

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.**  
2, Boulevard Konrad Adenauer,  
L-1115 Luxembourg  
Luxembourg  
(as the Registrar)

1 November 2019

**RE: HK\$175,950,000 Step Up 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 as supplemented and amended by a supplemental trust deed dated 28 March 2019 (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**”).

## BONDHOLDER LETTER

**1. Proposed Amendments**

Each of the Issuer and the Bondholder agree that with effect from the date the second supplemental trust deed (the “**Second Supplemental Trust Deed**”) to be entered into by the Issuer and the Trustee in order to give effect to the Proposed Amendments is executed (such date, the “**Amendment Effective Date**”), which for the avoidance of doubt shall take place no later than the date this letter agreement is terminated in accordance with paragraph 5.1, the Trust Deed, the terms and conditions of the Bonds (the “**Conditions**”) and the Global Certificate (as defined in the Trust Deed) shall be amended and modified by the Second Supplemental Trust Deed as follows (such amendments, the “**Proposed Amendments**”):

- 1.1. in the case of the Trust Deed, by:
  - (a) inserting in Clause 1.1 (*Definitions*) the following new definition:
 

“**Principal Amount Outstanding**” has the meaning set out in Condition 8(H)(*Principal Amount Outstanding*).
  - (b) amending the definition of “outstanding” in Clause 1.1 (*Definitions*) by inserting the words “in full” in line 2 immediately after the word “redeemed” and in line 3 immediately after the word “redemption”;
  - (c) amending Clause 2.2 (*Covenant to pay*) by inserting “in full or in part” in line 2 immediately after the word “redeemed” and by inserting “then due and payable under the Conditions” in line 5 immediately after the word “interest”;
  - (d) replacing any and all references to “principal amount of the Bonds” in Clauses 2.2 (*Covenant to pay*), 8.2 (*Accumulation*), 9.19 (*Notification of Satisfaction of Conversion Rights*), 11.19 (*Enforcement*), 11.23 (*Acceleration*) and 11.33 (*Certificates from Clearing Systems*) and Schedule 3 (*Provisions for Meetings of Bondholders*) with “Principal Amount Outstanding of the Bonds”; and
  - (e) replacing any and all references to “Step up Convertible Bonds due 2019” throughout the Trust Deed with “Amortising Step Up Convertible Bonds”.
- 1.2. in the case of the Global Certificate, by deeming it to be amended by:
  - (a) replacing the reference to “principal amount of the Bonds” in the paragraph headed “Meetings” with “Principal Amount Outstanding of the Bonds”; and
  - (b) deleting the paragraph headed “Bondholder's Tax Option”
- 1.3. in the case of the Conditions, by the amending and restating them to read as set out in Annex C to the Instructions to Trustee (as defined below),

**2. Issuer’s Commitment**

The Issuer shall 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 HKEx; and (ii) the approval for the listing of, and permission to deal in, the Shares to be issued as a result of the 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**

## BONDHOLDER LETTER

- 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 Issuer or any of its Subsidiaries or against any assets of the Issuer 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 (the "**Instructions to Trustee**") 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 Second Supplemental Trust Deed (substantially in the form set out in Annex C to the Instructions to Trustee) 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 7 November 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

BONDHOLDER LETTER

- (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 Tan Na, Donna  
Title: Director

BONDHOLDER LETTER

The Bondholder agrees to the provisions set out in the letter agreement dated 1 November 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)**



By: Frederique Gilain

Title: Authorised Signatory

BONDHOLDER LETTER

**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 Step Up 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 as supplemented and amended by a supplemental trust deed dated 28 March 2019 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, the Conditions and the Global Certificates which are set forth in paragraph 1 of the Bondholder Letter. A form of the second supplemental trust deed (the “**Second 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 Second Supplemental Trust Deed is executed, which for the avoidance of doubt, shall be no later than 7 November 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 HKEx; and (ii) the approval for the listing of, and permission to deal in, the Shares to be issued as a result of the 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 7 November 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, (A) 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 Second Supplemental Trust Deed (substantially in the form set out in Annex C hereto) and (B) 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 Second 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 SECOND SUPPLEMENTAL TRUST DEED**

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**SECOND SUPPLEMENTAL TRUST DEED**

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dated

\_\_\_\_\_ 2019

by

**CHINA LOTSYNERGY HOLDINGS LIMITED**

(as the Issuer)

and

**DB TRUSTEES (HONG KONG) LIMITED**

(as the Trustee)

**in relation to**

**the amendment of the Trust Deed (as defined herein)**

**constituting the**

**HK\$175,950,000 7.5 per cent. Convertible Bonds due 2019**

**(renamed to as the**

**HK\$175,950,000 Step Up Convertible Bonds due 2019**

**and from the date of execution of this Second Supplemental Trust Deed to be further renamed**

**as the HK\$175,950,000 Amortising Step Up Convertible Bonds)**

**Baker  
McKenzie  
Wong & Leow.**

Baker & McKenzie.Wong & Leow  
(Reg. No. 200010145R)  
8 Marina Boulevard  
#05-01 Marina Bay Financial Centre Tower 1  
Singapore 018981  
[www.bakermckenzie.com](http://www.bakermckenzie.com)

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This **SECOND SUPPLEMENTAL TRUST DEED** is made on \_\_\_\_\_ 2019 (this “**Deed**”)

**Between**

1. **CHINA LOTSYNERGY HOLDINGS LIMITED**, a company incorporated in Bermuda with limited liability whose principal place of business is at Unit 3308, 33rd Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wan Chai, Hong Kong (the “**Issuer**”); and
2. **DB TRUSTEES (HONG KONG) LIMITED**, whose registered office is at Level 52, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong (the “**Trustee**”, which expression, where the context so admits, includes all persons for the time being the trustee or trustees of the Trust Deed (as defined below)).

**WHEREAS**

- (A) This Deed is supplemental to and amends the trust deed dated 7 April 2017 as supplemented and amended by the Supplemental Trust Deed dated 28 March 2019 (the “**Trust Deed**”) constituting the originally named HK\$175,950,000 7.5 per cent. Convertible Bonds due 2019 and subsequently renamed HK\$175,950,000 Step Up Convertible Bonds due 2019 convertible into ordinary shares of China LotSynergy Holdings Limited (the “**Bonds**”).
- (B) By a written resolution (within the meaning of paragraph 21.2 of Schedule 3 of the Trust Deed) dated \_\_\_\_\_ 2019 (the “**Written Resolution**”), the sole holder of all the Bonds authorised, directed, requested and empowered the Trustee to: (i) execute a supplemental trust deed in order to amend the Trust Deed and the terms and conditions of the Bonds (the “**Conditions**”); and (ii) execute and do all such deeds, instruments, acts and things as may be necessary, desirable or expedient, in its sole discretion, to carry out and give effect to the Written Resolution.
- (C) This is the supplemental trust deed referred to in the Written Resolution. The Issuer wishes to, and the Trustee, in accordance with the authority, direction and request contained in the Written Resolution and the authority afforded to it under the terms of the Trust Deed, agrees to, enter into this Deed to amend the Trust Deed and the Conditions.

**THIS DEED WITNESSES AND IT IS DECLARED AS FOLLOWS:**

**1. Definitions and Interpretation**

Unless otherwise defined in this Deed, terms defined or construed in the Trust Deed shall have the same meanings or construction in this Deed and the principles of interpretation specified in Clauses 1.2 to 1.8 of the Trust Deed shall, where the context so requires and admits, also apply to this Deed.

**2. Confirmation and Incorporation of the Trust Deed**

- 2.1** This Deed supplements the Trust Deed and shall be read and construed as one with the Trust Deed so that all references therein to “**this Deed**” shall be deemed to refer to the Trust Deed as supplemented and amended by this Deed, provided always that in the event of any inconsistency between the Trust Deed and this Deed, the provisions of this Deed shall override such inconsistent provisions of the Trust Deed.
- 2.2** Save for the amendments to be effected to the Trust Deed and the Conditions provided by this Deed, the Trust Deed and the Bonds shall remain in full force and effect and the Trust Deed and this Deed shall henceforth be read and construed together as one deed.

**3. Amendments to the Trust Deed**

With effect from the date hereof, the Trust Deed shall be amended by:

- 3.1 inserting in Clause 1.1 (*Definitions*) the following new definition:  
“**Principal Amount Outstanding**” has the meaning set out in Condition 8(H)(*Principal Amount Outstanding*).
- 3.2 amending the definition of “outstanding” in Clause 1.1 (*Definitions*) by inserting the words “in full” in line 2 immediately after the word “redeemed” and in line 3 immediately after the word “redemption”;
- 3.3 amending Clause 2.2 (*Covenant to pay*) by inserting “in full or in part” in line 2 immediately after the word “redeemed” and by inserting “then due and payable under the Conditions” in line 5 immediately after the word “interest”;
- 3.4 replacing any and all references to “principal amount of the Bonds” in Clauses 2.2 (*Covenant to pay*), 8.2 (*Accumulation*), 9.19 (*Notification of Satisfaction of Conversion Rights*), 11.19 (*Enforcement*), 11.23 (*Acceleration*) and 11.33 (*Certificates from Clearing Systems*) and Schedule 3 (*Provisions for Meetings of Bondholders*) with “Principal Amount Outstanding of the Bonds”; and
- 3.5 replacing any and all references to “Step up Convertible Bonds due 2019” throughout the Trust Deed with “Amortising Step Up Convertible Bonds”.

#### **4. Amendments to the Conditions**

The Terms and Conditions of the Bonds shall be amended and restated as set out in the Schedule to this Deed.

#### **5. New Global Certificate**

On the due execution of this Deed, the Global Certificate shall be deemed to be amended by:

- 5.1 replacing the reference to “principal amount of the Bonds” in the paragraph headed “Meetings” with “Principal Amount Outstanding of the Bonds”; and
- 5.2 deleting the paragraph headed “Bondholder's Tax Option”.

#### **6. Notices**

- 6.1 A memorandum of this Deed shall be endorsed on the original of the Trust Deed and the Global Certificate by the Trustee and on the duplicate thereof by the Issuer.
- 6.2 The Issuer, shall, as soon as practicable after the date of this Deed, give notice of the amendments to the Bondholders in accordance with Condition 16 (*Notices*).

