but in any event within 90 days after the end of each half of each of its financial years:
 - (i) its financial statements for that financial half year; and
 - (ii) the consolidated financial statements of the Guarantor for that financial half year.

19.2 Compliance Certificate

- (a) The Guarantor shall supply to the Holder, with each set of financial statements delivered pursuant to Clause 19.1 (*Financial statements*), a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 20 (*Financial covenants*) as at the date as at which those financial statements were drawn up.
- (b) Each Compliance Certificate shall be signed by two directors of the Guarantor.

19.3 Requirements as to financial statements

- (a) Each set of financial statements delivered by the Company pursuant to Clause 19.1 (*Financial statements*) shall be certified by a director of the relevant company, in each case, as giving a true and fair view of (in the case of any such financial statements which are audited) or fairly presenting (in the case of any such financial statements which are unaudited) its financial condition as at the date as at which those financial statements were drawn up.
- (b) The Company shall procure that each set of financial statements of an Obligor delivered pursuant to Clause 19.1 (*Financial statements*) is prepared using GAAP, accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements for that Obligor unless, in relation to any set of financial statements, it notifies the Holder that there has been a change in GAAP, the accounting practices or reference periods and its auditors (or, if appropriate, the auditors of the Obligor) deliver to the Holder:
 - (i) a description of any change necessary for those financial statements to reflect the GAAP, accounting practices and reference periods upon which that Obligor's Original Financial Statements were prepared; and
 - (ii) sufficient information, in form and substance as may be reasonably required by the Holder, to enable the Holder to determine whether Clause 20 (*Financial covenants*) has been complied with and make an accurate comparison between the financial position indicated in those financial statements and that Obligor's Original Financial Statements.

Any reference in this Agreement to those financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

19.4 Information: miscellaneous

The Company shall supply to the Holder:

- (a) all material documents dispatched by the Company to its shareholders (or any class of them) or its creditors generally at the same time as they are dispatched;
- (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, has or is reasonably likely to have a Material Adverse Effect;
- (c) promptly upon becoming aware of them, the details of any judgment or order of a court, arbitral body or agency which is made against any member of the Group, and which, if adversely determined, has or is reasonably likely to have a Material Adverse Effect;

- (d) promptly upon becoming aware of them, the details of any circumstances leading to a mandatory redemption event under Clause 7 (*Redemption*);
- (e) promptly, notice of any change in authorised signatories of any Obligor signed by a director or company secretary (if any) of such Obligor accompanied by specimen signatures of any new authorised signatories; and
- (f) promptly, such further information regarding the financial condition, business and operations of any member of the Group as any Holder may reasonably request.

19.5 Notification of default

- (a) Each Obligor shall notify the Holder 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 request by the Holder, the Company shall supply to the Holder a certificate signed by two of its directors or senior officers 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).

19.6 "Know your customer" checks

Each Obligor shall promptly upon the Holder's request supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Holder (for itself or on behalf of any prospective new Holder) in order for the Holder or any prospective new Holder to conduct, and be satisfied with the results of, all necessary "know your customer" and other similar procedures that it is required (or deems desirable) to conduct.

20. FINANCIAL COVENANTS

20.1 Financial definition

"Net Asset Value" means, at any time, the aggregate value of the total assets of the Guarantor (on a consolidated basis) less the aggregate value of the total liabilities of the Guarantor (on a consolidated basis), as determined by reference to the most recent financial statements of the Guarantor delivered pursuant to Clause 19.1 (*Financial statements*).

20.2 Financial condition

The Guarantor shall ensure that its Net Asset Value is, at all times, not less than HK\$7,000,000,000.

20.3 Financial testing

The financial covenants set out in Clause 20.2 (*Financial condition*) shall be calculated by reference to the financial statements delivered pursuant to Clause 19.1 (*Financial statements*) and/or Compliance Certificates delivered pursuant to Clause 19.2 (*Compliance Certificate*).

21. GENERAL UNDERTAKINGS

The undertakings in this Clause 21 shall remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents. Where an undertaking is expressed to apply to any other member of the Group or any other person, the Company shall ensure that such member of the Group or person performs that undertaking.

21.1 Authorisations

Each Obligor shall 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 Holder of,

any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Finance Documents to which it is a party and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document.

21.2 Compliance with laws

Each Obligor shall comply in all respects with all laws to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under the Finance Documents.

21.3 Pari passu ranking

Each Obligor shall ensure that its payment obligations under the Finance Documents to which it is a party rank and continue to 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.

21.4 Negative pledge

- (a) Subject to paragraph (b) below, no Obligor shall (and the Company shall ensure that no other Material Subsidiary (other than any Listed Subsidiary) will) create or permit to subsist any Security over the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee such Relevant Indebtedness without the prior written consent of the Holder.
- (b) Paragraph (a) does not apply to any Security or Guarantee granted in the ordinary course of business of the relevant Obligor or Material Subsidiary.
- (c) In this Clause 21.4:
 - (i) **"Guarantee"** means, in relation to any Financial Indebtedness of any person, any obligation of another person to pay such Financial Indebtedness including (without limitation):
 - (A) any obligation to purchase such Financial Indebtedness;
 - (B) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Financial Indebtedness;
 - (C) any indemnity against the consequences of a default in the payment of such Financial Indebtedness; and
 - (D) any other agreement to be responsible for such Financial Indebtedness; and
 - (ii) **"Relevant Indebtedness"** means any Financial Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is issued with the intention on the part of the issuer thereof that it should be, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market).

