

Execution Version

DATED 22 August 2014

Rising Development Holdings Limited as Issuer

AND

Shanghai Electric Hongkong Co. Limited as Subscriber

SUBSCRIPTION AGREEMENT

**in respect of
HK\$700,000,000 3 months HIBOR plus 5.5 per cent. per annum
Convertible Bonds due 2016
Convertible into shares in the share capital of
Rising Development Holdings Limited**

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THIS AGREEMENT is made on 22nd day of August, 2014

BETWEEN:

- (1) **Rising Development Holdings Limited**, (the “Issuer”), a limited liability company incorporated under the laws of Bermuda and whose registered office is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and whose principal place of business in Hong Kong is at Rooms 2004-2005, 20/F., World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong; and
- (2) **Shanghai Electric Hongkong Co. Limited**, (the “Subscriber”), a company incorporated under the laws of Hong Kong whose registered office is at Room 2602, 26/F., Tower 1, Lippo Centre, No. 89 Queensway, Hong Kong,

each a “party” and together the “parties”.

WHEREAS:

- (A) The Issuer is incorporated as a limited liability company under the laws of Bermuda whose Shares (as defined below) are listed on the Stock Exchange (as defined below).
- (B) As at the date hereof, the Issuer has an authorised share capital of HK\$300,000,000 divided into 30,000,000,000 ordinary shares of HK\$0.01 each (the “Shares”) and an issued share capital of HK\$14,862,286 divided into 1,486,228,600 Shares of HK\$0.01 each, all of which are listed on the Stock Exchange.
- (C) The Issuer and its subsidiaries intend to enter into and develop photovoltaic power station business including through acquiring solar power stations (the “New Business”).
- (D) The Issuer has agreed with the Subscriber to issue, and the Subscriber has agreed to subscribe for, the Bonds upon and subject to the terms and conditions set out in this Agreement to finance the development of the New Business.
- (E) Pursuant to the terms of this Agreement, the parties have also agreed to certain ongoing governance arrangements in relation to the Subscriber’s subscription of the Bonds (as defined below) and investment in the Issuer.

THE PARTIES AGREE THAT:

1. Interpretation

- 1.1 Unless otherwise defined in this Agreement, capitalized terms used in this Agreement shall have the following meanings:

“Affiliate” means, with respect to any Person any other Person directly or indirectly Controlling, Controlled by or under common Control with, such person.

“Agreement” means this Agreement, as varied, amended, modified, varied or supplemented in writing by the parties hereto from time to time.

“Approved Financial Adviser” has the meaning ascribed to it in the Conditions.

“Audited Accounts” means the audited consolidated balance sheet of the Issuer and the Subsidiaries made up as at the Balance Sheet Date and the audited consolidated profit and loss account of the Issuer and the Subsidiaries in respect of the three financial years ended on the Balance Sheet Date including, in each case, the notes thereto and the directors' report and auditors' report.

“Authorisation” means any licence, consent, permit, approval or other authorisation, whether public or private.

“Balance Sheet Date” means 31 March 2014.

“Board” means the board of directors of the Issuer from time to time.

“Bond Consideration” means HK\$700,000,000, which is the aggregate principal amount of the Bonds.

“Bondholder(s)” means the Person in whose name a Bond is registered in the Register of Bondholders.

“Bonds” means the convertible bonds due 2016 in the aggregate principal amount of HK\$700,000,000 having a denomination of HK\$10,000,000 each, created by the Instrument and constituted by the Certificate and to be issued by the Issuer on the Completion Date pursuant to this Agreement with the benefit of and subject to the Conditions.

“Business Day” means a day on which banks are open for ordinary banking business in Hong Kong (other than a Saturday, a Sunday or a public holiday or a day on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.).

“Capital Distribution” has the meaning ascribed to it in the Conditions.

“Certificate” has the meaning ascribed to it in the Conditions.

“Completion” means completion of the transactions contemplated herein pursuant to Clause 4.

