

**Terms and Conditions for Short-term IPO staggng loan(s)**

To: East Asia Securities Company Limited (“EAS”)

Re: Short-term Loan Facility for Application(s) of Public Offering of Shares

Account Number:

Account Name:

I/We, \_\_\_\_\_ (customer name) of \_\_\_\_\_ (account number) hereby request EAS to consider request(s) from time to time made by me/us for the short-term loan facility for application of public offering of shares (“the Facility”) subject to the terms and conditions set out below.

- 1. Customer : \_\_\_\_\_ (“the Customer” and where two or more persons are specified as Customer, all references to “the Customer” shall mean all such persons or any one or more of them.)
- 2. Purpose : For the sole purpose to enable EAS, at the request of the Customer (the “Request”), to make application (“the **Application**”) using a YELLOW APPLICATION FORM on the Customer’s behalf in accordance with the terms and conditions set out in the pertinent prospectus of a public offering of shares (“the **Shares**”) to be submitted before 12:00 noon on the last application day of the Shares. The proceeds of the loan drawing under the Facility shall not at any time be treated as the property of the Customer and will be held by the Customer on trust for EAS pending the conclusion of the issue and allotment of the Shares. All monies refunded in respect of the unsuccessful portion of the Application shall be held and applied by EAS for full/partial repayment of the outstanding amount under the Facility.
- 3. Instruction : Each request of the Customer for the use of the Facility, if accepted by EAS, shall be irrevocable and such request may be given in writing, verbally, by facsimile or other electronic means acceptable to EAS, but in any case at the Customer’s own risks.
- 4. Acceptance : Each request or application made or submitted by the Customer to use the Facility in whole or in part shall be a request by the Customer to EAS to extend financing for the terms and conditions set out or referred to in this letter. The Facility is uncommitted. No commitment by EAS to extend any financing shall arise until the request by the Customer for such financing is accepted by EAS either expressly or by its extending such financing to the Customer. EAS has the absolute discretion to accept or reject each request or application of the Customer. EAS may at any time modify, terminate, cancel, withdraw or suspend the Facility or vary the terms applicable to the Facility without the consent of any party, without giving prior notice to any party and without

subject to any condition.

5. Representations : With respect to each Application, the Customer:

- (i) declares and confirms that the Customer is eligible to apply for the public offering of the Shares.
- (ii) warrants and undertakes that the Application shall be the only application made for the Customer's benefit in respect of the same issue of the Shares and that the Customer shall make no other application in such issue.
- (iii) represents and warrants that the Customer is not a connected person (as defined in the Rules Governing the Listing of Securities on the Stock Exchange Hong Kong Limited or other similar applicable rules) of the issuer of securities that are subject of the new issue.
- (iv) confirms that the Customer has been provided with sufficient opportunity to access the prospectus and other offering documents of the public offering of the shares and the information disclosed therein.
- (v) confirms that the Customer has read and agreed to be bound by the terms and conditions of EAS eIPO services.

The representations contained in this clause shall be deemed to be repeated and will remain to be true and accurate in all respects as though made on each date on which any obligation or liability is owed by the Customer or on which the Facility remain available.

6. Margin Deposit : Upon acceptance by EAS of each request of the Customer for the use of the Facility, the Customer shall pay EAS on or before the time specified by EAS an initial deposit not less than 10% of the total amount for the Shares applied under the Application. Any drawdown of the loan under the Facility is subject to the full payment of such initial deposit to EAS.

7. Drawing : The amount of the loan approved and accepted by EAS will be available for drawing in one lump sum on last day of the Application.

8. Repayment : The sum advanced under the Facility shall be repaid in full together with accrued interest on the refund date as specified in the prospectus or offering documents of the Shares, subject to EAS's actual receipt of the refund cheque in respect of wholly unsuccessful and/or partially unsuccessful Application. Refund cheque is expected to be despatched by the Share Registrar on or before the refund date by ordinary post. Proceeds of the refund cheque shall be applied for partial/full repayment of the outstanding sum under the Facility; any shortfall shall be settled by the Customer accordingly.

9. Interest : Interest on the sum advanced under the Facility (**the**

**Interest**") will be charged at the annual rate or in the form of a one-off administrative fee as determined and quoted by EAS and accepted by the Customer upon EAS's receipt of the request of the Customer for use of the Facility.