21.5 Merger

The Company shall enter into any amalgamation, demerger, merger or corporate reconstruction.

21.6 Change of business

Each Obligor shall procure that no substantial change is made to the general nature of the business of the Company or the Group taken as a whole from that carried on at the date of this Agreement.

21.7 Environmental compliance

- (a) Each Obligor shall (and shall procure that each member of the Group will):
 - (i) comply with all Environmental Laws;
 - (ii) obtain, maintain and ensure compliance with all Environmental Permits required or desirable in connection with its respective business; and
 - (iii) implement procedures to monitor compliance with and to prevent liability under any Environmental Law.
- (b) Each Obligor shall inform the Holder in writing promptly upon becoming aware of:
 - (i) any Environmental Claim against it or any of them which is current, pending or threatened; or
 - (ii) any facts or circumstances which will or might reasonably be expected to result in any Environmental Claim being commenced or threatened against it (or any of them).

21.8 Holding Company

The Company shall not trade, carry on any business, own any assets or incur any liability except for:

- (a) the provision, treasury and administrative services (including but not limited to the payment of professional fees and administrative costs) to other members of the Group of a type customarily provided by a holding company to its Subsidiaries;
- (b) ownership of shares in its Subsidiaries, intra-Group loans, intra-Group debit balances, intra-Group credit balances and other credit balances in bank accounts, cash and cash equivalent investments, and other activities incidental thereto; or
- (c) the incurrence of any liabilities under the Finance Documents to which it is a party and professional fees and administration costs in the ordinary course of business as a holding company.

21.9 Taxation

- (a) Each Obligor shall pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:
 - (i) such payment is being contested in good faith;
 - (ii) adequate reserves are being maintained for those Taxes and the costs required to contest them; and

- (iii) such payment can be lawfully withheld and failure to pay, discharge or otherwise satisfy such obligations does not have or is not reasonably likely to have a Material Adverse Effect.

- (b) No Obligor may change its residence for Tax purposes.

21.10 Applicable Sanctions, Anti-Corruption Laws and Anti-Terrorism Laws

- (a) Each Obligor shall and shall procure that each member of the Group will comply with all applicable Sanctions, Anti-Corruption Laws and Anti-Terrorism Laws and maintain policies and procedures designed to promote and achieve compliance with such laws.
- (b) No Obligor shall (and each Obligor shall ensure that no member of the Group will):
 - (i) directly or indirectly use or allow to be used the proceeds of the Notes or part thereof for any purpose which would violate, or cause any Obligor or member of the Group to violate, when and as applicable, any Sanctions, any Anti-Terrorism Law or any Anti-Corruption Law; or
 - (ii) directly or indirectly lend, invest, contribute or otherwise make available such proceeds to, or for the benefit of, any then-current Restricted Party.

21.11 Sanctions

No Obligor shall and shall procure that no member of the Group will (and shall not permit or authorise any other person to), directly or indirectly, use, lend, make payments of, contribute or otherwise make available, all or any part of the proceeds of the Notes or other transaction(s) contemplated by any Finance Document to fund any trade, business or other activities:

- (a) involving or for the benefit of any Restricted Party; or
- (b) in any other manner that would reasonably be expected to result in any Obligor, member of the Group or the Holder being in breach of any Sanctions (if and to the extent applicable to any of them) or becoming a Restricted Party.

22. EVENTS OF DEFAULT

Each of the events or circumstances set out in this Clause 22 is an Event of Default (save for Clause 22.13 (*Acceleration*)).

22.1 Non-payment

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place and in the currency in which it is expressed to be payable unless its failure to pay is caused by:

- (a) administrative or technical error; or
- (b) a Disruption Event; and

payment is made within seven (7) days of its due date.

22.2 Financial covenants

Any requirement of Clause 20 (*Financial covenants*) is not satisfied.

22.3 Other obligations

- (a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 22.1 (*Non-payment*) and Clause 22.2 (*Financial covenants*)).

- (b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 30 days of the earlier of (A) the Holder giving notice to the Company and (B) the Company becoming aware of the failure to comply.

22.4 Misrepresentation

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

22.5 Cross default

- (a) Any Financial Indebtedness of any member of the Group is not paid when due nor within any originally applicable grace period.
- (b) Any Financial Indebtedness of any member of the Group 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 creditor of any member of the Group becomes entitled to declare any Financial Indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default (however described) which has or is reasonably likely to have a Material Adverse Effect.
- (d) No Event of Default will occur under this Clause 22.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (c) above is less than HK\$50,000,000 (or its equivalent in any other currency or currencies).

22.6 Insolvency

- (a) Any Obligor or Material Subsidiary:
 - (i) becomes insolvent or is unable to pay its debts as they fall due;
 - (ii) suspends making payments on any of its debts;
 - (iii) takes any action for a readjustment or deferral of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors in respect of all or a substantial part of its liabilities; or
 - (iv) ceases or threatens to cease to carry on all or a substantial part of its business (otherwise than, in the case of a Material Subsidiary only, for the purposes of or pursuant to amalgamation, reorganisation or restructuring whilst solvent).
- (b) The value of the assets of any Obligor or Material Subsidiary is less than its liabilities (taking into account contingent and prospective liabilities).
- (c) A moratorium is declared in respect of any indebtedness of any Obligor or Material Subsidiary.