“Completion Date” means the later of (i) 5th Business Day next following the date upon which Conditions Precedent set out in Clause 3.1(E) shall have been satisfied and (ii) 16th Business Day following the date hereof (or such other date as may be agreed between the parties) or, if the context otherwise requires, the date on which Completion takes place.

“Companies Ordinance” means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

“Conditions” means the terms and conditions to the Bonds to be attached to the Certificates substantially in the form set out in Schedule 1 (with such

amendments thereto as the Issuer and the Subscriber may agree in writing) and a “Condition” refers to the relative numbered paragraph of the Conditions.

“Conditions Precedent” means the conditions precedent set out in Clause 3.1.

“Control” means, with respect to a Person, the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; *provided* that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to control the composition of a majority of the board of directors of such Person. The terms “Controlled” and “Controlling” have meanings correlative to the foregoing.

“Controlled Affiliates” means any Person that, directly or indirectly, controls, is controlled by or is under common control with such Person with the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; *provided* that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than thirty percent (30%) of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to control the composition of a majority of the board of directors of such Person.

“Conversion Price” has the meaning ascribed to it in the Conditions.

“Conversion Rights” has the meaning ascribed to it in the Conditions.

“Conversion Shares” means the Shares to be issued by the Issuer upon conversion of the Bonds.

“Directors” means in relation to the Issuer or any of the Subsidiaries, its directors.

“Encumbrance” includes any interest or equity of any person (including any right to acquire, right of first refusal, option or right of pre-emption); any mortgage, charge, pledge, lien, assignment, hypothecation, security interest of any kind (including any created by law), title retention or other security agreement or arrangement; and any rental, hire purchase, credit or conditional sale or other agreement for payment on deferred terms and includes any agreement for any of the same and “Encumber” and “Encumbrancer” shall be construed accordingly.

“Environmental Laws” means all applicable laws relating to (i) pollution, contamination or protection of the environment or health and safety, (ii) Releases or threatened Releases of Hazardous Substances or (iii) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Substances.

“Event of Default” means an event described under “Event of Default” in the Conditions.

“Governmental Authority” means (a) the government of (i) Bermuda, Hong Kong and the PRC or any political subdivision thereof; or (ii) any other jurisdiction in which any member of the Group conducts all or part of its business; or (b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

“Group” means the Issuer and its Subsidiaries from time to time and “members of the Group” shall be construed accordingly.

“Hazardous Substance” means (i) any petroleum, petroleum product or petroleum derivative, radioactive material, asbestos or asbestos-containing material, polychlorinated biphenyl, urea formaldehyde foam insulation and radon gas, (ii) any chemical, material or substance referred to as being a hazardous substance, hazardous waste, hazardous material, toxic substance, toxic pollutant, contaminant or pollutant, or any other words of similar import under any applicable Environmental Law or (iii) any substance regulated or classified under any Environmental Law.

“HK\$” means Hong Kong dollar, the lawful currency of Hong Kong.

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“Insolvency Event” means the Issuer or any of its Material Subsidiaries is insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or a material part 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 the debts of the Issuer or any of its Material Subsidiaries; or if an administrator or liquidator of the Issuer or of any of its Material Subsidiaries or the whole or any material part of the assets and revenues of the Issuer or any of its Material Subsidiaries is appointed (or application for any such appointment is made); or an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer or any of its Material Subsidiaries, or the Issuer or its Material Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) in the case of the Issuer, on terms approved by the Subscriber, or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of such Material Subsidiary are transferred to or otherwise vested in the Issuer or another of its Material Subsidiaries;

“Instrument” means the instrument to be executed by the Issuer by way of a deed poll constituting the Bonds in the agreed form set out in Schedule 1 or with such changes as are agreed in writing by the Subscriber, together with the schedules and any other document executed in accordance with the instrument (each as from time to time altered in accordance with its terms) and expressed to be supplemental to the instrument.

