

## BONDHOLDER LETTER

To: **BFAM Asian Opportunities Master Fund**  
(a Limited Partnership acting through its General Partner  
**BFAM Asian Opportunities Master GP Limited**)  
C/o BFAM Partners (Hong Kong) Limited  
Suite 3201, 32/F, 148 Electric Road  
Hong Kong  
(the “**Bondholder**”)

Copy: **DB Trustees (Hong Kong) Limited**  
Level 52, International Commerce Centre  
1 Austin Road West  
Kowloon, Hong Kong

**Deutsche Bank AG, Hong Kong Branch**  
Level 52, International Commerce Centre  
1 Austin Road West  
Kowloon, Hong Kong  
(as the Principal Paying Agent, the Principal Conversion Agent and the Principal Transfer Agent)

**Deutsche Bank Luxembourg S.A.**  
Level 52, International Commerce Centre  
1 Austin Road West  
Kowloon, Hong Kong  
(as the Registrar)

22 March 2019

**RE: HK\$175,950,000 7.5% Convertible Bonds due 2019 convertible into ordinary shares of China LotSynergy Holdings Limited (ISIN: XS1580153408) (the “Bonds”)**

We, the undersigned, China LotSynergy Holdings Limited (“**Issuer**”, “**we**” or “**us**”), refer to the Bonds as constituted by a trust deed dated 7 April 2017 (the “**Trust Deed**”) between the Issuer and DB Trustees (Hong Kong) Limited, as trustee for the holders of the Bonds (the “**Trustee**”) and our obligations under the paying and conversion agency agreement dated 7 April 2017 (the “**Agency Agreement**”) entered into among the Issuer, the Trustee, Deutsche Bank AG, Hong Kong Branch as principal paying agent, principal conversion agent and principal transfer agent (collectively, the “**Principal Agent**”), Deutsche Bank Luxembourg S.A. as registrar (the “**Registrar**”) and the other paying agents, conversion agents and transfer agents appointed under it (each a “**Paying Agent**”, a “**Conversion Agent**” or a “**Transfer Agent**”, as the case may be, and together with the Registrar and the Principal Agent, the “**Agents**”).

Unless otherwise defined, capitalised terms used in this letter agreement shall have the meanings ascribed to them in the Trust Deed and the Agency Agreement.

The Bondholder is the sole registered holder and beneficial owner of 100% of the aggregate principal amount of the Bonds outstanding as at the date of this letter agreement.

This letter agreement documents the mutual covenants and agreements of the Issuer and the Bondholder with respect to the Proposed Amendments (as defined in paragraph 1 of this letter agreement). This letter agreement will be effective from the date on which this letter agreement is duly executed by the Issuer and the Bondholder (the “**Agreement Date**”).

### 1. Proposed Amendments

Each of the Issuer and the Bondholder agree that with effect from the date the supplemental trust deed (the “**Supplemental Trust Deed**”) to be entered into by the Issuer and the Trustee in order to give

effect to the Proposed Amendments is executed, which for the avoidance of doubt shall be no later than 29 March 2019 or such later date as may be mutually agreed between the Issuer and the Bondholder and communicated in writing to the Trustee (such date, the “**Amendment Effective Date**”), the Trust Deed and the terms and conditions of the Bonds set out in Schedule 1 of the Trust Deed (the “**Conditions**”), shall be amended and modified by (such amendments, the “**Proposed Amendments**”):

1.1 deleting Condition 5 (*Interest*) in its entirety and replacing it with the following new Condition 5 (*Interest*):

**“5 INTEREST**

- (A) The Bonds bear interest:
- (i) at the rate of 7.5 per cent. per annum from (and including) the Issue Date up to (but excluding) 7 April 2019, calculated by reference to the principal amount thereof and payable in arrear on 7 January, 7 April, 7 July and 7 October in each year (each an “**Interest Payment Date**”); and
  - (ii) at the rate of 8.5 per cent. per annum, from (and including) 7 April 2019 up to (but excluding) the Maturity Date, calculated by reference to the principal amount thereof and payable in arrear on the Maturity Date (which shall also be an Interest Payment Date).
- (B) If any Interest Payment Date falls on a day which is not a business day (as defined in this Condition 5), it shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding business day.
- (C) Each Bond will cease to bear interest: (a) (subject to Condition 6(B)(iv)) where the Conversion Right attached to it shall have been exercised by a Bondholder, from and including the Interest Payment Date immediately preceding the relevant Conversion Date (as defined below), or if none, the Issue Date (subject in any case as provided in Condition 6(B)(iv)), or (b) where such Bond is redeemed or repaid pursuant to Condition 8 or Condition 10, from the due date for redemption or repayment thereof unless, upon due presentation thereof, payment of the full amount due is improperly withheld or refused or default is otherwise made in respect of any such payment. In such event, interest will continue to accrue at 2.0 per cent. per annum above the rate aforesaid (both before and after judgment) up to but excluding whichever is the earlier of: (i) the date on which all sums due in respect of such Bond are received by or on behalf of the relevant holder, and (ii) the day which is seven days after the Principal Agent or the Trustee has notified Bondholders that it has received all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is a subsequent default in payment to the relevant holders under these Conditions).
- (D) Interest payable under this Condition 5 will be paid in accordance with Condition 7(A).
- (E) In these Conditions, the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an “**Interest Period**”.