22.7 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 any Obligor or Material Subsidiary other than a solvent liquidation or reorganisation of any Material Subsidiary which is not an Obligor;

- (b) a composition, compromise, assignment or arrangement with any creditor of any Obligor or Material Subsidiary;
- (c) the appointment of a liquidator (other than in respect of a solvent liquidation of a Material Subsidiary which is not an Obligor), receiver, administrative receiver, administrator or other similar officer in respect of any Obligor or Material Subsidiary or any of its assets; or
- (d) enforcement of any Security over any assets of any Obligor or Material Subsidiary, or any analogous procedure or step is taken in any jurisdiction.

This Clause 22.7 shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 30 days of commencement.

22.8 Failure to comply with court judgment or arbitral award

- (a) Any Obligor or Material Subsidiary fails to comply with or pay by the required time any sum due from it under any final judgment or any final order made or given by a court or arbitral tribunal or other arbitral body, in each case of competent jurisdiction.
- (b) No Event of Default under paragraph (a) above will occur if the liability under any such judgments or orders is discharged within 30 days.

22.9 Creditors' process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of an Obligor or Material Subsidiary and is not discharged within 30 days.

22.10 Ownership

The Company is not or ceases to be a wholly-owned Subsidiary of the Guarantor.

22.11 Unlawfulness and invalidity

- (a) It is or becomes unlawful for an Obligor to perform any of its obligations under the Finance Documents.
- (b) Any obligation or obligations of any Obligor under any Finance Documents are not or cease to be legal, valid, binding or enforceable.
- (c) Any Finance Document ceases to be in full force and effect or is alleged by a party to it (other than the Holder) to be ineffective.

22.12 Repudiation and rescission

An Obligor rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or evidences an intention to rescind or repudiate a Finance Document.

22.13 Acceleration

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

- (a) declare all the Notes, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or
- (b) declare that all the Notes be payable on demand, whereupon they shall immediately become payable on demand by the Holder.

SECTION 9
CHANGES TO PARTIES

23. CHANGES TO THE HOLDER

23.1 Transfer of Notes

- (a) Subject to Clause 6.4 (*Regulations concerning transfers and registration*) and Clause 23.2 (*Conditions of transfer of Notes*), a Note may be transferred by the Holder (the "Existing Holder") to the New Holder upon surrender of the relevant Note Certificate, together with an Assignment Agreement duly completed and duly executed by the Existing Holder and the New Holder, at the registered office of the Company, together with such evidence as the Company may reasonably require to prove the title of the Existing Holder and the authority of the individuals who have executed the Assignment Agreement.
- (b) The Notes may not be transferred unless all the Notes outstanding are transferred in full and the principal amount of Notes transferred are denominated in HK dollars.
- (c) Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, the Company shall promptly at its own expense issue a new Note Certificate in respect of the balance of the Notes to the Existing Holder.

23.2 Conditions of transfer of Notes

- (a) The prior written consent of the Company is required for any assignment or transfer by the Existing Holder unless the transfer is:
 - (i) to an Affiliate of the Holder;
 - (ii) to a fund which is a Related Fund of the Existing Holder; or
 - (iii) made at a time when an Event of Default is continuing.
- (b) A transfer of the Notes by way of assignment will only be effective if the procedures and conditions set out in Clause 23.4 (*Procedure for assignment*) are complied with.
- (c) If:
 - (i) the Holder assigns any of its rights under the Finance Documents; and
 - (ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Holder under Clause 12 (*Tax gross-up and indemnities*) or Clause 13 (*Increased Costs*),

then the New Holder is only entitled to receive payment under those Clauses to the same extent as the Existing Holder would have been if the assignment or change had not occurred.

- (d) The New Holder, by executing the relevant Assignment Agreement, confirms that it will execute any amendment or waiver that has been approved by or on behalf of the Holder in accordance with this Agreement on or prior to the date on which the assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Holder would have been had it remained the Holder.

23.3 Limitation of responsibility of the Existing Holder

- (a) Unless expressly agreed to the contrary, the Existing Holder makes no representation or warranty and assumes no responsibility to the New Holder for:
 - (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;
 - (ii) the financial condition of any Obligor;
 - (iii) the performance and observance by any Obligor of its obligations under the Finance Documents or any other documents; or
 - (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,and any representations or warranties implied by law are excluded.
- (b) The New Holder confirms to the Existing Holder that it:
 - (i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its holding of the Notes and has not relied exclusively on any information provided to it by the Existing Holder in connection with any Finance Document; and
 - (ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents.
- (c) Nothing in any Finance Document obliges the Existing Holder to:
 - (i) accept a re-transfer or re-assignment from the New Holder of any of the rights and obligations assigned or transferred under this Clause 23; or
 - (ii) support any losses directly or indirectly incurred by the New Holder by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