“Listing Rules” means the Rules Governing the Listing of Securities on the Stock Exchange.

“Material Adverse Effect” has the meaning ascribed to it in the Conditions.

“Material Contract” means any contract, agreement, arrangement, undertaking or commitment, whether written or oral, which has not fully been performed to which any members of the Group is a party or by which any of its respective properties or assets are bound or affected and which in terms of the sums involved and nature is material to the Group as a whole.

“Material Subsidiary” has the meaning ascribed to it in the Certificate.

“Maturity Date” has the meaning ascribed to it in the Conditions.

“Person” includes an individual, a partnership (including a limited liability partnership), a company, an association, a joint stock company, a limited liability company, a trust, a joint venture, a legal person, an unincorporated organization and a Governmental Authority.

“PRC” means the People’s Republic of China and for the purpose of this Agreement, does not include Taiwan, Hong Kong or Macau.

“Reference Date” means (i) the last day of each financial year of the Issuer and (ii) the last day of the first half of the financial year of the Issuer, in each case which occurs prior to the Maturity Date.

“Register of Bondholders” means the register to be kept at the Issuer’s registered office in Bermuda on which the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers of the Bonds are entered in accordance with the terms of the Certificate.

“Release” means any release, migration, seepage, discharge, or disposal into any soil, surface waters, groundwater, sediments, surface of subsurface strata, ambient air or any other environmental medium.

“Securities and Futures Ordinance” means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

“SFC” means the Securities and Futures Commission in Hong Kong and where the context so admits shall mean the Executive Director of the Corporate Finance Division of the Securities and Futures Commission.

“Share Option Scheme” has the meaning ascribed to it in the Conditions.

“Shareholder(s)” means holder(s) of the Shares.

“Shares” means the shares of HK\$0.01 each in the capital of the Issuer.

“Stock Exchange” means The Stock Exchange of Hong Kong Limited.

“subsidiary” or “holding company” shall have the meaning ascribed to them respectively in section 15 and section 13 of the Companies Ordinance.

“Takeovers Code” means the Hong Kong Code on Takeovers and Mergers and Share Buy-backs.

“Tax” and “Taxation” means (a) any form of tax whenever created or imposed and whether of Hong Kong, Bermuda or elsewhere, payable to or imposed by any taxation authority and includes, without limitation, profits tax, provisional profits tax, interest tax, salaries tax, property tax, taxes on income, estate duty, capital duty, stamp duty, payroll tax and other similar liabilities or contributions and any other taxes, levies, duties, charges, imposts or withholdings similar to, corresponding with, or replacing or replaced by any of the foregoing and (b) all charges, interests, penalties and fines, incidental or relating to any Taxation falling within (a) above.

“Trading Day” means a day on which trading of the Shares is conducted on the Stock Exchange in accordance with the rules and regulations of the Stock Exchange promulgated from time to time.

“Warranties” means the warranties and representations set out in Part B of Schedule 2 in respect of Warranties from the Subscriber to the Issuer (being the “Subscriber Warranties”) and Part C of Schedule 2 in respect of Warranties from the Issuer to the Subscriber (being the “Issuer Warranties”).

1.2 In this Agreement, where the context admits:

- (A) a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted;
- (B) where any statement is to the effect that the Issuer is not aware of any matter or circumstance, or is a statement qualified by the expression “so far as the Issuer is aware” or “to the best of the Issuer's knowledge and belief” or any similar expression, that statement shall be deemed to include an additional statement that it has been made after due and careful enquiry immediately before giving the statement taking into account the circumstances of the Issuer and its Subsidiaries at the time and the same shall when used in respect of any other person apply in relation to such statements as to the awareness or knowledge of such other person;
- (C) references to clauses and schedules are references to clauses of and schedules to this Agreement, references to paragraphs are, unless otherwise stated, references to paragraphs of the schedule in which the reference appears and references to this Agreement include the schedules;
- (D) references to the singular shall include the plural and vice versa and references to the masculine, the feminine and the neuter shall include each other such gender;
- (E) “person” includes any individual, partnership, body corporate, corporation sole or aggregate, state or agency of a state, and any unincorporated association or organisation, in each case whether or not having separate legal personality;
- (F) “company” includes any body corporate;