(F) Interest in respect of any Bond shall be calculated per HK\$1,000 in principal amount of the Bonds (the “**Calculation Amount**”). The amount of interest payable per Calculation Amount for any period shall be equal to the product of the Calculation Amount, the relevant annual rate of interest and the actual number of days elapsed in the Interest Period (or such other period) divided by 365, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

(G) In this Condition 5, the expression “**business day**” means a day (other than a Saturday, Sunday or public holiday) upon which commercial banks are generally open for business and settlement of Hong Kong Dollar payments in Hong Kong.”

1.2 deleting Condition 6(A)(iii) (*Conversion - Conversion Price*) in its entirety and replacing it with the following new Condition 6(A)(iii) (*Conversion - Conversion Price*):

“Conversion Price: With effect from 29 March 2019, the price at which Shares will be issued upon conversion (the “Conversion Price”) will be HK\$0.20 per Share but will be subject to adjustment in the manner provided in Condition 6(C), Condition 6(D) and Condition 6(E).”;

1.3 deleting the reference to “7 April 2019” in Condition 8(A) (*Redemption, Purchase and Cancellation - Maturity*) and replacing it with “7 November 2019”; and

1.4 replacing any and all references to “7.5 per cent. Convertible Bonds” or “7.5% Convertible Bonds” in the Trust Deed and the Conditions with “Step up Convertible Bonds”.

## 2. Issuer’s Commitment

2.1. Notwithstanding the Proposed Amendments set out in paragraph 1 of this letter agreement, the Issuer shall:

(a) comply with its obligation under Condition 5 to make payment on 8 April 2019 (the next business day following 7 April 2019, an Interest Payment Date) of the interest at the rate of 7.5 per cent. per annum of the principal amount of the Bonds in respect of the interest period commencing from (and including) 7 January 2019 up to (but excluding) 7 April 2019;

(b) cause an application to be made to The Stock Exchange of Hong Kong Limited (“**HKEx**”) for: (i) the approval for the Proposed Amendments as required under Rule 28.05 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and (ii) the approval for the listing of, and permission to deal in, the Shares to be issued as a result of the Proposed Amendments on exercise of the Conversion Rights attaching to the Bonds, and in each case, receive such approvals from HKEx (such applications and approvals, together, the “**HKEx Approval Condition**”).

## 3. Bondholder’s Commitment

3.1. In consideration of the Proposed Amendments set out in paragraph 1 of this letter agreement and the Issuer’s commitment set out in paragraph 2 of this letter agreement, the Bondholder hereby undertakes and agrees that it shall from the Agreement Date until the Amendment Effective Date:

(a) not transfer any beneficial ownership or the right to instruct voting (or enter into any agreement or arrangement to do so) in respect of the Bonds held by it, without

procuring that the counterparty deliver to the Issuer a duly completed and signed accession letter acceding to the terms of this letter agreement;

- (b) not commence or continue, and not instruct the Trustee to commence or continue, any legal action or other proceedings against the Issuer or any Subsidiary or any of their respective assets;
- (c) not exercise and not direct the Trustee to exercise, and instruct the Trustee to desist from exercising, any rights and not take (or instruct the Trustee to take) any steps to enforce or make any demand under any security or other right of recourse in respect of the Bonds;
- (d) not take or exercise, or instruct the Trustee or any other person to take or exercise, any enforcement action or other right in relation to the Bonds, and instruct the Trustee to desist from taking, any enforcement action in relation to the Bonds; and
- (e) not take, and not instruct the Trustee to take, any steps, directly or indirectly, to wind-up or appoint a receiver, liquidator, administrator, administrative receiver or compulsory manager over, or commence any other insolvency related or attachment proceedings against the Company or any of its Subsidiaries or against any assets of the Company or any of its Subsidiaries or take any steps to enforce payment or discharge of the Bonds.

#### **4. Instructions to the Trustee**

- 4.1. The Bondholder shall, on the Agreement Date, authorise, direct, request and empower the Trustee, through an instruction substantially in the form set out in **Schedule 1** hereof and subject to satisfaction of the HKEx Approval Condition, to: (i) concur in the Proposed Amendments and, in order to give effect to and implement the Proposed Amendments, on or shortly after the date hereof, execute the Supplemental Trust Deed (substantially in the form set out in Annex C hereto) and (ii) concur in and execute and do all such deeds, instruments, acts and things as may be necessary, desirable or expedient, in your sole discretion, to carry out and give effect to the Proposed Amendments.