23.4 Procedure for assignment

- (a) Subject to the conditions set out in Clause 23.2 (*Conditions of transfer of Notes*) a transfer of Notes by way of assignment may be effected in accordance with paragraph (b) below when the Existing Holder delivers to the Company a duly completed Assignment Agreement and all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to such assignment to the New Holder.
- (b) On the Transfer Date:
 - (i) the Existing Holder will assign absolutely to the New Holder of the Notes held by it that are being transferred together with all the rights under the Finance Documents relating to such Notes expressed to be the subject of the assignment in the Assignment Agreement;
 - (ii) the Existing Holder will be released by each Obligor from the obligations owed by it which relate to such Notes (the "**Relevant Obligations**") and expressed to be the subject of the release in the Assignment Agreement; and

- (iii) the New Holder will be bound by obligations equivalent to the Relevant Obligations.
- (c) The Holder may utilise procedures other than those set out in this Clause 23.4 to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor, to obtain a release by that Obligor from the obligations owed to that Obligor by the Holder nor the assumption of equivalent obligations by a New Holder) provided that they comply with the conditions set out in Clause 23.2 (*Conditions of transfer of Notes*).

23.5 Security over Holder's rights

The Holder 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 Holder including, without limitation:

- (a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and
- (b) any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by the Holder as security for those obligations or securities,

except that no such charge, assignment or Security shall:

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

24. CHANGES TO THE OBLIGORS

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents except with the prior written consent of the Holder.

25. CONDUCT OF BUSINESS BY THE HOLDER

No provision of this Agreement will:

- (a) interfere with the right of the Holder to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige the Holder to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige the Holder to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

SECTION 10 ADMINISTRATION

26. PAYMENT MECHANICS

26.1 Payments

- (a) On each date on which an Obligor or the Subscriber is required to make a payment under a Finance Document, that Obligor or the Subscriber shall make the same available to its recipient (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by its recipient 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 and with such bank as the recipient of the payment specifies.
- (c) In the case of amounts payable in respect of the Notes on redemption, payments shall only be made upon surrender (or in the case of part payment only, endorsement) of the relevant Note Certificates at the registered office of the Company.

26.2 Partial payments

- (a) If the Holder receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Holder shall apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:
 - (i) **first**, in or towards payment pro rata of any unpaid fees, costs and expenses of the Holder under the Finance Documents;
 - (ii) **secondly**, in or towards payment pro rata of any accrued interest, fee or commission due but unpaid under the Finance Documents;
 - (iii) **thirdly**, in or towards payment pro rata of any principal due but unpaid under this Agreement; and
 - (iv) **fourthly**, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.
- (b) The Holder may, at its discretion, vary the order set out in paragraphs (a)(i) to (a)(iv) above.
- (c) Paragraphs (a) and (b) will override any appropriation made by an Obligor.

26.3 No 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.

26.4 Business Days

- (a) Any payment under a Finance Document 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.

26.5 Currency of account

- (a) Subject to paragraphs (b) to (e) below, HK dollar is the currency of account and payment for any sum due from an Obligor under any Finance Document.
- (b) Any redemption or purchase of the Notes and any payment of any Unpaid Sum shall be made in the currency in which the Notes are denominated, pursuant to this Agreement, on its due date.
- (c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated, pursuant to this Agreement, when that interest accrued.
- (d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- (e) Any amount expressed to be payable in a currency other than HK dollar shall be paid in that other currency.

26.6 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:
 - (i) 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 Holder (after consultation with the Company); and
 - (ii) 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 Holder (acting reasonably).
- (b) If a change in any currency of a country occurs, this Agreement and the Notes will, to the extent the Holder (acting reasonably and after consultation with the Company) specify to be necessary, be amended to comply with any generally accepted conventions and market practice in the Hong Kong interbank market and otherwise to reflect the change in currency.

26.7 Disruption to payment systems etc.

If either the Holder determine (in their discretion) that a Disruption Event has occurred or the Holder are notified by the Company that a Disruption Event has occurred:

- (a) the Holder may, and shall if requested to do so by the Company, consult with the Company with a view to agreeing with the Company such changes to the operation or administration of the Notes as the Holder may deem necessary in the circumstances; and
- (b) the Holder shall not be obliged to consult with the Company in relation to any changes mentioned in paragraph (a) above if, in their opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes.

27. SET-OFF

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

28. NOTICES

28.1 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.

28.2 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 an Obligor and the Subscriber, that identified with its name below; and
- (b) in the case of the Holder, that specified in the Register,

or any substitute address or fax number or department or officer as the Party may notify to the other Parties by not less than five (5) Business Days' notice.

28.3 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:
 - (i) if by way of fax, when received in legible form; or
 - (ii) if by way of letter, when it has been left at the relevant address or five (5) 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 28.2 (*Addresses*), if addressed to that department or officer.