#### **7. Incorporation of Terms**

The provisions of Clause 10.4 (*Indemnity*), Clause 11 (*Provisions Supplemental to the Trustee Act 1925 and the Trustee Act 2000*), Clause 17 (*Communications*) and Clause 20 (*Counterparts*) shall apply *mutatis mutandis* to this Deed.

#### **8. Contracts (Rights of Third Parties) Act 1999**

A person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 (“**Act**”) to enforce any term of this Deed unless provided herein, except and to the extent that this Deed expressly provides for such Act to apply to any of its terms.

**9. Governing Law and Jurisdiction**

**9.1 Governing Law:** This Deed and any non-contractual obligations arising out of or in connection therewith, shall be governed by, and construed in accordance with English law.

**9.2 Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Deed and accordingly any legal action or proceedings arising out of or in connection with this Deed (the “**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in any such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of the Trustee and each of the Bondholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

**9.3 Service of Process:** The Issuer irrevocably appoints Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom as its authorised agent for service of process in England. If for any reason such agent shall cease to be such agent for service of process, the Issuer shall forthwith appoint a new agent for service of process in England and immediately deliver to the Trustee a copy of the new agent’s acceptance of that appointment. Nothing in this Deed shall affect the right to serve process in any other manner permitted by law.

**IN WITNESS WHEREOF** this Deed is delivered the day and year first before written.



**EXECUTED AS A DEED** by  
**CHINA LOTSYNERGY HOLDINGS LIMITED**

By:

Name:

Title:

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in the presence of:

Name:

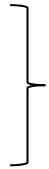
Title:

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Executed as a deed by affixing **THE COMMON SEAL** of  
**DB TRUSTEES (HONG KONG) LIMITED**



in the presence of:

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Authorised signatory

Name:

Title:

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Authorised signatory

Name:

Title:

**SCHEDULE**  
**TERMS AND CONDITIONS OF THE BONDS**

## Terms and Conditions of the Bonds

*The following, subject to completion and amendment, and save for the paragraphs in italics, is the text of the Terms and Conditions of the Bonds.*

The issue of the HK\$175,950,000 aggregate principal amount of Amortising Step-Up Convertible Bonds (the “Bonds”, which term shall include, unless the context requires otherwise, any further Bonds issued in accordance with Condition 15 and consolidated and forming a single series therewith) of China LotSynergy Holdings Limited (the “Company”) and the right of conversion into Shares (as defined in Condition 6(A)(v)) of the Company were originally authorised by resolutions of the board of directors of the Company passed on or about 10 March 2017 and 7 April 2017. The Bonds are constituted by a trust deed (the “Original Trust Deed”) dated 7 April 2017 (the “Issue Date”) as supplemented and amended by a supplemental trust deed dated 28 March 2019 (the “First Supplemental Trust Deed”) and a supplemental trust deed dated \_\_\_\_\_ 2019 (the “Second Supplemental Trust Deed”) and the Original Trust Deed as supplemented and amended by the First Supplemental Trust Deed and the Second Supplemental Trust Deed is referred to herein as the “Trust Deed”) each made between the Company and DB Trustees (Hong Kong) Limited as trustee for the holders of the Bonds (the “Trustee”, which term shall, where the context so permits, include all other persons or companies for the time being acting as trustee or trustees under the Trust Deed) and are subject to the paying and conversion agency agreement dated on the Issue Date (the “Agency Agreement”) with 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”) relating to the Bonds. References to the “Principal Agent”, the “Registrar” and the “Agents” below are references to the principal agent, the registrar and the agents for the time being for the Bonds. These Terms and Conditions (these “Conditions”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. Unless otherwise defined, terms used in these Conditions have the meanings specified in the Trust Deed.

Copies of the Original Trust Deed, the First Supplemental Trust Deed, the Second Supplemental Trust Deed and the Agency Agreement are available for inspection during usual business hours at the registered office of the Trustee, being at the Issue Date at Level 52, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong and at the specified office of the Principal Agent. The Bondholders are entitled to the benefit of and are bound by all the provisions of the Trust Deed, and are deemed to have notice of all the provisions of the Agency Agreement applicable to them.

### 1 STATUS

The Bonds constitute direct, unsubordinated, unconditional and (subject to Condition 4) unsecured obligations of the Company and the Bonds shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.

### 2 FORM, DENOMINATION AND TITLE

#### (A) Form and Denomination

The Bonds are issued in registered form in the denomination of HK\$1,000,000 each and integral multiples of HK\$1,000 in excess thereof (each, an “Authorised Denomination”). A bond certificate

(each a “Certificate”) will be issued to each Bondholder in respect of its registered holding of Bonds. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders (the “Register”) which the Company will procure to be kept by the Registrar.

*Upon issue, the Bonds will be represented by a Global Certificate registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream”). The Conditions are modified by certain provisions contained in the Global Certificate.*

*Except in the limited circumstances described in the Global Certificate, owners of interests in Bonds represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of the Bonds. The Bonds are not issuable in bearer form.*

**(B) Title**

Title to the Bonds passes only by transfer and registration in the Register as described in Condition 3. The holder of any Bond will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder.

In these Conditions, “Bondholder” and (in relation to a Bond) “holder” mean the person in whose name a Bond is registered.

**3 TRANSFERS OF BONDS; ISSUE OF CERTIFICATES**

**(A) Register**

The Company will cause the Register to be kept at the specified office of the Registrar outside Hong Kong and the United Kingdom and in accordance with the terms of the Agency Agreement on which shall be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers, redemptions and conversions of the Bonds. Each Bondholder shall be entitled to receive only one Certificate in respect of its entire holding of Bonds.

**(B) Transfer**

Subject to Conditions 3(E) and 3(F) and the terms of the Agency Agreement, a Bond may be transferred by delivery of the Certificate issued in respect of that Bond, with the form of transfer on the back duly completed and signed by the holder or his attorney duly authorised in writing, to the specified office of the Registrar or any of the Transfer Agents, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed the form of the transfer; provided however that a Bond may not be transferred unless the original principal amount of the Bond transferred, and (where not all of the Bonds held by the holder are being transferred) the original principal amount of the balance of the Bonds not so transferred, is an Authorised Denomination. Where not all Bonds represented by the surrendered Certificate are the subject of the transfer, a new Certificate in respect of the balance of the Bonds will be issued to the transferor. No transfer of a Bond will be valid unless and until entered on the Register.

*Transfer of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing system.*

**(C) Delivery of New Certificates**

Each new Certificate to be issued upon a transfer or (if applicable) conversion of Bonds will, within five business days of receipt by the Registrar or, as the case may be, any other relevant Transfer Agent of the original Certificate and form of transfer duly completed and signed, be made available for collection at the specified office of the Registrar or such other relevant Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds (but free of charge to the holder and at the Company's expense) to the address specified in the form of transfer. The Registrar will, within five business days of receipt by the Registrar or any Transfer Agent of the documents above, register the transfer in question.

Where only some of the Bonds in respect of which a Certificate is issued is to be transferred, converted, redeemed or repurchased, a new Certificate in respect of the Bonds not so transferred, converted, redeemed or repurchased will, within three business days of delivery of the original Certificate to the Registrar or, as the case may be, any other relevant Transfer Agent, be made available for collection at the specified office of the Registrar or such other relevant Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred, converted, redeemed or repurchased (but free of charge to the holder and at the Company's expense) to the address of such holder appearing on the Register.

For the purposes of Condition 3 and Condition 6, "business day" shall mean a day (other than a Saturday or Sunday) on which commercial banks are open for business in the city in which the specified office of the Registrar (if a Certificate is deposited with it in connection with a transfer or conversion) or the Transfer Agent, with whom a Certificate is deposited in connection with a transfer or conversion, is located.

**(D) Formalities Free of Charge**

Registration of a transfer of Bonds and issuances of new Certificates will be effected without charge subject to (a) the person making such application for transfer paying or procuring the payment (or the giving of such indemnity as the Company or any such Transfer Agent may require) of any taxes, duties and other governmental charges which may be imposed in connection therewith, (b) the Registrar being satisfied in its absolute discretion with the documents of title and/or identity of the person making the application and (c) the satisfaction of such regulations as the Company may from time to time agree with the Registrar and the Trustee (and as initially set out in the Agency Agreement).

**(E) Closed Periods**

No Bondholder may require the transfer of a Bond to be registered (i) during the period of seven days ending on (and including) the dates for payment of any principal pursuant to these Conditions; (ii) after a Conversion Notice (as defined in Condition 6(B)) has been delivered and not been withdrawn with the consent of the Company with respect to a Bond; or (iii) after a Relevant Event Redemption Notice (as defined in Condition 8(C)) or a Put Exercise Notice (as defined in Condition 8(D)) has been deposited and not been withdrawn with the consent of the Company in respect of such Bond pursuant to Condition 8(C) or Condition 8(D), as the case may be; (iv) during the period of seven days ending on (and including) any date of redemption pursuant to Condition 8(B); or (v) during the period of seven days ending on (and including) any Interest Record Date (as defined in Condition 7(A)). Each such period is a "Closed Period".

**(F) Regulations**

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Company, with the prior written approval of the Registrar and the Trustee, and by the Registrar, with the prior written approval of the Trustee. A copy of the current regulations will

be mailed (free of charge to the Bondholder) by the Registrar to any Bondholder upon request.

#### **4 NEGATIVE PLEDGE**

##### **(A) Negative Pledge**

The Company undertakes that, so long as any of the Bonds remains outstanding (as defined in the Trust Deed) or any amount is due under or in respect of any Bond or otherwise under the Trust Deed, it will not, and will procure that none of its Subsidiaries will, create or permit to subsist or arise any Security Interest upon the whole or any part of its present or future undertakings, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (or any guarantee or indemnity in respect of any Relevant Indebtedness) unless the outstanding Bonds are forthwith secured by the same Security Interest as is created as subsisting to secure any such Relevant Indebtedness, guarantees or indemnity equally and rateably or as such other Security Interest as either (x) the Trustee may in its absolute discretion deem not materially less beneficial to the interests of the Bondholders or (y) shall be approved by an Extraordinary Resolution (as defined in Condition 13) of the Bondholders.