#### **5. Termination of Bondholder's Obligations**

- 5.1. The Bondholder's obligations under this letter agreement shall terminate:
  - (a) at 11:59 pm (Hong Kong time) on 29 March 2019, unless the Issuer and the Bondholder mutually agree in writing to extend it; or
  - (b) immediately upon any breach by the Issuer of its obligations under this letter agreement.

#### **6. Reservation and Reinstatement of Rights**

- 6.1. Except to the extent expressly provided for in this letter agreement:
  - (a) the Bondholder does not waive, and its entry into this letter agreement does not constitute a waiver of, any rights that it may have under the Trust Deed or in connection with the Bonds; and
  - (b) the Bondholder reserves any rights it may have against the Issuer arising out of or in connection with any Potential Events of Default or Events of Default under the Trust Deed, whether having occurred before or occurring after the Amendment Effective Date.

6.2. Upon termination of this letter agreement, the Bondholder will be entitled to exercise all enforcement and other rights in respect of the Bonds.

7. **Miscellaneous**

7.1. This letter agreement and all non-contractual obligations arising out of or in connection with it are governed by English law. The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this letter agreement.

7.2. Neither this letter agreement nor any provision hereof may be changed, waived, discharged or terminated orally, but only by a writing signed by the Issuer and the Bondholder.

7.3. This letter agreement may be executed in any number of counterparts and this has the same effect as if the signatures were on a single copy of this letter agreement.

If you are agreeable to the terms set out above, please signify your agreement by countersigning and returning to us a counterpart of this letter agreement.

**THIS LETTER AGREEMENT** has been entered into on the date stated at the beginning of this letter agreement.

Yours faithfully,

For and on behalf of

**CHINA LOTSYNERGY HOLDINGS LIMITED**



By: CHAN Tin Na Donna

Title: Director

The Bondholder agrees to the provisions set out in the letter agreement dated 22 March 2019 received from **China LotSynergy Holdings Limited**.

Signed for and on behalf of

**BFAM Asian Opportunities Master Fund**  
**(a Limited Partnership acting through its General Partner**  
**BFAM Asian Opportunities Master GP Limited)**

A handwritten signature in blue ink, appearing to be 'FG', written over a horizontal line.

By: Frederique Gilain

Title: Authorised Signatory

**Schedule 1**

**Form of Instructions to Trustee**

To: **DB Trustees (Hong Kong) Limited**  
Level 52, International Commerce Centre  
1 Austin Road West  
Kowloon, Hong Kong  
**Attention:** The Directors

Copy: **China LotSynergy Holdings Limited**  
Unit 3308, 33rd Floor, Office Tower  
Convention Plaza, 1 Harbour Road  
Wan Chai, Hong Kong

\_\_\_\_\_ 2019

**RE: HK\$175,950,000 7.5% Convertible Bonds due 2019 convertible into ordinary shares of China LotSynergy Holdings Limited (ISIN: XS1580153408) (the “Bonds”)**

- 1.1 We refer to (i) the Bonds as constituted by a trust deed dated 7 April 2017 between you as trustee for the holders of the Bonds (the “**Trustee**”) and China LotSynergy Holdings Limited (the “**Issuer**”) (the “**Trust Deed**”); and (ii) the Bondholder Letter dated \_\_\_\_\_ 2019 by the Issuer and acknowledged and accepted by us in relation to the Bonds (the “**Bondholder Letter**”), a copy of which is attached as **Annex A** hereto. Unless otherwise defined, capitalised terms used in this letter shall have the meanings specified in the Trust Deed and the Bondholder Letter.
- 1.2 As at the date of this instruction letter, the principal amount of the Bonds that remain outstanding is HK\$174,800,000.
- 1.3 We are the sole registered holder and beneficial owner of 100 per cent. of the aggregate principal amount of the Bonds outstanding as at the date of this instruction letter.