- (b) Any communication or document made or delivered to the Company in accordance with this Clause will be deemed to have been made or delivered to each of the Obligors.
- (c) Any communication or document which becomes effective, in accordance with paragraphs (a) and (b) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

28.4 Electronic communication

- (a) Any communication or document to be made or delivered by one Party to another under or in connection with the Finance Documents may be made or delivered by electronic mail or other electronic means (including by way of posting to a secure website) if those two Parties:

- (i) 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
 - (ii) 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 or delivery as specified in paragraph (a) above to be made between an Obligor and the Holder 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 or delivery.
- (c) Any such electronic communication or document as specified in paragraph (a) above made or delivered by one Party to another will be effective only when actually received (or made available) in readable form and in the case of any electronic communication or document made or delivered by a Party to the Holder only if it is addressed in such a manner as the Holder shall specify for this purpose.
- (d) Any electronic communication or document which becomes effective, in accordance with paragraph (b) above, after 5.00 p.m. in the place in which the Party to whom the relevant communication or document 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 or a document being delivered shall be construed to include that communication or document being made available in accordance with this Clause 28.4.

28.5 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:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Holder, 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.

28.6 Holder notices

The Holder may by notice to the Company appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to the Holder under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 28.4 (*Electronic communication*)) electronic mail address and/or any other information required to enable the transmission of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address (or such other information), department and officer by the Holder for the purposes of Clause 28.2 (*Addresses*) and paragraph (a)(ii) of Clause 28.4 (*Electronic communication*) and the Company shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were the Holder.

29. CALCULATIONS AND CERTIFICATES

29.1 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 Holder are *prima facie* evidence of the matters to which they relate.

29.2 Certificates and determinations

Any certification or determination by the Holder 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.

29.3 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 Hong Kong interbank market differs, in accordance with that market practice.

30. PARTIAL INVALIDITY

If, at any time, any provision of a Finance Document 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.

31. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Holder, any right or remedy under a Finance Document 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 Finance Document on the part of the Holder 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 each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

32. AMENDMENTS AND WAIVERS

- (a) Any term of the Finance Documents may be amended or waived only with the consent of the Holder and the Company and any such amendment or waiver will be binding on all Parties.
- (b) An amendment or waiver of any of the provisions of Clause 4 (*Issue and subscription of the Notes*) and Clause 5 (*Closing*) or any defined term used in such Clauses may not be effected without the consent of the Subscriber.

33. CONFIDENTIAL INFORMATION

33.1 Confidentiality

The Holder agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 33.2 (*Disclosure of Confidential Information*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

33.2 Disclosure of Confidential Information

The Holder may disclose:

- (a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as the Holder shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;
- (b) to any person:
 - (i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
 - (ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Obligors and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
 - (iii) appointed by the Holder or by a person to whom paragraph (b)(i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf;
 - (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (b)(i) or (b)(ii) above;
 - (v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
 - (vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
 - (vii) to whom or for whose benefit the Holder charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 23.5 (*Security over Holder's rights*);
 - (viii) who is a Party; or
 - (ix) with the consent of the Company;

in each case, such Confidential Information as the Holder shall consider appropriate if:

- (A) in relation to paragraphs (b)(i), (b)(ii) and (b)(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional

adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;

- (B) in relation to paragraph (b)(iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information; and
 - (C) in relation to paragraphs (b)(v), (b)(vi) and (b)(vii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Holder, it is not practicable so to do in the circumstances; and
- (c) to any person appointed by the Holder or by a person to whom paragraph (b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of Notes, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the recommended form of the APLMA or such other form of confidentiality undertaking agreed between the Company and the Holder.

33.3 Entire agreement

This Clause 33.3 constitutes the entire agreement between the Parties in relation to the obligations of the Holder under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

33.4 Inside information

The Holder acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Holder undertakes not to use any Confidential Information for any unlawful purpose.

33.5 Notification of disclosure

The Holder agrees (to the extent permitted by law and regulation) to inform the Company:

- (a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of Clause 33.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- (b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 33.5.

33.6 Continuing obligations

The obligations in this Clause 33.6 are continuing and, in particular, shall survive and remain binding on the Holder for a period of 12 months from the earlier of:

- (a) the date on which all amounts payable by the Obligors under or in connection with this Agreement and the Notes have been paid in full; and
- (b) the date on which the Holder otherwise ceases to be the Holder.

.34. 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.

SECTION 11
GOVERNING LAW AND ENFORCEMENT

35. GOVERNING LAW

This Agreement and the Notes are governed by and construed in accordance with Hong Kong law, without regard to its principles of conflicts of law.

36. ENFORCEMENT

36.1 Jurisdiction

- (a) Any dispute, claim, difference or controversy arising out of or in connection with this Agreement including the existence, validity, interpretation, performance, breach or termination of this Agreement shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre ("**HKCIAC**") under the HKCIAC Administered Arbitration Rules ("**HKCIAC Rules**") in force when the notice of arbitration is submitted and as supplemented or modified by the following provisions of this Clause 36.1:
 - (i) the law of this Clause 36.1 shall be Hong Kong law;
 - (ii) the seat of arbitration shall be Hong Kong;
 - (iii) the number of arbitrators shall be three, whom shall be appointed by HKCIAC in accordance with the HKCIAC Rules; and
 - (iv) the arbitration proceedings shall be conducted in English.
- (b) Any award of the Tribunal shall be made in writing and shall be final and binding on the Parties from the day it is made. The Parties undertake to carry out the award without delay.