##### **(B) Interpretation**

In these Conditions:

- (i) “Relevant Indebtedness” means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock, bearer participation certificates, depositary receipts, certificates of deposit or other similar securities or instruments or by bills of exchange drawn or accepted for the purpose of raising money and which are, or are intended to be or capable of being, quoted, listed, dealt in or traded on any stock exchange or on any over-the-counter or other securities market (whether or not initially distributed by way of private placement) and for the avoidance of doubt, shall not include indebtedness under any bi-lateral loan, non-transferable loan or loan facility or transferable loan or loan facility entered into with any financial institution;
- (ii) “Security Interest” means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person; and
- (iii) a “subsidiary” or “Subsidiary” of any person means any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the law, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person, in both cases including but not limited to (a) any company or other business entity and the direct and indirect subsidiaries of such company or other business entity through which that person conducts its operations in the PRC by way of contractual arrangements, or (b) any company or other business entity which is jointly owned by that person.

#### **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 their Principal Amount Outstanding and payable in arrear on 7 January, 7 April, 7 July and 7 October in each year up to and including 7 April 2019 (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 their Principal Amount Outstanding 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 Outstanding 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.

## 6 CONVERSION

### (A) Conversion Right

- (i) *Conversion Period*: Subject to the right of the Company to exercise the Cash Settlement Option pursuant to Condition 6(B)(iv) and otherwise as hereinafter provided, Bondholders have the right to convert their Bonds into Shares (as defined in Condition 6(A)(v)) at any time during the Conversion Period referred to below.

The right of a Bondholder to convert any Bond into Shares is called the “Conversion Right”. Subject to and upon compliance with, the provisions of this Condition, the Conversion Right attaching to any Bond may be exercised, at the option of the holder thereof, at any time (subject to any applicable fiscal or other laws or regulations and as hereinafter provided) on



or after 18 May 2017 up to the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the seventh day prior to the Maturity Date (as defined in Condition 8) (both days inclusive) (but, except as provided in Condition 6(A)(iv), in no event thereafter) or, (a) if such Bond shall have been called for redemption by the Company before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than seven days (in the place aforesaid) prior to the date fixed for redemption thereof or (b) in respect of a Bond where the holder shall have exercised its right to require the Company to redeem such Bond pursuant to Condition 8(C) or Condition 8(D), then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice (the “Conversion Period”).

Subject to the right of the Company to exercise the Cash Settlement Option pursuant to Condition 6(B)(iv), the number of Shares to be issued on conversion of a Bond will be determined by dividing the Principal Amount Outstanding of the Bonds to be converted by the Conversion Price in effect on the relevant Conversion Date (both as hereinafter defined). A Conversion Right may only be exercised in respect of one or more Bonds. If more than one Bond held by the same holder is converted at any one time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the aggregate Principal Amount Outstanding of the Bonds to be converted.

- (ii) *Fractions of Shares:* Fractions of Shares will not be issued on conversion and no cash payment or other adjustment will be made in respect thereof. However, if the Conversion Right in respect of more than one Bond is exercised at any one time such that Shares to be issued on conversion are to be registered in the same name, the number of such Shares to be issued in respect thereof shall be calculated on the basis of the aggregate Principal Amount Outstanding of such Bonds being so converted and rounded down to the nearest whole number of Shares. Notwithstanding the foregoing, in the event of a consolidation or re-classification of Shares by operation of law or otherwise occurring after 10 March 2017 which reduces the number of Shares outstanding, the Company will upon conversion of Bonds pay in cash in Hong Kong dollars a sum equal to such portion of the Principal Amount Outstanding of the Bond or Bonds evidenced by the Certificate deposited in connection with the exercise of Conversion Rights, aggregated as provided in this Condition 6(A)(i), as corresponds to any fraction of a Share not issued as a result of such consolidation or re-classification aforesaid, provided that such sum exceeds HK\$100.00. Any such sum shall be paid not later than five Stock Exchange Business Days (as defined in Condition 6(B)(i)) after the relevant Conversion Date by means of a Hong Kong dollar cheque drawn on, or by transfer to a Hong Kong dollar account maintained by the payee with, a bank in Hong Kong, in accordance with instructions given by the relevant Bondholder in the relevant Conversion Notice subject to the relevant bank account details being made available to the Company no later than one Stock Exchange Business Day (as defined in Condition 6(B)(i)) after the relevant Conversion Date.
- (iii) *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).
- (iv) *Revival and/or survival after Default:* Notwithstanding the provisions of Condition 6(A)(i), if (a) the Company shall default in making payment in full in respect of any Bond which shall have been called for redemption on the date fixed for redemption thereof, (b) any Bond has become due and payable prior to the Maturity Date by reason of the occurrence of any of the events under Condition 10; or (c) any Bond is not redeemed on the Maturity Date in accordance with Condition 8(A), the Conversion Right attaching to such Bond will revive

and/or will continue to be exercisable up to, and including, the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date upon which the full amount of the moneys payable in respect of such Bond has been duly received by the Principal Agent or the Trustee and notice of such receipt has been duly given to the Bondholders and, notwithstanding the provisions of Condition 6(A)(i), any Bond in respect of which the Certificate and Conversion Notice (as defined below) are deposited for conversion prior to such date shall be converted on the relevant Conversion Date (as defined below) notwithstanding that the full amount of the moneys payable in respect of such Bond shall have been received by the Principal Agent or the Trustee before such Conversion Date or that the Conversion Period may have expired before such Conversion Date.

- (v) *Meaning of "Shares"*: As used in these Conditions, the expression "Shares" means ordinary shares of par value HK\$0.0025 each of the Company or shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Company.

**(B) Conversion Procedure**

- (i) *Conversion Notice*: To exercise the Conversion Right attaching to any Bond, the holder thereof must complete, execute and deposit at his own expense during normal business hours at the specified office of any Conversion Agent a notice of conversion (a "Conversion Notice") in the form (for the time being current) obtainable from any Conversion Agent, together with (a) the relevant Certificate; and (b) certification by the Bondholder, in the form obtainable from any Conversion Agent, that any amounts required to be paid by the Bondholder under Condition 6(B)(ii) have been or (where permitted by law) will be so paid and on such other matters as may be required under the laws of the jurisdiction of incorporation of the Company or jurisdiction in which the specified office of such Conversion Agent is located. Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Conversion Agent to whom the relevant Conversion Notice is delivered is located.

If such delivery is made after the end of such normal business hours or on a day which is not a business day in the place of the specified office of the relevant Conversion Agent, such delivery shall be deemed for all purposes of these Conditions to have been made on the next following business day.

Any determination as to whether any Conversion Notice has been duly completed and properly delivered shall be made by the relevant Conversion Agent and shall be conclusive and binding on the Company, the Trustee, the Conversion Agents and the relevant Bondholder.

Conversion Rights may only be exercised in respect of Bonds the original principal amount of which is an Authorised Denomination. A Conversion Notice, once delivered, shall be irrevocable and may not be withdrawn unless the Company consents in writing to such withdrawal.

The conversion date in respect of a Bond (the "Conversion Date") must fall at a time when the Conversion Right attaching to that Bond is expressed in these Conditions to be exercisable (subject to the provisions of Condition 6(A)(iv) above) and will be deemed to be the Stock Exchange Business Day (as defined below) immediately following the date of the surrender of the Certificate in respect of such Bond and delivery of such Conversion

Notice and, if applicable, any such abovementioned certification or any payment to be made or indemnity given under these Conditions in connection with the exercise of such Conversion Right. A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Company consents in writing to such withdrawal. "Stock Exchange Business Day" means any day (other than a Saturday or Sunday) on which the Hong Kong Stock Exchange (as defined below) or the Alternative Stock Exchange (as defined below), as the case may be, is open for the business of dealing in securities.

- (ii) *Stamp Duty etc.*: A Bondholder delivering a Certificate in respect of a Bond for conversion must pay directly to the relevant tax authorities any and all taxes and capital, stamp, issue and registration and transfer duties arising on conversion (together, "Taxes") (other than any Taxes payable in Bermuda and Hong Kong and, if relevant, in the place of the Alternative Stock Exchange, by the Company in respect of the allotment and issue of Shares and listing of the Shares on the Relevant Stock Exchange (as defined below) on conversion) and such Bondholder must pay all, if any, Taxes arising by reference to any disposal or deemed disposal of a Bond in connection with such conversion. The Company will pay all other expenses arising on the issue of Shares on conversion of Bonds and all charges of the Agents and the share transfer agent for the Shares (the "Share Transfer Agent"). The Bondholder (and, if different, the person to whom the Shares are to be issued) must declare in the relevant Conversion Notice that any amounts payable to the relevant tax authorities in settlement of all Taxes payable pursuant to this Condition 6(B)(ii) have been, or (where permitted by law) will be, paid. Neither the Trustee nor any Agent is under any obligation to pay any Taxes or expenses arising on the issue of Shares or conversion of Bonds or any charges of the Share Transfer Agent or to determine whether a Bondholder or the Company (as the case may be) is liable to pay or has paid any or all Taxes (including without limitation capital, stamp, issue, registration or similar taxes and duties) or the other amounts payable (if any) in connection with this Condition 6(B)(ii).

If the Company shall fail to pay any Taxes payable for which it is responsible as provided above, the relevant Bondholder shall be entitled to tender and pay the same and the Company as a separate and independent stipulation, covenants to reimburse and indemnify such Bondholder in respect of any payment thereof and any penalties payable in respect thereof.

- (iii) *Registration*: Upon exercise by a Bondholder of its Conversion Right and compliance with Conditions 6(B)(i) and 6(B)(ii), the Company will, as soon as practicable, and in any event not later than five Stock Exchange Business Days after the Conversion Date, register the person or persons designated for the purpose in the Conversion Notice as holder(s) of the relevant number of Shares in the Company's share register and will, if the Bondholder has also requested in the Conversion Notice and to the extent permitted under applicable law and the rules and procedures of the Central Clearing and Settlement System of Hong Kong ("CCASS") effective from time to time, take all necessary action to procure that Shares are delivered through CCASS for so long as the Shares are listed on the Hong Kong Stock Exchange; or will make such certificate or certificates available for collection at the office of the Company's share registrar in Hong Kong (currently Computershare Hong Kong Investor Services Limited) notified to Bondholders in accordance with Condition 16 or, if so requested in the relevant Conversion Notice, will cause its share registrar to mail (at the risk, and, if sent at the request of such person otherwise than by ordinary mail, at the expense, of the person to whom such certificate or certificates are sent) such certificate or certificates to the person and at the place specified in the Conversion Notice, together (in either case) with any other securities, property or cash required to be delivered upon conversion and such assignments and other documents (if any) as may be required by law

to effect the transfer thereof, in which case a single share certificate will be issued in respect of all Shares issued on conversion of Bonds subject to the same Conversion Notice and which are to be registered in the same name.