- (G) references to times of the day are to Hong Kong time and references to a day are to a period of 24 hours running from midnight to midnight; and
 - (H) except as otherwise expressly provided, words and expressions defined in the Companies Ordinance as at the date hereof have the same meanings when used in this Agreement.
- 1.3 The headings and sub-headings are inserted for convenience only and shall not affect the construction of this Agreement.
- 1.4 Each of the schedules shall have effect as if set out herein.

2. Issue and Subscription for the Bonds

Subject to the terms and conditions hereof, the Subscriber shall subscribe for and purchase from the Issuer, and the Issuer shall issue and sell to the Subscriber, the Bonds on Completion, at the Bond Consideration and on the terms and subject to the Conditions.

3. Conditions Precedent

- 3.1 Completion is conditional on:
- (A) the Warranties being true, accurate and correct in all respects and not misleading in any respect at, and as if made on, the Completion Date;
 - (B) the Issuer shall have performed all agreements, obligations, covenants herein required to be performed or observed by the Issuer on or prior to the Completion Date in all material respects;
 - (C) since the date of this Agreement, (i) no applicable laws shall have been promulgated or enacted that materially delays or makes illegal the performance of this Agreement, (ii) no applicable injunction, restraining order or order of similar nature by a Governmental Authority that materially delays or makes illegal the performance of this Agreement shall be effective and (iii) no applicable Governmental Authority shall have instituted any claim, suit, action, arbitration, investigation or other legal or administrative proceeding against or affecting the Issuer that seeks to materially delay or make illegal the performance of this Agreement;
 - (D) all issued Shares remaining listed on, and not having been withdrawn from, the Stock Exchange and save for (i) any trading halts, (ii) any temporary suspension of not more than ten consecutive Trading Days, (iii) any suspension pending clearance of any announcement in connection with any announcement required to be made under the Listing Rules (in each case, including any suspension in the trading of the Shares on the Stock Exchange pending the clearance or release of any announcement or circular relating to the transactions contemplated under this Agreement), the Stock Exchange not having indicated that it will object to such listing and there being no events or circumstances existing based on which the Stock Exchange could reasonably be

expected to raise such objection or that will adversely affect the listing status of the Shares;

- (E) listing of, and permission to deal in, all of the Conversion Shares upon conversion of the Bonds having been granted by the Listing Committee of the Stock Exchange (either unconditionally or subject to conditions);
- (F) there being no Material Adverse Effect;
- (G) there being no event existing or having occurred and no condition being in existence which would (had any Bonds already been issued) constitute an Event of Default and no event or act having occurred which with the giving of notices, or the lapse of time, or both, would (had any Bonds already been issued) constitute an Event of Default;
- (H) all Authorisations (if any) which are required from the relevant courts, Governmental Authorities in Hong Kong, the PRC and Bermuda for this Agreement and the transactions contemplated herein having been granted, fulfilled or given (as applicable);
- (I) there has not been an Insolvency Event;

and in the event that all the Conditions shall not have been satisfied or waived by the Issuer on or before 15 December 2014 or such other date as the parties hereto may agree, this Agreement (except for this Clause 3.1, Clause 1, Clause 10, Clause 12, Clause 13, Clause 14 and Clause 15) shall lapse and become null and void and no party hereto shall have or make any claim against the other in respect hereof save for liabilities for any antecedent breach (including any breach of Clauses 3.2, 3.3 or 4.2).