If Interest is charged based on the annual rate instead of a one-off administrative fee, the Interest on the loan drawing shall be calculated and accrued on the actual number of days elapsed and on a 365-day year or on such other basis as may from time to time be stipulated by EAS.

10. Administrative Fee : (a) In the event that EAS has agreed at its sole discretion to reduce the amount of the loan originally requested by the Customer and accepted by EAS at the subsequent request of the Customer, the Customer shall pay to EAS, on top of the interest on the reduced loan, an administrative fee which is equivalent to the difference between the interest agreed on the loan originally accepted by EAS and the interest on the reduced loan as determined by EAS.
- (b) In the event that the Customer cancels the Application and/or the loan or the reduced loan (as the case may be) before the deadline of the Application or does not drawdown the loan or the reduced loan (as the case may be) for whatever reason(s) (including but not limited to the cancellation of the public offering of the Shares), the Customer agrees and undertakes to pay an administrative fee to EAS which is equivalent to the interest on the loan or the reduced loan (as the case may be) as if the Application had been made and the loan or the reduced loan (as the case may be) had been drawn down by the Customer.

The Customer further agrees that EAS shall be entitled to set off the Customer's liability (including but not limited to the administrative fee) against any collateral charged and/or to apply (without prior notice) any credit balance (whether or not then due) to which the Customer is at any time beneficially entitled on any account (and to combine or consolidate any such accounts) at, any sum held to the Customer's order by and/or any liability of, EAS, either singly or jointly, in or towards satisfaction of any liabilities then due from the Customer to EAS under this letter and that all the funds, stocks, securities, unit trust, bonds and other assets of the Customer in the account(s) maintained with EAS shall be subject to a lien exercisable by EAS in respect of any liabilities (including but not limited to the administrative fee) then due from the Customer to EAS under this letter.

11. Security : To the intent that the security hereby constituted shall constitute a continuing security for the repayment of any amount outstanding under the Facility and all interest accrued thereon, the Customer hereby pledges to EAS:

- (a) all shares subscribed on behalf of the Customer and successfully allocated to the Customer under the Application;
- (b) all sums standing to the credit of the Customer on any account with EAS and its parent Bank, THE BANK OF EAST ASIA, LIMITED in whatever currency, together in each case with any interest from time to time accruing in respect thereof; and
- (c) Provision of margin deposit to the minimum extent of 10% of the subscription amount of each Application in either all or part of the following forms:-
  - i. Hong Kong Dollar Cash Deposits with The Bank of East Asia Group;
  - ii. Time Deposits with The Bank of East Asia Group (at EAS's applicable financing ratio);
  - iii. Deposit of collateral in the form of listed securities (shares & bonds) at EAS's prevailing financing ratios applicable to such securities to be deposited; and
  - iv. Provision of an acceptable Undertaking/Guarantee by the Customer or a valid third party Undertaking duly authorising EAS to earmark unencumbered tangible securities (cash deposits, term deposits, notes & bonds, listed securities, real estates or any other securities acceptable to EAS for the time being in the possession of The Bank of East Asia Group) at the EAS's prevailing financing ratio applicable to such securities to be deposited or earmarked.

If the Customer fails to make any payment in respect of the Facility when due, in addition to any rights conferred in law or in this letter, EAS may, without prior notice to the Customer or prior authorization from any court, exercise the power to sell, apply or otherwise deal with any of the securities mentioned above at such time and in such manner it considers appropriate, free from all rights, claims or interests of the Customer. EAS is entitled to apply the proceeds of such sale or dealing in paying the costs thereof and in or towards the discharge of such payment obligations. The Customer shall have no right or claim against EAS in respect of any loss arising out of such sale or dealing, howsoever caused, and whether or not better price could or might have been obtained on the sale or other dealing by either deferring or advancing the date of such sale or dealing or otherwise howsoever except to the extent that such loss is incurred as a result of gross negligence, wilful default or fraud of EAS and/or its employees. EAS shall be entitled to make any currency conversions or effect any transactions in currencies which it thinks fit.