The delivery of the Shares to the converting Bondholder (or such person or persons designated in the relevant Conversion Notice) in the manner contemplated above in this Condition 6(B)(iii) will be deemed to satisfy the Company's obligation to pay the Principal Amount Outstanding on such converted Bonds.

If the Conversion Date in relation to the conversion of any Bond shall be after the record date for any issue, distribution, grant, offer or other event as gives rise to the adjustment of the Conversion Price pursuant to Condition 6(C) or Condition 6(D), but before the relevant adjustment becomes effective (the "Relevant Effective Date") under the relevant Condition (a "Retroactive Adjustment"), upon the relevant adjustment becoming effective the Company shall procure the issue to the converting Bondholder (or in accordance with the instructions contained in the Conversion Notice (subject to applicable fiscal or other laws or other regulations)), such additional number of Shares ("Additional Shares") as is, together with Shares to be issued on conversion of the Bond(s), equal to the number of Shares which would have been required to be issued on conversion of such Bond if the relevant adjustment to the Conversion Price had been made and become effective on or immediately after the relevant record date and in such event and in respect of such Additional Shares references in this Condition 6(B)(iii) to the Conversion Date shall be deemed to refer to the Relevant Effective Date (notwithstanding that the Relevant Effective Date falls after the end of the Conversion Period). If the Company has elected to pay the converting Bondholder cash in lieu of Shares pursuant to the Cash Settlement Option (as defined in Condition 6(B)(iv)), the number of excess Shares shall be determined by assuming that the Company had not elected the Cash Settlement Option. In such case, the Company shall satisfy its obligations under this Condition by paying, as soon as practicable and in any event not later than 13 Stock Exchange Business Days (as defined in Condition 6(B)(i)) after the date of such adjustment of the Conversion Price becoming effective to the converting Bondholder an aggregate amount in Hong Kong dollars equivalent to the product of the closing price of any Share and any such additional number of Shares on the date the Company would be required to deliver such Shares if the Cash Settlement Option had not been exercised.

The person or persons specified for that purpose in the Conversion Notice will become the holder of record of the number of Shares issuable upon conversion with effect from the date he is or they are registered as such in the Company's register of members (the "Registration Date"). The Shares issued upon conversion of the Bonds will be fully paid and in all respects rank *pari passu* with the Shares in issue on the relevant Registration Date. Save as set out in these Conditions, a holder of Shares issued on conversion of Bonds shall not be entitled to any rights the record date for which precedes the relevant Registration Date.

If the record date for the payment of any dividend or other distribution in respect of the Shares is on or after the Conversion Date in respect of any Bond, but before the Registration Date (or in the event that the Company exercises the Cash Settlement Option, if the record date is on or after the Cash Settlement Notice Date (as defined in Condition 6(B)(iv)), but before the actual payment date of the Cash Settlement Amount (as defined in Condition 6(B)(iv))), (disregarding any Retroactive Adjustment of the Conversion Price referred to in this Condition 6(B)(iii) prior to the time such Retroactive Adjustment shall have become effective), the Company will calculate and pay to the converting Bondholder or his designee an amount in Hong Kong dollars (the "Equivalent Amount") equal to the Fair Market Value

(as defined below) of such dividend or other distribution to which he would have been entitled had he on that record date been such a shareholder of record and will make the payment at the same time as it makes payment of the dividend or other distribution, or as soon as practicable thereafter, but, in any event, not later than seven days thereafter. The Equivalent Amount shall be paid by means of a Hong Kong dollar cheque drawn on, or by transfer to a Hong Kong dollar account maintained by the payee with, a bank in Hong Kong, in accordance with instructions given by the relevant Bondholder in the Conversion Notice.

- (iv) *Cash Settlement:* Notwithstanding the Conversion Right of each Bondholder in respect of each Bond, at any time when the delivery of Shares deliverable upon conversion of the Bond is required to satisfy the Conversion Right in respect of a Conversion Notice, the Company shall have the option to pay to the relevant Bondholder an amount of cash equivalent to the Cash Settlement Amount (as defined below) in order to satisfy such Conversion Right in whole or in part (and if in part, the other part shall be satisfied by the delivery of Shares) (the “Cash Settlement Option”). In order to exercise the Cash Settlement Option, the Company shall provide notice of the exercise of the Cash Settlement Option (the “Cash Settlement Notice”) to the relevant Bondholder, the Trustee and the Agents as soon as practicable but no later than the fifth Stock Exchange Business Day (as defined in Condition 6(B)(i)) following the date of the Conversion Notice (the date of such Cash Settlement Notice being the “Cash Settlement Notice Date”). The Cash Settlement Notice must specify the number of Shares in respect of which the Company will make a cash payment in the manner described in this Condition 6(B)(iv). The Company shall pay the Cash Settlement Amount no later than two Stock Exchange Business Days after the 20 Trading Day period used to determine the Cash Settlement Amount. The Cash Settlement Amount shall be paid by means of a Hong Kong dollar cheque drawn on, or by transfer to a Hong Kong dollar account maintained by the payee with, a bank in Hong Kong in accordance with the instructions given by the relevant Bondholder in the relevant Conversion Notice. If the Company exercises its Cash Settlement Option in respect of Bonds held by more than one Bondholder which are to be converted on the same Conversion Date, the Company shall make the same proportion of cash and Shares available to such converting Bondholders.

“Cash Settlement Amount” means an amount in Hong Kong dollars (which shall be determined by the Company) equal to the product of (i) the number of Shares otherwise deliverable upon exercise of the Conversion Right in respect of the Bonds to which the Conversion Notice applies, and in respect of which the Company has elected the Cash Settlement Option and (ii) the arithmetic average of the Volume Weighted Average Price of the Shares for each day during the 20 Trading Days immediately after the Cash Settlement Notice Date. The Company shall provide notice of the calculation of the Cash Settlement Amount to the Bondholders, the Trustee and the Agents no later than the first Stock Exchange Business Day after the 20 Day period used to determine the Cash Settlement Amount following the Cash Settlement Notice Date.

If the Company is at any time otherwise (for any reason whatsoever) unable to issue sufficient Shares in satisfaction of the Conversion Right of any converting Bondholder, the Company undertakes to exercise the Cash Settlement Option in full, or to the extent required, to satisfy the Conversion Right of the Bondholder.

- (v) *Interest Accrual:* If any notice requiring the redemption of any Bonds is given pursuant to Condition 8(B) during the period beginning on the fifteenth day prior to the record date in respect of any dividend or distribution payable in respect of the Shares and ending on the Interest Payment Date next following such record date, where such notice specifies a date for redemption falling on or prior to the date which is 14 days after such next following Interest

Payment Date, interest shall (subject as hereinafter provided) accrue on Bonds in respect of the Conversion Rights shall have been exercised and in respect of which the Conversion Date falls after such record date and on or prior to the Interest Payment Date next following such record date from the preceding Interest Payment Date (or, if the relevant Conversion Date falls on or before the first Interest Payment Date, from, and including, the Issue Date) to, but excluding, such Conversion Date; provided that no such interest shall accrue on any Bond in the event that the Shares issued on conversion thereof shall carry an entitlement to receive such dividend or distribution or in the event the Bond carries an entitlement to receive an Equivalent Amount. Any such interest shall be paid not later than 14 days after the relevant Conversion Date by a Hong Kong dollar cheque drawn on, or by transfer to a Hong Kong dollar account maintained by the payee with, a bank in Hong Kong, in accordance with instructions given by the relevant Bondholder in the relevant Conversion Notice.

**(C) Adjustments to Conversion Price**

Upon the occurrence of any of the following events described below, the Conversion Price will be subject to adjustment as follows:

- (1) *Consolidation, Subdivision or Reclassification*: If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation, subdivision or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

Where:

- A is the nominal amount of one Share immediately after such alteration; and  
 B is the nominal amount of one Share immediately before such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

- (2) *Capitalisation of Profits or Reserves*:

- (i) If and whenever the Company shall issue any Shares credited as fully paid to the holders of Shares (“Shareholders”) by way of capitalisation of profits or reserves (including, Shares issued and paid up out of distributable profits or reserves and/or share premium account (except any Scrip Dividend) and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

Where:

- A is the aggregate nominal amount of the issued Shares immediately before such issue; and  
 B is the aggregate nominal amount of the issued Shares immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares or, if a

record date is fixed therefor, immediately after the record date.

- (ii) In the case of an issue of Shares by way of a Scrip Dividend where the Current Market Price on the date of announcement of the terms of such issue of such Shares multiplied by the number of such Shares issued exceeds the amount of the Relevant Cash Dividend or the relevant part thereof, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

- A is the aggregate number of issued Shares immediately before such issue;
- B is the number of Shares which the Relevant Cash Dividend would purchase at such Current Market Price; and
- C is the number of Shares to be issued by way of such Scrip Dividend;

Such adjustment shall become effective on the date of issue of such Shares or if the number of such Shares is fixed on announcement and a record date is fixed therefor, immediately after such record date.

- (3) *Capital Distributions:*

If and whenever the Company shall pay or make any Capital Distribution to the Shareholders (except to the extent that the Conversion Price falls to be adjusted under Condition 6(C)(2) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:

$$\frac{A - B}{A}$$

Where:

- A is the Current Market Price of one Share on the date on which the Capital Distribution is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the Capital Distribution attributable to one Share.

Such adjustment shall become effective on the date that such Capital Distribution is actually made or if a record date is fixed therefor, immediately after such record date. In making any calculation pursuant to this Condition 6(C)(3), such adjustments (if any) shall be made as an Independent Investment Bank may consider appropriate to reflect (a) any consolidation or subdivision of the Shares, (b) issues of Shares by way of capitalisation of profits or reserves, or any like or similar event, (c) the modification of any rights to dividends of Shares or (d) any change in the fiscal year of the Company.

For the avoidance of doubt, when the Capital Distribution is by means of a Relevant Cash Dividend, only such portion of the Relevant Cash Dividend which exceeds the percentage for the period basis referred to in proviso (i) of the definition of Capital Distribution (the “excess portion”) shall be regarded as Capital Distribution and only the excess portion shall be taken into account in determining the Fair Market Value of the portion of the Capital Distribution attributable to one Share.