36.2 Service of process

- (a) Without prejudice to any other mode of service allowed under any relevant law, the Company shall:
 - (i) irrevocably appoints the Guarantor as its agent for service of process in relation to any proceedings before the Hong Kong courts in connection with any Finance Document; and
 - (ii) agrees that failure by a process agent to notify the Company of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as agent for service of process is unable for any reason to act as agent for the service of process, the Company must immediately (and in any event within five (5) days of such event taking place) appoint another agent on terms acceptable to the Holder. Failing this, the Holder may appoint another agent for this purpose.
- (c) The Guarantor expressly agrees and consents to the provision of this Clause 36.2.

36.3 Waiver of immunity

Each Obligor irrevocably waives, to the extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from:

- (a) suit;
- (b) jurisdiction of any court;
- (c) relief by way of injunction or order for specific performance or recovery of property;
- (d) attachment of its assets (whether before or after judgment); and
- (e) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction (and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any immunity in any such proceedings).

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1
CONDITIONS PRECEDENT

1. Obligors

- (a) A copy of the constitutional documents and statutory registers of each Obligor.
- (b) A copy of a resolution of the board of directors of the Company and the certified extract of a resolution of the board of directors of the Guarantor:
 - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute the Finance Documents to which it is a party;
 - (ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.
- (c) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above.
- (d) A certificate of each Obligor (signed by a director) confirming that issuing or guaranteeing, as appropriate, the Notes would not cause any borrowing, guaranteeing or similar limit binding on any Obligor to be exceeded.
- (e) A certificate of an authorised signatory of the relevant Obligor certifying that each copy document relating to it specified in this Schedule 1 is correct, complete and in full force and effect as at a date no earlier than the date of this Agreement.
- (f) An up-to-date certificate of good standing of the Company issued by the Registrar of Corporate Affairs in the British Virgin Islands which has not expired based on the expiration date referred to therein.
- (g) An up-to-date certificate of incumbency of the Company issued by its registered agent in the British Virgin Islands.
- (h) In respect of the Guarantor:
 - (i) Tax assurance certificate issued by the Registrar of Companies in Bermuda;
 - (ii) Exchange control consent letter issued by the Bermuda Monetary Authority;
 - (iii) Letter of consent for the free transferability of shares issued by the Bermuda Monetary Authority; and
 - (iv) An up-to-date certificate of compliance issued by the Registrar of Companies in Bermuda.

2. Legal opinions

- (i) A legal opinion in relation to Hong Kong law from Baker & McKenzie addressed to the Subscriber, substantially in the form delivered to the Subscriber prior to signing this Agreement.

- (j) A legal opinion in relation to Bermuda law from HWR Limited or Harneys Bermuda Limited addressed to the Subscriber, substantially in the form delivered to the Subscriber prior to signing this Agreement.
 - (k) A legal opinion in relation to British Virgin Islands law from Harney Westwood & Riegels addressed to the Subscriber, substantially in the form delivered to the Subscriber prior to signing this Agreement.
3. **Other documents and evidence**
- (a) Evidence that any process agent referred to in Clause 36.2 (*Service of process*) has accepted its appointment.
 - (b) A copy of the Original Financial Statements.
 - (c) Evidence that the costs and expenses then due from the Company pursuant to Clause 16 (*Costs and expenses*) have been or will be paid by the Issue Date.
 - (d) A copy of any other Authorisation or other document, opinion or assurance which any Subscriber considers to be necessary or desirable (if it has notified the Company accordingly) in connection with the entry into and performance of the transactions contemplated by any Finance Document or for the validity and enforceability of any Finance Document.

SCHEDULE 2
FORM OF SUBSCRIPTION REQUEST

From: [•] as Company

To: [•] as Subscriber

Dated: _____ 2025

Dear Sir or Madam

[•] – HK\$500,000,000 Subscription Agreement dated [] (the "Agreement")

1. We refer to the Agreement. This is a Subscription Request. Terms defined in the Agreement have the same meaning in this Subscription Request unless given a different meaning in this Subscription Request.
2. We wish to issue, and for the Subscriber to subscribe for, the Note on the following terms:

Proposed Issue Date:	[] (or, if that is not a Business Day, the next Business Day)
Currency of the Note:	HK\$
Amount:	[]
Purpose:	[]
- [3. We enclose documentary evidence in relation to the application of proceeds of the proposed Notes.]
4. We confirm that each condition specified in clause 5.3 (Conditions precedent to Closing) of the Agreement is satisfied on the date of this Subscription Request.
5. The proceeds of the Note should be credited to [account].
6. We confirm that you may deduct from the Note (although the amount of the Notes will remain the amount requested above):
 - (a) [].
7. This Subscription Request is irrevocable.

Yours faithfully,

For the on behalf of

[•]

**SCHEDULE 3
FORM OF NOTE CERTIFICATE**

Note Certificate No. [●]

Amount HK\$[500,000,000]

[●] (the "Company")

(Incorporated in [●])

HK\$[500,000,000] 8.22 per cent. Unsecured Notes due 20[●]

Guaranteed by

CSI Properties Limited (the "Guarantor")

This is to certify that [●] is the registered holder of HK\$[amount] in principal amount of the [currency] HK\$[500,000,000] 8.22 per cent. guaranteed notes due 20[●] (the "Notes") issued with the benefit of and subject to the provisions contained in the subscription agreement relating to the Notes dated [date] and made between the Company, the Guarantor acting as guarantor and the subscriber named in such agreement (the "Subscription Agreement"). Words and expressions defined in the Subscription Agreement shall, unless the context otherwise requires, have the same meanings in this Note Certificate.