<u>Bondholder</u>	<u>Principal amount held</u>	<u>ISIN</u>	<u>Common Code</u>
BFAM Asian Opportunities Master Fund (a Limited Partnership acting through its General Partner BFAM Asian Opportunities Master GP Limited)	HK\$174,800,000	XS1580153408	158015340

- 1.4 A copy of each of the following, as proof of the above holding, are attached as **Annex B** hereto:
- (a) the Bondholder’s EUCLID report;
  - (b) a letter from the Bondholder’s custodian; and
  - (c) a statement of account from Euroclear.
- 2.1 The Issuer and the Bondholder have agreed to certain amendments (the “**Proposed Amendments**”) to the Trust Deed and the Conditions as are set forth in paragraph 1 of the Bondholder Letter. A form of the supplemental trust deed (the “**Supplemental Trust Deed**”) to be entered into by the Issuer and the Trustee in order to give effect to the Proposed Amendments is included as **Annex C** hereto.
- 2.2 The Proposed Amendments shall take effect from the date the Supplemental Trust Deed is executed, which for the avoidance of doubt, shall be no later than 29 March 2019 or such later date as may be mutually agreed between the Issuer and the Bondholder and communicated in writing to the Trustee.
- 3.1 Conditional upon the Issuer causing an application to be made to The Stock Exchange of Hong Kong Limited (“**HKEx**”) for (i) the approval for the Proposed Amendments as required under Rule 28.05 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and (ii)



the approval for the listing of, and permission to deal in, the Shares to be issued as a result of the Proposed Amendments on exercise of the Conversion Rights attaching to the Bonds, and in each case, receive such approvals from HKEx (such applications and approvals, together, the “**HKEx Approval Condition**”) and a certificate substantially in the form set out in **Annex D** hereto being delivered to the Trustee on or prior to 29 March 2019 or any other later date mutually agreed between the Issuer and the Bondholder, we hereby authorise, direct, request and empower you, through this instruction letter, (i) concur in the Proposed Amendments and, in order to give effect to and implement the Proposed Amendments, on or shortly after the date hereof, execute the Supplemental Trust Deed (substantially in the form set out in Annex C hereto) and (ii) concur in and execute and do all such deeds, instruments, acts and things as may be necessary, desirable or expedient, in your sole discretion, to carry out and give effect to the Proposed Amendments.

- 3.2 This instruction letter shall be deemed to be a written resolution of the Bondholder under paragraph 21.2 (*Written Resolution*) of Schedule 3 of the Trust Deed.
- 3.3 We hereby agree and confirm that the Trustee is not required to request or receive any legal opinions in relation to the Proposed Amendments, the Supplemental Trust Deed or this instruction letter.
- 3.4 We hereby discharge and exonerate you from all liability to the Bondholders for which you may have become or may become responsible under, among other things, the Trust Deed, the Agency Agreement, the Conditions or the Bonds in respect of any act or omission pursuant to the Bondholder Letter, the Proposed Amendments referred to therein or the implementation thereof, even if it is found subsequently that there is a defect in the passing of this instruction or for any reason this instruction is not binding on current or subsequent Bondholders or their heirs or assignees.
- 4.1 This instruction letter and all non-contractual obligations arising out of or in connection with it are governed by English law. The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this instruction letter.

Yours faithfully,

For and on behalf of

**BFAM Asian Opportunities Master Fund**  
**(a Limited Partnership acting through its General Partner**  
**BFAM Asian Opportunities Master GP Limited)**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**Annex A**

**COPY OF BONDHOLDER LETTER**

**Annex B**

**COPIES OF BONDHOLDER'S EUCLID REPORT AND STATEMENT OF ACCOUNT FROM  
EUROCLEAR**

**Annex C**

**FORM OF SUPPLEMENTAL TRUST DEED**

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**Annex D**

**FORM OF CP SATISFACTION LETTER**

To: **DB Trustees (Hong Kong) Limited**  
Level 52, International Commerce Centre  
1 Austin Road West  
Kowloon, Hong Kong  
(the “Trustee”)

Copy: **BFAM Asian Opportunities Master Fund**  
(a Limited Partnership acting through its General Partner  
**BFAM Asian Opportunities Master GP Limited**)  
C/o BFAM Partners (Hong Kong) Limited  
Suite 3201, 32/F, 148 Electric Road  
Hong Kong  
(the “Bondholder”)

\_\_\_\_\_ 2019

Dear Ladies and Gentlemen,

**China LotSynergy Holdings Limited (the “Issuer”)**

**HK\$175,950,000 7.5 per cent. Convertible Bonds due 2019 convertible into ordinary shares of China LotSynergy Holdings Limited (ISIN: XS1580153408) (the “Bonds”)**

This certificate is delivered to you in accordance with the instruction letter to the Trustee dated \_\_\_\_\_ 2019 from the Bondholder (the “**Bondholder Written Resolution**”).

All words and expressions defined in the Bondholder Written Resolution shall (save as otherwise provided herein or unless the context otherwise requires) have the same meanings herein.

We hereby certify that, as at \_\_\_\_\_ 2019, the Issuer has satisfied the HKEx Approval Condition. Attached, for your records, are copies of the approvals received by the Issuer from HKEx.

For and on behalf of,

**CHINA LOTSYNERGY HOLDINGS LIMITED**

By: \_\_\_\_\_

Title: \_\_\_\_\_