- (4) *Rights Issues of Shares or Options over Shares:* If and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares, in each case at less than 95 per cent. of the Current Market Price per Share on the date of the announcement of the terms of the issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

- A is the number of Shares in issue immediately before such announcement;
- B is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued or granted by way of rights and for the total number of Shares comprised therein would subscribe for, purchase or otherwise acquire at such Current Market Price per Share; and
- C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant. Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be.
- (5) *Rights Issues of Other Securities:* If and whenever the Company shall issue any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares) to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

Where:

- A is the Current Market Price of one Share on the date on which such issue or grant is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.
- Such adjustment shall become effective on the date of issue of the securities or the issue or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be.
- (6) *Issues at less than Current Market Price:* If and whenever the Company shall issue (otherwise than as mentioned in Condition 6(C)(4) above) any Shares (other than Shares



issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or issue or grant (otherwise than as mentioned in Condition 6(C)(4) above) options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares in each case at a price per Share which is less than 95 per cent. of the Current Market Price on the date of announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{C}$$

Where:

- A is the number of Shares in issue immediately before the issue of such additional Shares or the issue or grant of such options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares;
- B is the number of Shares which the aggregate consideration (if any) receivable for the issue of such additional Shares would purchase at such Current Market Price per Share; and
- C is the number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue by the Company of options, warrants or other rights to subscribe or purchase Shares, mean such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price on the date of issue or grant of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the issue or grant of such options, warrants or other rights.

- (7) *Other Issues at less than Current Market Price:* Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this Condition 6(C)(7), if and whenever the Company or any of its Subsidiaries (otherwise than as mentioned in Conditions 6(C)(4), 6(C)(5) or 6(C)(6)), or (at the direction or request of or pursuant to any arrangements with the Company or any of its Subsidiaries) any other company, person or entity shall issue any securities (other than the Bonds, which for these purposes shall exclude any further bonds issued pursuant to Condition 16) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription at a consideration per Share which is less than 95 per cent. of the Current Market Price on the date of announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

- A is the number of Shares in issue immediately before such issue;
- B is the number of Shares which the aggregate consideration (if any) receivable by the

Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Share; and

C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of issue of such securities.

- (8) *Modification of Rights of Conversion etc.:* If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in Condition 6(C) (7) (other than in accordance with the terms applicable on issue of such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is reduced and is less than 95 per cent. of the Current Market Price on the date of announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

A is the number of Shares in issue immediately before such modification;

B is the number of Shares which the aggregate consideration (if any) receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at such Current Market Price per Share or, if lower, the existing conversion, exchange or subscription price of such securities; and

C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an Independent Investment Bank consider appropriate (if at all) for any previous adjustment under this Condition 6(C) (7) or Condition 6(C) (8).

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

- (9) *Other Offers to Shareholders:* If and whenever the Company or any of its Subsidiaries or (at the direction or request of or pursuant to any arrangements with the Company or any of its Subsidiaries) any other company, person or entity issues, sells or distributes any securities in connection with which an offer to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under Condition 6(C)(4), Condition 6(C)(5), Condition 6(C)(6) or Condition 6(C)(7)), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A - B}{A}$$

Where:

- A is the Current Market Price of one Share on the date on which such issue is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue, sale or distribution of the securities.

- (10) *Other Events*: If the Company determines (after consultation with the Trustee) that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in this Condition 6 (whether or not referred to in this Condition 6 above and even if the relevant event or circumstances is specifically excluded in these Conditions from the operation of paragraphs (1) to (9) above of this Condition 6(C)) or that an adjustment pursuant to this Condition 6(C) should be made in a certain manner, or that an adjustment should not be made (even if the relevant event or circumstance is specifically provided for in paragraphs (1) to (9) above of this Condition 6(C)), or that the effective date for the relevant adjustment should be a date other than that mentioned in paragraphs (1) to (9) above, the Company shall, at its own expense, consult an Independent Investment Bank to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, and the date on which such adjustment should take effect and upon such determination by the Independent Investment Bank such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that where the events or circumstances giving rise to any adjustment pursuant to this Condition 6 have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this Condition 6 as may be advised by the Independent Investment Bank to be in its opinion appropriate to give the intended result.

**(D) Conversion upon Change of Control**

If a Change of Control (as defined below) occurs, the Company shall give notice of that fact to the Bondholders (the “Change of Control Notice”) in accordance with Condition 16 within seven days after it becomes aware of such Change of Control. Following the giving of a Change of Control Notice, upon any exercise of Conversion Rights such that the relevant Conversion Date falls within 30 days following a Change of Control, or, if later, 30 days following the date on which the Change of Control Notice is given to Bondholders (such period, the “Change of Control Conversion Period”), the Conversion Price shall be adjusted by multiplying the Conversion Price on the relevant Conversion Date by the following formula:

$$\frac{\text{OCP}}{1 + (\text{CP} \times c/t)}$$

Where:

- OCP = shall be the Conversion Price applicable on the relevant Conversion Date in respect of any conversion pursuant to this Condition 6(D);
- CP = the conversion premium of 19 per cent. expressed as a fraction;
- c = the number of days from and including the first day of the Change of Control Conversion Period to but excluding the Maturity Date (as defined in

Condition 8(A)); and

t = the number of days from and including the Issue Date to but excluding the Maturity Date (as defined in Condition 8(A)), provided that:

- (i) the Conversion Price shall not be reduced pursuant to this Condition 6(D) below the level permitted by applicable laws and regulations from time to time (if any);
- (ii) any such adjustment to the Conversion Price shall be limited such that the adjusted Conversion Price shall be adjusted downward but only to the extent that it shall not fall below the Floor Price (as defined in Condition 6(E)). Notwithstanding the preceding sentence, to the extent the prevailing Conversion Price immediately prior to any adjustment pursuant to this Condition 6(D) is below the Floor Price, such Conversion Price shall not be adjusted under this Condition 6(D) and shall remain effective; and
- (iii) the adjustment events set out in Condition 6(C) shall apply, *mutatis mutandis*, to adjustments that have been made pursuant to Condition 6(D) to ensure that appropriate adjustments shall continue to be made to any Conversion Price to reflect any events set out in Condition 6(C).

If the last day of a Change of Control Conversion Period shall fall during a Closed Period, the Change of Control Conversion Period shall be extended such that its last day will be the fifteenth day following the last day of a Closed Period.

For the purposes of these Conditions:

A “Change of Control” occurs when:

- (i) any person or persons, other than Ms. Lau Ting or any of her Affiliates, executors, administrators or successors, acting together acquires Control of the Company; or
- (ii) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company’s assets to any other person or persons acting together, unless the consolidation, merger, sale or transfer will not result in the other person or persons acquiring Control over the Company or the successor entity;

“Affiliate” of any specified Person means any other Person, directly or indirectly, Controlling or Controlled by or under direct or indirect common Control with such specified Person;

“Control” means (a) the beneficial ownership or control of more than 50 per cent. of the Voting Rights of the issue share capital of the Company, or (b) the right to appoint and/or remove all or the majority of the members of the Company’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights, contract or otherwise;

a “Person” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Company’s board of directors or any other governing board and does not include the Company’s wholly-owned direct or indirect Subsidiaries; and

“Voting Rights” means the right generally to vote at a general meeting of shareholders of the Company (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

**(E) Conversion Price Reset**

If the arithmetic average of the daily Volume Weighted Average Price of the Shares for the period of 20 consecutive Trading Days ending on (but excluding) 7 November 2017 (the “Reset Date”)

(the “Reset Reference Price”), is less than 0.242, the Conversion Price shall be adjusted on a one-time basis in accordance with the following formula and shall become effective as of the Reset Date:

$$\text{Adjusted Conversion Price} = \text{Reset Reference Price} \times (1 + \text{CP})$$

Where “CP” means 19 per cent. expressed as a fraction provided that:

- (i) any such adjustment to the Conversion Price shall be limited such that the adjusted Conversion Price shall be adjusted downward but only to the extent that it shall not fall below 80 per cent. of the initial Conversion Price (taking into account any adjustments as described in Condition 6(C), but without taking into account any adjustment as described in Condition 6(D), in each case, which may have occurred prior to the Reset Date) (the “Floor Price”). Notwithstanding the preceding sentence, to the extent the prevailing Conversion Price immediately prior to any adjustment pursuant to this Condition 6(E)(i) is below the Floor Price, such Conversion Price shall not be adjusted under this Condition 6(E)(i) and shall remain effective; and
- (ii) the adjustment events set out in Condition 6(C) shall apply, mutatis mutandis, to adjustments that have been made pursuant to Condition 6(E) to ensure that appropriate adjustments shall continue to be made to any Conversion Price to reflect any events set out in Condition 6(C).

Any such adjustments under this Condition 6(E) shall be notified to the Bondholders as soon as practicable after the Reset Date.

**(F) Provisions Relating to Changes in Conversion Price**

- (i) *Minor adjustments:* On any adjustment, the resultant Conversion Price, if not an integral multiple of one Hong Kong cent, shall be rounded down to the nearest Hong Kong cent. No adjustment shall be made to the Conversion Price if such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made. Notice of any adjustment shall be given by the Company to Bondholders in accordance with Condition 16 and to the Trustee in writing promptly after the determination thereof.
- (ii) *Decision of an Independent Investment Bank:* If any doubt shall arise as to whether an adjustment falls to be made to the Conversion Price or as to the appropriate adjustment to the Conversion Price, and following consultation between the Company and an Independent Investment Bank, a written opinion of such Independent Investment Bank in respect thereof shall be conclusive and binding on the Company, the Bondholders and the Trustee, save in the case of manifest error.
- (iii) *Minimum Conversion Price:* Notwithstanding the provisions of this Condition 6, the Company undertakes that: (a) the Conversion Price shall not in any event be reduced to below the nominal or par value of the Shares as a result of any adjustment hereunder unless under applicable law then in effect the Bonds may be converted at such reduced Conversion Price into legally issued, fully paid and non-assessable Shares; and (b) it shall not take any action, and shall procure that no action is taken, that would otherwise result in an adjustment to the Conversion Price to below such nominal or par value or any minimum level permitted

by applicable laws or regulations.