- 3.2 The Issuer shall, at its own costs, use its reasonable endeavours to satisfy or procure the satisfaction of the Conditions Precedents set out in Clause 3.1 after the date of this Agreement and shall notify the Subscriber in writing immediately upon the satisfaction thereof. Should the Issuer or the Subscriber become aware of anything which will or is reasonably likely to prevent any of the Conditions from being satisfied, it shall forthwith disclose in writing the same to the other party.
- 3.3 The Subscriber may at any time waive any or all of the Conditions Precedent (save and except for Clause 3.1(E) either in whole or in part and conditionally or unconditionally by giving notice in writing to the Issuer.
- 3.4 Any document and evidence (or copies thereof) to be provided under Clause 3.1 or other provisions of this Agreement, which are required to be signed or certified, shall be signed or certified by the person in accordance with the requirements under this Agreement or, in the absence of any such requirement, by a director or the secretary of the relevant person or by a solicitor of Hong Kong or by some other person to the reasonable satisfaction of the Subscriber.

4. Completion

- 4.1 Subject to the fulfilment or waiver of the Conditions Precedent, Completion shall take place at Hong Kong on Completion Date or at such other time and/or place as the Issuer and the Subscriber may agree in writing. At

Completion, all (but not only some) of the events detailed in this Clause 4 shall occur.

4.2 On Completion, the Issuer shall deliver to the Subscriber:

- (A) a certified copy of the resolutions of the Board approving, amongst other things, (i) the execution of this Agreement and the Instrument; (ii) the allotment and issue of the Bonds to the Subscriber in accordance with this Agreement and the Instrument and the transactions contemplated under this Agreement; (iii) upon Completion taking place, the entry of the name of the Subscriber into the Register of Bondholders as holder of the Bonds; the allotment and issue of the Conversion Shares upon exercise of the Conversion Rights in accordance with the Conditions;
- (B) a copy of the letter from the Stock Exchange confirming that approval has been granted by the Stock Exchange for the listing of and permission to deal in the Shares to be issued upon the exercise of Conversion Rights attaching to the Bonds pursuant to the Conditions;
- (C) a legal opinion, in form and substance reasonably satisfactory to the Subscriber, dated the Completion Date, of the Issuer's counsels addressed to the Subscriber as to Bermuda law in relation to (i) the due and proper execution of this Agreement by the Issuer, (ii) its due incorporation, valid existence and good standing of the Issuer (iii) the enforceability of this Agreement against the Issuer, and (iv) the due execution, validity and enforceability of the Bonds;
- (D) a legal opinion as to Hong Kong law in relation to (i) the due incorporation, (ii) valid existence of all subsidiaries incorporated in Hong Kong, (iii) the non-contravention of the Hong Kong laws and the Listing Rules in respect of the transaction contemplated under this Agreement;
- (E) a legal opinion as to the laws of the PRC in relation to the due incorporation and valid existence of all subsidiaries established in the PRC;
- (F) a certified copy of the Instrument duly executed by the Issuer;
- (G) the Bonds by delivering a certificate, duly executed, representing the aggregate principal amount of the Bonds (together with the Conditions) in the form set out in the Instrument in the name of the Subscriber; and
- (H) a completion certificate dated the Completion Date and addressed to the Subscriber from the Issuer, signed by a director and substantially in the form set out in Schedule 3.

4.3 On Completion, the Subscriber shall make the payment of the Bond Consideration (less any costs and expenses payable under Clause 8(H) to the Subscriber) by transfer in Hong Kong dollars for value same day to the bank account of the Issuer, the details of which shall be notified by the Issuer to the Subscriber no less than five (5) Business Days prior to the Completion Date.

- 4.4 If in any respect the obligations of the Issuer or Subscriber are not complied with on the Completion Date (whether such failure by the defaulting party amounts to a repudiatory breach or not), the party not in default may:
- (A) defer Completion to a date not more than fifteen (15) Business Days after the Completion Date (and so that the provisions of this Clause 4.4, apart from this Clause 4.4(A), shall apply to Completion as so deferred); or
 - (B) proceed to Completion so far as practicable (without prejudice to its rights hereunder); or
 - (C) rescind this Agreement.