12. Overriding Right : Notwithstanding any other provisions in this letter, EAS reserves the customary overriding right to demand the Customer to repay in part or in whole of all sums outstanding under the Facility or to dispose of the Customer's pledged securities to reduce the total loan amount and interest outstanding and any shortfall that may arise thereof shall be repaid by the Customer.

13. Authorisation : To secure due performance and discharge of the obligations and liabilities of the Customer to EAS under this letter, the Customer irrevocably and unconditionally authorises EAS to be his/her/their true and lawful agent (acting in the name of the Customer or otherwise), with full power of delegation and substitution, to carry out any of the obligations of the Customer under this letter or for protecting or exercising EAS's rights under this letter, including (without limitation) the following:

(a) to sign or execute any documents and do all acts and things which may be required or which EAS thinks fit for carrying out any obligations of the Customer under this letter or otherwise for realising any security given to EAS or for giving to EAS the full benefit of this letter; and

(b) to make any claim or take any action which EAS may consider necessary or desirable in connection with any transaction contemplated by, or related to, the Facility or in connection with any asset subject to security in favour of EAS, in each case on such terms as EAS may in its discretion consider appropriate.

The Customer shall from time to time ratify and confirm whatsoever EAS shall lawfully do or cause to be done by virtue of the authorisation granted under this clause.

14. Notices : (i) All requests, notices or other communications in connection with this letter are to be sent at the risks of the Customer(s). EAS does not assume any responsibility for any inaccuracy, interruption, error or delay or total failure in transmission or delivery by post, facsimile or other written form of electronic communication.

(ii) EAS shall be under no duty to inquire into the authenticity of any request or instructions or the identity or authority of the person giving or purporting to give any instructions or making any request on behalf of the Customer.

(iii) EAS may treat all requests or instructions given as fully authorised and binding on the Customer regardless of the circumstances prevailing at the time of the request or instructions being given or the nature or amount of the transaction and notwithstanding any error, misunderstanding, lack of clarity, errors in transmission,

fraud, forgery or lack of authority in relation to the instructions. The Customer agrees that the Customer is under an express duty to EAS to prevent any fraudulent, forged or unauthorised requests or instructions being given.

- (iv) EAS is authorised to act on any oral instruction given, or purported to be given, over the telephone and any facsimile requests or instructions from the Customer. Such requests or instructions are sent entirely at the own risks of the Customer and the Customer hereby undertakes to indemnify EAS at all times against all actions, proceedings, claims, loss, damage costs and expenses which may be brought up by any mistake or omission or misinterpretation in event.
- (v) EAS may at its discretion record telephone conversation by writing and/or tape recording and/or any other method, and EAS may deem the recording of such instructions as conclusive and binding evidence of the same as against the Customer. EAS shall not be held liable for the execution of instructions by telephone, facsimile or other electronic means given by unauthorised person of the Customer.
- (vi) For all telephone instructions, EAS shall not be obliged to require proof of identity. In case instructions given by facsimile or other electronic means, the name and/or number of the Account, appearing in the facsimile or other electronic means, will be considered as sufficient proof of identity.

15. Liability : Where the Customer consists more than one (1) person under this letter, each person is jointly and severally liable with the other persons for all sums payable or owing to EAS under the Facility (whether incurred by that person or not). Each Customer further agrees that EAS is not required to make any reference to the other Customer in relation to the utilisation of the Facility by any Customer. EAS may release, compound with or otherwise vary or agree to vary the liability of, or grant time or indulgence to, or make other arrangement with, any one or more of the Customer without prejudicing or affecting its rights and remedies against the other or others. None of the Customer shall be entitled to any rights or remedies, legal or equitable, or as surety as regards the liabilities of the other or others of them.

16. Amendment : EAS may revise the provisions contained in this letter and/or introduce additional provisions at any time and from time to time after giving reasonable notice to the Customer. Such provisions, any revisions and/or additions thereto shall be binding on the Customer after the effective date of such notice.

17. Governing law and Jurisdiction : This letter shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People’s Republic of China and the courts of such place shall have non-exclusive jurisdiction to settle any dispute which may arise out of or in relation to this letter.

I/We, the Customer, agree(s) to and accept(s) all the terms and conditions set out above, which I/we have read and understood.

\_\_\_\_\_  
Client’s Signature(s)  
Date:

[Signature verified by: ]