- (iv) *Reference to “fixed”*: Any references herein to the date on which a consideration is “fixed” shall, where the consideration is originally expressed by reference to a formula which cannot be expressed as an actual cash amount until a later date, be construed as a reference to the first day on which such actual cash amount can be ascertained.
- (v) *Multiple events*: Where more than one event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that in the opinion of an Independent Investment Bank, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such Independent Investment Bank to be in its opinion appropriate in order to give such intended result.
- (vi) *Upward/downward adjustment*: No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation or re-classification of the Shares as referred to in Condition 6(C)(1) above. The Company may at any time and for a specified period of time only, following notice being given to the Trustee and the Bondholders in accordance with Condition 16, reduce the Conversion Price, subject to Condition 6(F)(iii).
- (vii) *Trustee and Agents not obliged to Monitor*: Neither the Trustee nor any Agent shall be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Conversion Price or to make any calculation or determination (or verification of any calculation or determination) in connection with the Conversion Price and will not be responsible to Bondholders for any loss arising from any failure by it to do so or for any delay by the Company in making a determination or any erroneous determination in connection with the Conversion Price.
- (viii) *Notice of Change in Conversion Price*: The Company shall give notice to the Bondholders in accordance with Condition 16 and, for so long as the Bonds are listed on the Hong Kong Stock Exchange and the rules of the Hong Kong Stock Exchange so require, the Company shall also give notice to the Hong Kong Stock Exchange, of any change in the Conversion Price. Any such notice relating to a change in the Conversion Price shall set forth the event giving rise to the adjustment, the Conversion Price prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.
- (ix) *Share Option Schemes*: Notwithstanding any provision in this Condition 6, no adjustment will be made to the Conversion Price to the extent any Shares or other securities (including rights or options) are issued, offered, exercised, allotted or granted to, or for the benefit of employees, consultants, officers and directors of the Company or any Subsidiary pursuant to any employee share scheme or plan (and which employee share scheme or plan is and, following such issue, offer, exercise, allotment or grant, remains in compliance with the listing rules of the Relevant Stock Exchange).

**(G) Definitions**

For the purposes of these Conditions:

“Alternative Stock Exchange” means at any time, in the case of the Shares, if they are not at that time listed and traded on the Hong Kong Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in.

“Capital Distribution” means:

- (a) any distribution of assets in specie by the Company for any financial period (whenever paid or made and however described) (and for these purposes a distribution of assets in specie

includes without limitation an issue of shares or other securities credited as fully or partly paid (other than Shares credited as fully paid by way of capitalisation of reserves but which excludes a Scrip Dividend adjusted for under (b) of this definition)); and

- (b) any Relevant Cash Dividend of any kind by the Company for any financial period (whenever paid and however described) unless:
  - (i) (and only to the extent that) in the case of such Relevant Cash Dividend, it does not, when taken together with any other Relevant Cash Dividend previously made or paid in respect of the same fiscal year, exceed 0.3 per cent. of the Market Capitalisation of the Company at the time of announcement of such Relevant Cash Dividend; or
  - (ii) it comprises a purchase or redemption of Shares by or on behalf of the Company (or a purchase of Shares by or on behalf of a Subsidiary of the Company) where the purchase or redemption price (before expenses) in respect of such purchases or redemptions does not exceed 105 per cent. of the average closing market price of the Shares for the five preceding Trading Days on which the Shares were traded on the Relevant Stock Exchange as determined in accordance with the applicable listing rules of the Relevant Stock Exchange;

“Current Market Price” means, in respect of a Share on a particular date, the average of the daily Volume Weighted Average Price of one Share (being a Share carrying full entitlement to dividend) on each of the five consecutive Trading Days ending on and including the Trading Day immediately preceding such date; provided that if at any time during such five Trading Day period the Volume Weighted Average Price shall have been based on a price ex-dividend (or ex-any other entitlement) and during some other part of that period the Volume Weighted Average Price shall have been based on a price cum-dividend (or cum-any other entitlement) then:

- (a) if the Shares to be issued or transferred and delivered do not rank for the dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Shares shall have been based on a price cum-dividend (or cum-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such dividend or entitlement per Share; or
- (b) if the Shares to be issued or transferred and delivered rank for the dividend or entitlement in question, the Volume Weighted Average Price on the dates on which the Shares shall have been based on a price ex-dividend (or ex-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by the Fair Market Value of any such dividend or entitlement per Share;

and provided that if on each of the said five Trading Days the Volume Weighted Average Price shall have been based on a price cum-dividend (or cum-any other entitlement) in respect of a dividend (or other entitlement) which has been declared or announced but the Shares to be issued or transferred and delivered do not rank for that dividend (or other entitlement), the Volume Weighted Average Price on each of such dates shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such dividend or entitlement per Share;

“Fair Market Value” means, with respect to any asset, security, option, warrant or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Independent Investment Bank, provided that (i) the fair market value of a cash dividend paid or to be paid per Share shall be the amount of such cash dividend per Share determined as at the date of announcement of such dividend; (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such Independent Investment Bank) the fair

market value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five Trading Days on the relevant market commencing on the first such Trading Day such options, warrants or other rights are publicly traded;

“Hong Kong Stock Exchange” means The Stock Exchange of Hong Kong Limited or any successor thereto;

“Independent Investment Bank” means an independent investment bank of international repute (acting as an expert) selected by the Company and notified in writing to the Trustee. If the Company fails to select an Independent Investment Bank when required by these Conditions, the Trustee may, at its absolute discretion, but shall not be obliged to, select the Independent Investment Bank;

“Market Capitalisation” on any date means the product of (i) the Current Market Price and (ii) the total number of Shares issued and paid up on such date;

“PRC” means the People’s Republic of China, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan;

“Relevant Cash Dividend” means any aggregate cash dividend or distribution declared by the Company, including any cash dividend in respect of which there is any Scrip Dividend or a Scrip Dividend in respect of which there is a cash alternative;

“Relevant Stock Exchange” means at any time, in respect of the Shares, the Hong Kong Stock Exchange or the Alternative Stock Exchange;

“Scrip Dividend” means any Shares issued in lieu of the whole or any part of any Relevant Cash Dividend being a dividend which the Shareholders concerned would or could otherwise have received (and for the avoidance of doubt to the extent that an adjustment is to be made under Condition 6(C)(3) in respect of the Relevant Cash Dividend, no adjustment shall be made for the amount by which the Current Market Price of the Shares exceeds the Relevant Cash Dividend or part thereof for which an adjustment has already been made under Condition 6(C)(2)(ii)).

“Trading Day” means a day when the Hong Kong Stock Exchange or, as the case may be an Alternative Stock Exchange, is open for dealing business and on which the Shares or other securities may be dealt in (other than a day on which the Relevant Stock Exchange is scheduled to or closes prior to its regular closing time); and

“Volume Weighted Average Price” means, in respect of a Share on any Trading Day, the order book volume-weighted average price of a Share published by or derived from Bloomberg (or any successor service) page HK Equity VAP (Ticker: 1371) or such other source as shall be determined to be appropriate by an Independent Investment Bank on such Trading Day, provided that on any such Trading Day where such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Share in respect of such Trading Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Trading Day on which the same can be so determined.

References to any issue or offer or grant to Shareholders “as a class” or “by way of rights” shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders, other than Shareholders by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

**(H) Undertakings**



The Company has undertaken in the Trust Deed, *inter alia*, that so long as any Bond remains outstanding:

- (i) it will use its best endeavours (a) to maintain a listing for all the issued Shares on the Hong Kong Stock Exchange, and (b) to obtain and maintain a listing for all the Shares issued on the exercise of the Conversion Rights attaching to the Bonds on the Hong Kong Stock Exchange, and if the Company is unable to obtain or maintain such listing, to use its best endeavours to obtain and maintain a listing for all the issued Shares on an Alternative Stock Exchange as from time to time selected by the Company and notified to the Trustee and will forthwith give notice to the Bondholders in accordance with Condition 16 below of the listing or delisting of the Shares (as a class) by any of such stock exchange;
- (ii) it will pay the expenses of the issue of, and all expenses of obtaining listing for, Shares arising on conversion of the Bonds (save for the Taxes payable by the relevant Bondholders as specified in Condition 6(B)(ii));
- (iii) it will reserve, free from any other pre-emptive or other similar rights, out of its authorised but unissued ordinary share capital the full number of Shares liable to be issued on conversion of the Bonds from time to time remaining outstanding and shall ensure that all Shares delivered on conversion of the Bonds will be duly and validly issued as fully-paid;
- (iv) it will not make any offer, issue, grant or distribute or take any action the effect of which would be to reduce the Conversion Price below the par value of the Shares of the Company, provided always that the Company shall not be prohibited from purchasing its Shares to the extent permitted by law;
- (v) it will not make any reduction of its ordinary share capital or any uncalled liability in respect thereof or of any share premium account or capital redemption reserve fund except, in each case, where the reduction is permitted by applicable law and results in (or would, but for the provision of these Conditions relating to rounding or the carry forward of adjustments, result in) an adjustment to the Conversion Price or is otherwise taken into account for the purposes of determining whether such an adjustment should be made; and
- (vi) it will not take any corporate or other action (including, without limitation, the issue of any Shares or any other securities that are directly or indirectly convertible into, or exercisable or exchangeable for, any Shares) that would cause the Conversion Price of the Bonds to be adjusted in a manner that contravenes the applicable laws of Bermuda or the applicable listing rules of the Relevant Stock Exchange or would result in the Company being unable to comply with the adjustment provisions of Conditions 6(C), 6(D) or 6(E). For the avoidance of doubt, a breach of this Condition 6(H)(vi) shall entitle the Bondholders to remedies expressly set out in these Conditions only.

The Company has also given certain other undertakings in the Trust Deed for the protection of the Conversion Rights.

## **7 PAYMENTS**

### **(A) Method of Payment**

Payment of principal and interest due other than on an Interest Payment Date will be made by transfer to the registered account of the Bondholder or by Hong Kong dollar cheque drawn on a bank in Hong Kong mailed to the registered address of the Bondholder in accordance with Condition 16 if it does not have a registered account. Payment of principal will only be made after surrender of the relevant Certificate at the specified office of any of the Agents.