5. Transfer of Bonds and Shares

Save for those set out in this Agreement, the Listing Rules and the Securities and Futures Ordinance, there are no restrictions on transfers of the Bonds or (except under the Listing Rules) the voting or transfer of any of the Shares or payments of dividends with respect to the Shares pursuant to the Issuer's constitutional documents, or pursuant to any agreement or other instrument to which the Issuer is a party or by which it may be bound.

6. Warranties

- 6.1 The Issuer hereby warrants, represents and undertakes to and for the benefit of the Subscriber in terms of the Issuer Warranties and acknowledge that the Subscriber is entering into this Agreement in reliance upon each of the Issuer Warranties each of which is given on the basis that it is now and will be at Completion remain true and accurate. Each Issuer Warranty shall be construed as a separate warranty and (save as expressly provided to the contrary) shall not be limited or restricted by reference to or inference from the terms of any other Issuer Warranty or any other terms of this Agreement.
- 6.2 The Subscriber hereby warrants, represents and undertakes to and for the benefit of the Issuer in terms of the Subscriber Warranties and acknowledge that the Issuer is entering into this Agreement in reliance upon each of the Subscriber Warranties each of which is given on the basis that it is now and will be at Completion remain true and accurate. Each Subscriber Warranty shall be construed as a separate warranty and (save as expressly provided to the contrary) shall not be limited or restricted by reference to or inference from the terms of any other Subscriber Warranty or any other terms of this Agreement.
- 6.3 Each of the Issuer and the Subscriber undertakes to notify the other as soon as possible upon it becoming aware prior to Completion of any event which could reasonably be expected as indicating that any of Issuer Warranties or Subscriber Warranties, as applicable, may be or may have been incorrect, misleading or breached in any material respect as if it had been made or given at such time with reference to the facts and circumstances then subsisting.

7. Pre-Completion Covenants

Except as otherwise contemplated by the terms of this Agreement, from the date hereof until the Completion Date, unless with the prior written consent of the Subscriber (which consent shall not be unreasonably withheld or delayed), the Issuer shall:

- (A) use its reasonable efforts not to take any action, or permit the taking of any action, that would result in any of the Warranties being inaccurate in any material respect at the Completion as if made on and as of the Completion Date or, with respect to such representations and warranties that speak as of a specific date, as of such specific date;
- (B) refrain from taking, directly or indirectly, any actions which would constitute or which might be expected to cause or result in an adjustment to the Conversion Price of the Bonds or which would reduce the Conversion Price of the Bonds below a level that may be prescribed by applicable laws and regulations from time to time (if any);
- (C) refrain from making or declaring any distribution to its Shareholders (whether in cash or otherwise);
- (D) not issue, grant, deliver or sell any shares of its capital stock or any warrant, right, option or other security convertible into or exchangeable or exercisable for any shares of its capital stock, grant any registration rights, adjust, split, combine or reclassify or otherwise amend the terms of its capital stock, or repurchase, redeem, retire, cancel or otherwise acquire any shares of its capital stock other than pursuant to transactions or possible transactions that have been the subject of announcements by the Issuer prior to the date of this Agreement.

8. General Covenants

The Issuer irrevocably undertakes with the Subscriber that for so long as the Subscriber holds not less than HK\$100,000,000 of the Bonds initially issued, the Issuer shall:

- (A) **Use of proceeds:** use the net proceeds from the issue of the Bonds for the sole purpose of developing the New Business or such other purpose as may be mutually agreed by the Subscriber and the Issuer;
- (B) **Development of New Business:** apart from the existing business of the Group the plans and prospects of which are as stated in reports and announcements of the Issuer posted on the Stock Exchange website, the Issuer shall primarily be developing the New Business anywhere in the world, including without limitation to the generality of the foregoing in the American continents, Europe and/or Asia;
- (C) **Right of first refusal:** in the event that the Issuer contemplates any issuance of bonds (or bonds convertible into Shares) other than to the Subscriber (the “Additional Bonds Issues”), the Issuer shall first offer to the Subscriber the right to subscribe, purchase or participate in all or

part of the Additional Bonds Issues, and the Subscriber shall have the right of first refusal (“ROFR”) with respect to the Additional Bonds Issues. The Additional Bonds Issues shall be offered by the Issuer by notice in writing to the Subscriber (the “Issuer’s Notice”) specifying the terms of the Additional Bonds Issues contemplated. In order to exercise the ROFR the Subscriber shall give notice in writing to the Issuer (the “Exercise Notice”) within five (5) Business Days of the receipt of the Issuer’s Notice (“ROFR Period”) elect to subscribe or purchase all or part of Additional Bonds on the terms specified. The Exercise Notice once given shall be irrevocable unless otherwise agreed by the Issuer. In the event that the Subscriber does not issue an Exercise Notice within the ROFR Period, the ROFR shall lapse;

- (D) (Deleted)
- (E) **Compliance:** maintain its corporate existence and conduct its business in compliance in all material respects with all applicable laws, rules, codes and regulations;
- (F) **Notification:** inform the Subscriber upon becoming aware of the occurrence of the following events:
 - (i) any Event of Default (as defined in the Conditions) or any event or circumstance which would, with the giving of notice and/or the lapse of time and/or the issuing of the Certificate, become an Event of Default; and at any time after an Event of Default has occurred and shall be continuing, and so far as permitted by applicable law and rules and regulations of the Stock Exchange or any alternative stock exchange, allow, and procure that each of its Subsidiaries will allow, the Subscriber and anyone appointed by it, access to the books of account of the Issuer and/or the relevant Subsidiary respectively at all reasonable times during normal business hours;
 - (ii) the commencement or settlement of any litigation, arbitration or other proceedings which are material in the context of the Issuer’s business;
 - (iii) the sale, transfer or disposal, whether through one or more transactions within one financial year, all or any substantial assets of Group which accounts for more than 30 per cent. of the total value of the assets of the Group as shown in the latest published consolidated financial statements of the Group;
- (G) **Information Rights:** subject to any legal or regulatory restrictions (including the Listing Rules) applicable to the Issuer, provide the following information to the Subscriber:
 - (i) a copy of all documents dispatched by it to its shareholders generally and the information announced to the public at the same time as they are despatched or announced, as applicable; and

(ii) copies of all financial or other information provided by any member of the Group to any bank or holder of debt securities in any member of the Group at the same time as it is so provided

(H) **Expenses:** pay the following fees and expenses:

(i) all reasonable fees, costs and expenses as may be properly incurred by the Subscriber in connection with the preparation, production, negotiation and settlement of this Agreement, the Bonds, the Conditions, and all other documents relating to the issue of the Bonds and/or the Conversion Shares;

(ii) any stamp, issue, registration, documentary or other Taxes and duties, including interest and penalties in Bermuda, Hong Kong and all other relevant jurisdictions payable on or in connection with the creation and issue of the Bonds, the issue of the Conversion Shares or the execution or delivery of this Agreement;

(iii) in addition to any amount payable by it under this Agreement, any value added, service, turnover or similar Tax payable in respect thereof (and references in this Agreement to such amount shall be deemed to include any such Taxes so payable in addition to it); and

in the case of (ii) and (iii) above, other than those payable by the Subscriber in connection with the above arising solely because of the domicile of the Subscriber;

(I) **Restrictive covenants:** unless with the prior written consent of the Subscriber, refrain from:

(i) changing the rights attaching to the Shares or the Conversion Shares;

(ii) changing the nature or scope of New Business of the Issuer in any material way;

(iii) entering into or agreeing to enter into any of capital raising activities, acquisitions or disposals, joint venture, consortium, or partnership or the taking of any form of financial facility other than (i) for the purpose of or in connection with developing the New Business; or (ii) any financial facility not exceeding HK\$70 million in principal amount in aggregate at any time for purposes other than in connection with the New Business; or

(iv) declaring, paying or making any Capital Distributions.