Interest is payable on the Notes in accordance with Clauses 9 (*Interest*) and 10 (*Interest Periods*) of the Subscription Agreement, subject to and in accordance with the Subscription Agreement. The Notes are redeemable in accordance with Clause 7 (*Redemption*), subject to and in accordance with the Subscription Agreement.

The Notes are transferable in accordance with Clause 23 (*Changes to the Holder*) of the Subscription Agreement. This Note Certificate must be surrendered together with an Assignment Agreement duly completed and duly executed before any transfer is registered or any new Note Certificate is issued in exchange.

The Notes are guaranteed (both as to principal and interest) by the Guarantor in accordance with Clause 17 (*Guarantee and indemnity*), subject to and in accordance with the Subscription Agreement.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR ANY SECURITIES LAW OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, RESOLD, DELIVERED OR DISTRIBUTED (DIRECTLY OR INDIRECTLY) IN OR INTO THE UNITED STATES (EXCEPT IN TRANSACTIONS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR SUCH OTHER SECURITIES LAW) OR ANY OTHER RESTRICTED JURISDICTION NOR TO NOR FOR THE ACCOUNT OR BENEFIT OF ANY RESTRICTED OVERSEAS PERSON UNLESS, IN RELATION TO ANY US PERSON, THE NOTES ARE REGISTERED UNDER THE SECURITIES ACT OR THE TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

This Note Certificate is evidence of entitlement only and is not a document of title. Entitlements are determined by the Register and only the Holder is entitled to payment in respect of this Note Certificate.

The Notes are governed by and construed in accordance with Hong Kong law.

[Signature page to follow]

IN WITNESS whereof the Company has executed this Certificate as a deed on

SIGNED, SEALED and DELIVERED

as a deed

for and on behalf of

[•]

)

)

)

)

) By: _____

) Name:

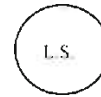
) Title: Director

)

in the presence of:

Witness name:

Witness address:



Issued on [•] 20[•]

SCHEDULE 4
FORM OF ASSIGNMENT AGREEMENT

To: [●] (as the "Company") and [other Obligors]

From: [the Existing Holder] (the "Existing Holder") and [the New Holder] (the "New Holder")

Dated:

[Company] – [●] **Subscription Agreement in respect of the [insert description of the Notes] (the "Notes") dated [●] (the "Agreement")**

1. We refer to the Agreement. This is an Assignment Agreement. Terms defined in the Agreement have the same meaning in this Assignment Agreement unless given a different meaning in this Assignment Agreement.
2. The Existing Holder confirms that the principal amount outstanding of Notes which it holds is HK\$[amount].
3. We refer to Clause 23.4 (*Procedure for assignment*) of the Agreement:
 - (a) The Existing Holder assigns absolutely to the New Holder the aggregate principal amount of the Notes specified in Schedule 1 together with all the rights of the Existing Holder under the Agreement and the other Finance Documents which relate to such Notes.
 - (b) The Existing Holder is released from all the obligations of the Existing Holder which correspond to such Notes specified in Schedule 1.
 - (c) The New Holder is bound by obligations equivalent to those from which the Existing Holder is released under paragraph (b) above.
4. The proposed Transfer Date is [●].
5. The address, fax number and attention details for notices of the New Holder for the purposes of Clause 28.2 (*Addresses*) of the Agreement are set out in Schedule 1.
6. The New Holder expressly acknowledges:
 - (a) the limitations on the Existing Holder's obligations set out in paragraphs (a) and (c) of Clause 23.3 (*Limitation of responsibility of the Existing Holder*) of the Agreement; and
 - (b) that it is the responsibility of the New Holder to ascertain whether any document is required or any formality or other condition requires to be satisfied to effect or perfect the transfer contemplated by this Assignment Agreement or otherwise to enable the New Holder to enjoy the full benefit of each Finance Document.
7. This Assignment Agreement 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 this Assignment Agreement.
8. This Assignment Agreement is governed by and construed in accordance with Hong Kong law.
9. This Assignment Agreement has been entered into on the date stated at the beginning of this Assignment Agreement.

Schedule

Principal Amount of Notes to be transferred

[Insert relevant details]

[address, fax number and attention details for notices and account details for payments]

[Existing Holder]

[New Holder]

By:

By:

Note: It is the New Holder's responsibility to ascertain whether any other document is required, or any formality or other condition is required to be satisfied, to effect or perfect the assignment/release/assumption of obligations contemplated in this Assignment Agreement or to give the New Holder full enjoyment of all the Finance Documents.

SCHEDULE 5
FORM OF COMPLIANCE CERTIFICATE

To: [●] as the Holder

From: CSI Properties Limited as Guarantor

Dated:

Dear Sirs

[Company] – [●] Subscription Agreement in respect of the [*insert description of the Notes*] (the "Notes") dated [●] (the "Agreement")

1. We refer to the Agreement. This is a Compliance Certificate. Terms defined in the Agreement have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
2. We confirm that the Net Asset Value of the Guarantor as of [●] is HK\$[●].
3. [We confirm that no Default is continuing.]*

Signed:	
Director	Director
of	of
CSI Properties Limited	CSI Properties Limited

* If this statement cannot be made, the Compliance Certificate should identify any Default that is continuing and the steps, if any, being taken to remedy it.