Interest on Bonds due on an Interest Payment Date will be paid on the due date for the payment of

interest to the holder shown on the Register at the close of business on the fifteenth day before the due date for the payment of interest (the “Interest Record Date”). Payments of interest on each Bond will be made by transfer to the registered account of the Bondholder or by Hong Kong dollar cheque drawn on a bank in Hong Kong mailed to the registered address of the Bondholder if it does not have a registered account. If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

**(B) Registered Accounts**

For the purposes of this Condition 7, a Bondholder’s registered account means the Hong Kong dollar account maintained by or on behalf of it with a bank in Hong Kong, details of which appear on the Register at the close of business on the second Payment Business Day (as defined below) before the due date for payment, and a Bondholder’s registered address means its address appearing on the Register at that time.

**(C) Fiscal Laws**

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 9) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to Bondholders in respect of such payments.

**(D) Payment Initiation**

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a Payment Business Day (as defined below), for value on the first following day which is a Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (at the risk and, if mailed at the request of the holder otherwise than by ordinary mail, expense of the holder) on the due date for payment (or, if it is not a Payment Business Day, the immediately following Payment Business Day) or, in the case of a payment of principal and interest due other than on an Interest Payment Date, if later, on the Payment Business Day on which the relevant Certificate is surrendered at the specified office of an Agent.

**(E) Delay in Payment**

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, if the Bondholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition 7 arrives after the due date for payment.

**(F) Payment Business Day**

In this Condition 7, “Payment Business Day” means a day other than a Saturday or Sunday on which commercial banks are open for business in Hong Kong and the city in which the specified office of the Principal Agent is located and, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered. If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

**8 REDEMPTION, PURCHASE AND CANCELLATION**

**(A) Amortisation**

Unless previously redeemed, converted or purchased and cancelled as provided herein, the Company will, on each date set out in column (1) below (each an "Amortisation Date"), redeem the Bonds in an amount equal to the relevant percentage of the Principal Amount Outstanding of the Bonds on such Amortisation Date set out in column (2) below opposite such date (each a "Repayment Instalment"):

(1)	(2)
Amortisation Date	Repayment Instalment
7 May 2020	50%
Maturity Date	100%

The "Maturity Date" shall mean 7 November 2020.

The Company may not redeem the Bonds at its option prior to that date except as provided in Condition 8(B) (but without prejudice to Condition 10).

**(B) Redemption at the Option of the Company**

At any time the Company may, having given not less than 30 no more than 60 days' notice (an "Issuer Redemption Notice") to the Bondholders in accordance with Condition 16 (which notice shall be irrevocable) redeem in full, but not some only, of the Bonds at their Principal Amount Outstanding together with any interest accrued but unpaid to the date fixed for redemption.

Upon the expiry of any such notice, the Company will be bound to redeem the Bonds at their Principal Amount Outstanding together with interest accrued to the date fixed for redemption on the date specified in such notice.

**(C) Redemption for Relevant Event**

Following the occurrence of a Relevant Event (as defined below), the holder of each Bond will have the right at such holder's option, to require the Company to redeem all or some only of such holder's Bonds on the Relevant Event Redemption Date (as defined below) at their Principal Amount Outstanding together with any interest accrued but unpaid to the date fixed for redemption. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent (the "Relevant Event Redemption Notice") together with the Certificate evidencing the Bonds to be redeemed by not later than 60 days following a Relevant Event, or, if later, 60 days following the date upon which notice thereof is given to Bondholders by the Company in accordance with Condition 16. The "Relevant Event Redemption Date" shall be the 14th day after the expiry of such period of 60 days as referred to above.

A Relevant Event Redemption Notice, once delivered, shall be irrevocable and may not be withdrawn without the Company's consent and the Company shall redeem the Bonds the subject of Relevant Event Redemption Notices delivered as aforesaid on the Relevant Event Redemption Date.

Neither the Trustee nor the Agents shall be required to take any steps to ascertain whether a Relevant Event or any event which could lead to the occurrence of a Relevant Event has occurred and shall not be liable to the Bondholders or any other person for not doing so.

The Company shall give notice to Bondholders in accordance with Condition 16 by not later than

14 days following the first day on which it becomes aware of the occurrence of a Relevant Event, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Bonds pursuant to this Condition 8(C) and shall give reasonable details of the Relevant Event.

For the purposes of this Condition 8(C), a “Relevant Event” occurs:

- (i) when the Shares cease to be listed or admitted to trading on the Hong Kong Stock Exchange;
- (ii) when the Shares are suspended for trading for a period equal to or exceeding 20 consecutive Trading Days on the Hong Kong Stock Exchange; or
- (iii) when there is a Change of Control (as defined in Condition 6(D)).

**(D) Redemption at the Option of the Bondholders**

The Company will, at the option of the holder of any Bond, redeem all or some of that holder’s Bonds on 7 April 2018 (the “Put Option Date”), at their Principal Amount Outstanding together with any interest accrued but unpaid to such date. To exercise such right, the holder of the relevant Bond must complete, sign and deposit at the specified office of any Paying Agent a duly completed and signed notice (the “Put Exercise Notice”) together with the Certificate evidencing the Bonds to be redeemed not earlier than 60 days and not later than 30 days prior to the Put Option Date.

A Put Exercise Notice, once delivered, shall be irrevocable (and may not be withdrawn unless the Company consents to such withdrawal) and the Company shall redeem the Bonds the subject of any Put Exercise Notice delivered as aforesaid on the Put Option Date.

**(E) Purchases**

The Company or any of its Subsidiaries may, subject to applicable laws and regulations, at any time and from time to time purchase Bonds at any price in the open market or otherwise.

**(F) Cancellation**

All Bonds which are redeemed, converted or purchased by the Company or any of its Subsidiaries, will forthwith be cancelled. Certificates in respect of all Bonds cancelled will be forwarded to or to the order of the Registrar and such Bonds may not be reissued or resold.

**(G) Redemption Notices**

All notices to Bondholders given by or on behalf of the Company pursuant to Condition 8(B) will specify the Conversion Price as at the date of the relevant notice, the Conversion Period, the closing price of the Shares as at the latest practicable date prior to the publication of the notice, the interest accrued to the date fixed for redemption, the date for redemption, the manner in which redemption will be effected and the aggregate Principal Amount Outstanding of the Bonds outstanding as at the latest practicable date prior to the publication of the notice.

If more than one notice of redemption is given (being a notice given by either the Company or a Bondholder pursuant to this Condition 8), the first in time shall prevail. Neither the Trustee nor the Agents shall be responsible for calculating, or verifying any calculations of, any amounts payable under these Conditions.

**(H) Principal Amount Outstanding**

The "Principal Amount Outstanding" of the Bonds means the original principal amount of the Bonds less any payments of principal that have been made by the Company in the partial redemption of the Bonds.

## 9 TAXATION

All payments made by the Company under or in respect of the Bonds, the Trust Deed or the Agency Agreement will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied collected, withheld or assessed by or on behalf of Hong Kong or Bermuda or any authority thereof or therein having power to tax (each a “Relevant Jurisdiction”), unless deduction or withholding of such taxes, duties, assessments or governmental charges is required by law. In such event, the Company shall pay such additional amounts (“Additional Tax Amounts”) as will result in the receipt by the Bondholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no Additional Tax Amounts shall be payable in respect of any Bond:

- (i) *Other connection:* to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with a Relevant Jurisdiction other than the mere holding of the Bond or by the receipt of amounts in respect of the Bond; or
- (ii) *Surrender more than 30 days after the relevant date:* (in the case when the Certificate representing such Bond is required under these Conditions to be presented for payment) if the Certificate in respect of such Bond is surrendered more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on surrendering the relevant Certificate for payment on the last day of such period of 30 days.

“Relevant Date” in respect of any Bond means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Bondholders that, upon further surrender of the Certificate representing such Bond being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

References in these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under this Condition 9 or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

The provisions of this Condition 9 shall not apply in respect of any payments of interest which fall due after the relevant Tax Redemption Date in respect of any Bonds which are the subject of a Bondholder election pursuant to Condition 8(B).

## 10 EVENTS OF DEFAULT

### (A) Events of Default

If any of the following events (each an “Event of Default”) occurs, the Trustee at its sole discretion may, and if so requested in writing by the holders of not less than 25 per cent. in aggregate Principal Amount Outstanding of the Bonds then outstanding, or if so directed by an Extraordinary Resolution, shall (subject in any such case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Company that the Bonds are, and they shall immediately become due and repayable at their Principal Amount Outstanding together with accrued but unpaid interest (if any) to the date of payment (subject as provided below but without prejudice to the right of Bondholders to exercise the Conversion Right in respect of their Bonds in accordance with Condition 6) if:

- (i) *Non-Payment:* the Company fails to pay the principal on any of the Bonds when due or

interest on any of the Bonds within three business days after the due date of such payment;  
or

- (ii) *Failure to deliver Shares*: any failure by the Company to deliver any Shares or the Cash Settlement Amount (as applicable) as and when the Shares are required to be delivered or such Cash Settlement Amount is required to be paid (as applicable) following conversion of Bonds; or
- (iii) *Breach of Other Obligations*: the Company does not perform or comply with any one or more of its other obligations in the Bonds or the Trust Deed which default is in the opinion of the Trustee incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 30 days after written notice of such default shall have been given to the Company by the Trustee; or
- (iv) *Insolvency*: the Company or any of its Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a substantial part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or a material part of (or of a particular type of) the debts of the Company or any of its Principal Subsidiaries; an administrator or liquidator of the Company or any of its Principal Subsidiaries or the whole or any part of the assets and turnover of the Company or any of its Principal Subsidiaries is appointed (or application for any such appointment is made);
- (v) *Cross-Default*: (a) any other present or future indebtedness of the Company or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (b) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (c) the Company or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(A)(v) have occurred equals or exceeds HK\$50,000,000 or its equivalent (as determined on the basis of the middle spot rate for the relevant currency against the Hong Kong dollar as quoted by any leading bank in Hong Kong) on the day on which such indebtedness becomes due and payable or is not paid or any such amount becomes due and payable or is not paid under any such guarantee or indemnity; or
- (vi) *Enforcement Proceedings*: a distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against a substantial part of the property, assets or revenues of the Company or any of its Principal Subsidiaries which is not discharged or stayed within 30 days; or
- (vii) *Security Enforced*: a secured party takes possession or an administrative or other receiver or an administrator or other similar officer is appointed of the whole or a substantial part of the undertaking, assets or revenues of the Company or any of its Principal Subsidiaries (as the case maybe) and is not discharged or stayed within 30 days; or
- (viii) *Winding-up*: an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Company or any of its Principal

Subsidiaries, or the Company or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, but except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (a) on terms approved by an Extraordinary Resolution of the Bondholders, or (b) in the case of a Principal Subsidiary, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Company or another of its Principal Subsidiaries; or

- (ix) *Nationalisation*: (a) any step is lawfully taken by any competent governmental authority with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a substantial part of the assets of the Company or any of its Principal Subsidiaries; or (b) the Company or any of its Principal Subsidiaries is prevented by any competent governmental authority from exercising normal control over all or all or a substantial part of its property, assets and turnover; or
- (x) *Authorisation and Consents*: any action, Condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (a) to enable the Company lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds and the Trust Deed, (b) to ensure that those obligations are legally binding and enforceable and (c) to make the Bonds and the Trust Deed admissible in evidence in the courts of Bermuda and Hong Kong is not taken, fulfilled or done; or
- (xi) *Illegality*: it is or will become unlawful for the Company to perform or comply with any one or more of its obligations under any of the Bonds or the Trust Deed; or
- (xii) *Analogous Events*: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of Conditions 10(iv) to 10(ix) (both inclusive).

In this Condition 10, “Principal Subsidiary” means, at any time, any Subsidiary of the Company:

- (a) whose gross revenue or (in the case of a Subsidiary which itself has subsidiaries) consolidated gross revenue, as shown by its latest audited income statement are at least five per cent. of the consolidated gross revenue as shown by the latest published audited consolidated income statement of the Company and its Subsidiaries; or
- (b) whose gross assets or (in the case of a Subsidiary which itself has subsidiaries) gross consolidated assets, as shown by its latest audited balance sheet are at least five per cent. of the amount which equals the amount included in the consolidated gross assets of the Company and its Subsidiaries as shown by the latest published audited consolidated balance sheet of the Company and its Subsidiaries as being represented by the investment of the Company in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Company and after adjustment for minority interest;

provided that, in relation to paragraphs (a) and (b) above of this definition:

- (i) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Company relate, the reference to the then latest consolidated audited accounts of the Company for the purposes of the calculation above shall, until consolidated audited accounts of the Company for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published be deemed to be a reference to the then latest consolidated audited accounts of the Company adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiary) of such Subsidiary in

such accounts;

- (ii) if at any relevant time in relation to the Company or any Subsidiary which itself has Subsidiaries and no consolidated accounts are prepared and audited, then the total assets of the Company and/or any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by the Company for the purposes of preparing a certificate thereon to the Trustee;
- (iii) if at any relevant time in relation to any Subsidiary, no accounts are audited, its revenue gross (or, as the case may be, operating) or gross assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Company;
- (iv) if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso (i) above) are not consolidated with those of the Company, then the determination of whether or not such subsidiary is a Principal Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Company; and
- (v) any Subsidiary of the Company to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, provided that the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary at the date on which the first published audited accounts (consolidated, if appropriate) of the Company prepared as of a date later than such transfer are issued unless such Subsidiary would continue to be a Principal Subsidiary on the basis of such accounts by virtue of the provisions of paragraphs (a) or (b) of this definition.

A certificate by two of the directors of the Company who are also Authorised Signatories that in their opinion (making such adjustments (if any) as they shall deem appropriate) a Subsidiary is or is not or was or was not at any particular time or during any particular period a Principal Subsidiary shall be conclusive and binding on the Company, the Trustee and the Bondholders.

## **11 PRESCRIPTION**

Claims in respect of amounts due in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date.

## **12 ENFORCEMENT**

At any time after the Bonds have become due and repayable, the Trustee may, at its sole discretion and without further notice, take such proceedings against the Company as it may think fit to enforce repayment of the Bonds and to enforce the provisions of the Trust Deed, but it will not be bound to take any such proceedings unless (a) it shall have been so requested in writing by the holders of not less than 25 per cent. in Principal Amount Outstanding of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Bondholder will be entitled to proceed directly against the Company unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

## **13 MEETINGS OF BONDHOLDERS, MODIFICATION AND WAIVER**

### **(A) Meetings of Bondholders**



The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Company or the Trustee, and shall be convened by the Trustee if it is so requested by Bondholders holding not less than 10 per cent. in Principal Amount Outstanding of the Bonds for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. of the Principal Amount Outstanding of the Bonds for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Bondholders whatever the Principal Amount Outstanding of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity date of the Bonds, the Put Option Date or the dates on which interest is payable in respect of the Bonds, (ii) to modify the circumstances in which the Company or Bondholders are entitled to redeem the Bonds pursuant to Conditions 8(B), 8(C), 8(D) or 8(E), (iii) to reduce or cancel the amount of principal, interest or Equivalent Amount payable in respect of the Bonds, (iv) to change the currency of denomination or payment of the Bonds, (v) to modify (except by a unilateral and unconditional reduction in the Conversion Price) or cancel the Conversion Rights, or (vi) to modify the provisions concerning the quorum required at any meeting of the Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 66 per cent., or at any adjourned meeting not less than 33 per cent., in Principal Amount Outstanding of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed. The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90 per cent. of the aggregate of the Principal Amount Outstanding of the Bonds for the time being outstanding shall be as valid and effective as a duly passed Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

For the purpose of these Conditions:

“Extraordinary Resolution” means a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority of at least 75 per cent. of the votes cast.

**(B) Modification and Waiver**

The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (a) any modification of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions (together the “Documentation”) which in the Trustee’s opinion is of a formal, minor or technical nature, or is made to correct a manifest error, or to comply with mandatory provisions of law, and (b) any other modification to the Documentation (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach of any of the provisions of the Documentation which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders. Any such modification authorisation or waiver shall be binding on the Bondholders and, unless the Trustee agrees otherwise, any such modification, authorisation or waiver shall be notified by the Company to the Bondholders promptly in accordance with Condition 16.

**(C) Entitlement of the Trustee**

In connection with the exercise of its functions, rights, powers and discretions (including but not

limited to those referred to in this Condition 13) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Company and the Trustee any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders.

**(D) Certificates/Reports**

Any certificate or report of any expert or other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of these Conditions or the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts therein (and in such event shall, in the absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate or report and/or engagement letter or other document entered into by the Trustee, the Company or any other person in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof.

*In the event of the passing of an Extraordinary Resolution in accordance with Condition 13(A) or a modification, waiver or authorisation in accordance with Condition 13(B), the Company will procure that the Bondholders are notified in accordance with Condition 16.*

## **14 REPLACEMENT OF CERTIFICATES**

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or any Transfer Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Company and the Registrar or such Transfer Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

## **15 FURTHER ISSUES**

The Company may from time to time, without the consent of the Bondholders, create and issue further securities having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the Bonds or upon such terms as the Company may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition 15 and forming a single series with the Bonds. Any further securities forming a single series with the Bonds constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed.

## **16 NOTICES**

All notices to Bondholders shall be validly given if mailed to them at their respective addresses in the register of Bondholders maintained by the Registrar or published in a leading newspaper having general circulation in Hong Kong or, if such publication shall not be practicable, in an English language newspaper of general circulation in Asia (which is expected to be the Asian Wall Street Journal). Any such notice shall be deemed to have been given on the later of the date of such publication or, if published more than once, on the first date on which publication is made.

*So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or the Alternative Clearing System (as defined in the form of the Global Certificate), notices to Bondholders shall be given by delivery of the relevant notice to Euroclear or Clearstream or the Alternative Clearing System, for communication by it to entitled accountholders in substitution for notification as required by the Conditions, and such notice shall be deemed to be received*

*by the Bondholders on the date of delivery of such notice to Euroclear or Clearstream or the Alternative Clearing System.*

## **17 AGENTS**

The initial Agents and their initial specified offices are listed below. The Company reserves the right at any time, with the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and appoint additional or replacement Agents provided that it will maintain (i) a Principal Agent, and (ii) a Registrar with a specified office outside Hong Kong and the United Kingdom. Notice of any changes in any Agent or their specified offices will be given promptly by the Trustee to the Bondholders.

## **18 INDEMNIFICATION OF THE TRUSTEE**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility including from taking proceedings unless indemnified and/or secured and/or prefunded to its satisfaction and to be relieved from responsibility in certain circumstances and to be paid its fees, costs, expenses, indemnity payments and other amounts in priority to the claims of the Bondholders. The Trustee is entitled to enter into business transactions with the Company and any entity related to the Company without accounting for any profit.

The Trustee may rely without liability to Bondholders on any report, confirmation or certificate or any advice of any accountants, lawyers, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice, in which case such report, confirmation or certificate or advice shall be binding on the Bondholders.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision or giving any such direction, to seek directions from the Bondholders by way of Extraordinary Resolution, and the Trustee shall not be responsible for any loss or liability incurred by the Company, the Bondholders or any other person as a result of any delay in it exercising such discretion or power, taking such action, making such decision or giving such direction as a result of seeking such direction from the Bondholders or in the event that no direction is given to the Trustee by the Bondholders.

None of the Trustee or any of the Agents shall be responsible for the performance by the Company or any other person appointed by the Company in relation to the Bonds of the duties and obligations on their part expressed in respect of the same and, unless it has actual knowledge (as defined in the Trust Deed) or express written notice from the Company to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Bondholder, the Company or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Bondholders. The Trustee shall be entitled to rely on any direction, request or resolution of Bondholders given by Bondholders holding the requisite Principal Amount Outstanding of the Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed.

The Trustee shall have no obligation to monitor whether an Event of Default or a Potential Event of Default (as defined in the Trust Deed) or a Change of Control or a Relevant Event has occurred, and shall not be liable to the Bondholders or any other person for not doing so.

**19 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

**20 GOVERNING LAW AND SUBMISSION TO JURISDICTION**

**(A) Governing Law**

The Bonds, the Trust Deed and the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

**(B) Jurisdiction**

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Bonds (“Proceedings”) may be brought in such courts. Pursuant to the Trust Deed, the Company has irrevocably submitted to the jurisdiction of such courts.

**(C) Agent for Service of Process**

Pursuant to the Trust Deed, the Company has irrevocably appointed an agent in England to receive service of process in any Proceedings in England based on any of the Bonds and the Trust Deed.

**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 Step Up 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: \_\_\_\_\_