SCHEDULE 6
REGULATIONS CONCERNING TRANSFERS AND REGISTRATION OF THE NOTES

1. The Company shall keep the Register at its registered office and promptly enter in it:
 - (a) the name and address of the Holder;
 - (b) the date on which each person was registered as the Holder;
 - (c) the principal amount of each Note held by the Holder;
 - (d) the serial number of each Note Certificate issued and the date of its issue; and
 - (e) the date on which a person ceased to be the Holder.
2. The Company shall promptly enter in the Register each change to the information specified in paragraph 2.
3. Without prejudice to Clause 6.2 (*Title*), the Holder may inspect the Register from 9.00 a.m. to 5.00 p.m. on any Business Day.
4. Subject to Clause 23.1 (*Transfer of Notes*), Notes may be transferred by execution of the relevant Assignment Agreement under the hand of the transferor and the transferee or, where the transferor or transferee is a corporation, under its common seal or under the hand of two of its officers duly authorised in writing.
5. The Note Certificate issued in respect of the Notes to be transferred must be surrendered for registration, together with the Assignment Agreement (including any certification as to compliance with any restrictions on transfer), duly completed and executed, at the office of the Company, and together with such evidence as the Company may reasonably require to prove the title of the transferor and the authority of the persons who have executed the Assignment Agreement.
6. The executors or administrators of a deceased Holder of a Note shall be the only persons recognised by the Obligors as having any title to such Note.
7. Any person becoming entitled to any Notes in consequence of the death or bankruptcy of the Holder of such Notes may, upon producing such evidence that he holds the position in respect of which he proposes to act under this paragraph or of his title as the Company reasonably may require (including legal opinions), become registered himself as the Holder of such Notes or, subject to the provisions of these Regulations, the Notes and the Subscription Agreement as to transfer, may transfer such Notes. The Obligors shall be at liberty to retain any amount payable upon the Notes to which any person is so entitled until such person is so registered or duly transfers such Notes.
8. Where there is more than one transferee, separate Assignment Agreements must be completed in respect of each new holding.
9. Joint holdings of Notes shall not be permitted and the entries in the Register shall identify a single person as the Holder of each Note.

SCHEDULE 7
FORM OF PUT OPTION NOTICE

To: [the Company]

[Company]

*(incorporated with limited liability under
the laws of [Company's jurisdiction])*

HK\$[amount]

8.22 per cent. Unsecured Notes due [maturity]

(the "Notes")

guaranteed by

CSI Properties Limited

*(incorporated with limited liability under
the laws of Bermuda)*

Put Option Notice

By depositing this duly completed Put Option Notice with the Company in accordance with Clause 7.3 (*Redemption at the option of the Holder following a Change of Control*) of the subscription agreement in relation to the Notes dated [date] and made between the Company, the Guarantor and the subscriber named in such agreement ("**Put Option Clause**"), the undersigned Holder of the principal amount of Notes specified below and evidenced by the Note Certificate(s) referred to below and presented with this Put Option Notice exercises its option to have such principal amount of Notes redeemed in accordance with the Put Option Clause on [relevant Change of Control Event Put Date].

This Put Option Notice relates to Note(s) in the aggregate principal amount of HK\$[●] evidenced by Note Certificates bearing the following serial numbers:

Payment should be made by [complete and delete as appropriate]:

- [currency] cheque drawn on a bank in [currency centre] and in favour of [name of payee] and mailed to [name of addressee] at [addressee's address].]

or

- transfer to [details of the relevant account maintained by the payee] with [name and address of the relevant bank].]

If the Note Certificates referred to above are to be returned to the undersigned in accordance with the Put Option Clause, they should be returned by post to:

Name of Holder:

Signature of Holder:

Date:

[To be completed by the Company:]

Received by:

[Signature and stamp of the Company:]

At its office at

On

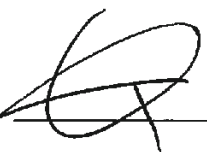
THIS NOTICE WILL NOT BE VALID UNLESS ALL OF THE PARAGRAPHS REQUIRING COMPLETION HAVE BEEN DULY COMPLETED.

This Put Option Notice is governed by and construed in accordance with Hong Kong law.

SIGNATURE PAGES

Company

AFFINITY OCEAN LIMITED

By:  _____

Name: Kan Sze Man

Title: Director

Notice details:

Address: 31/F, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong

Fax: 2801 5087

Attention: Mr. Simon Kan

Email: skan@csigroup.hk

Guarantor

CSI PROPERTIES LIMITED

By: 

Name: **Kan Sze Man**

Title: **Director**

Notice details:

Address: 31/F, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong

Fax: 2801 5087

Attention: Mr. Simon Kan

Email: skan@csigroup.hk

Subscriber

KENTON HARMONY LIMITED

By:  _____

Name: Kenneth GAW

Title: Director

Notice details:

Address: 18/F, 68 Yee Wo Street, Causeway Bay, Hong Kong

Fax: +852 2530 3662

Attention: Alan Lee

Email: AlanLee@GawCapital.com