9. Termination

9.1 If on or prior to the Completion, (i) any failure by the Issuer to perform any of the agreements set forth in this Agreement in any material respect or (ii) any change which would render the Warranties given by the Issuer in this Agreement inaccurate in any material respect if they were to be repeated immediately thereafter comes to the notice of the Subscriber and not waived by the Subscriber, the Subscriber may, without liability to the Issuer, elect not

to proceed to the Completion by giving notice in writing to the Issuer at any time prior to 5:00 p.m. (Hong Kong time) on the Completion Date.

- 9.2 Upon serving of such notice as stipulated under Clause 9.1, this Agreement (except Clause 1, Clause 10, Clause 12, Clause 13, Clause 14 and Clause 15) will lapse and become null and void and the parties will be released from all obligation hereunder, save for liabilities for any antecedent breaches hereof.

10. Announcement

- 10.1 Where any press or other announcement is required by law or rules and regulations of the Stock Exchange, the SFC or any other internationally recognised stock exchange or regulatory authority by which a party is bound, the party proposing to make the announcement shall so far as practicable consult with the other party hereto regarding the content of such announcement prior to its release.
- 10.2 Notwithstanding the foregoing, the Subscriber may make a filing(s) in relation to its subscription of the Bonds in accordance with the disclosure of interest obligations under Part XV of the Securities and Futures Ordinance without prior consultation with the Issuer.
- 10.3 For the avoidance of doubt, Clause 10.1 shall continue to apply notwithstanding Completion.

11. Indemnification

- 11.1 The Warranties and the covenants contained in this Agreement shall survive the Completion.
- 11.2 Following the date of this Agreement, the Issuer agrees to indemnify and hold harmless the Subscriber and its Affiliates, and its respective officers, directors, employees, to the fullest extent lawful, from and against any losses, claims, costs, damages, liabilities and expenses (or actions in respect thereof), as reasonably incurred, related to or arising out of or in connection with, whether direct or indirect:
- (A) actions taken or omitted to be taken by any of the Issuer in breach or violation of the Issuer representations, warranties, covenants and agreements set forth in this Agreement; or
 - (B) any breach by the Issuer of its representations, warranties, covenants and agreements set forth in this Agreement;

and, subject to the provisions hereof, will reimburse the Subscriber for all reasonable expenses (including, without limitation, fees and expenses of counsel) as they are incurred in connection with investigating, preparing, defending or settling any such action or claim, whether or not in connection with litigation in which any Subscriber is a named party. This indemnity will be in addition to any liability that the Issuer may otherwise have to the Subscriber.

- 11.3 Nothing in this Agreement shall affect the application of the common law rules on mitigation in respect of any claim or any matter giving rise to a claim.
- 11.4 Notwithstanding anything to the contrary contained in this Agreement:
- (a) the aggregate liability of the Issuer in respect of all claims under the Warranties pursuant to Clauses 6 and Clause 11 shall not exceed HK\$350,000,000;
 - (b) no claim in respect of any breach of the Warranties shall be made to the extent that provision or allowance therefor has been made in the Audited Accounts provided or otherwise disclosed in this Agreement;
 - (c) the Issuer shall not be liable for any breach of the Warranties
 - (i) unless the Subscriber shall have given written notice to the Issuer of any claim specifying in reasonable details the event or default to which the claim relates, the nature of the breach and (to the extent reasonably quantifiable) an estimate of the amount claimed in respect thereof before the end of the 30th month from the Completion Date;
 - (ii) if that breach would not have arisen but for a change or changes in legislation made after the Completion Date (whether relating to taxation, rates of taxation or otherwise) or the withdrawal of any extra statutory concession previously made by the relevant tax authority and whether or not such change or changes purport to be effective retrospectively in whole or in part.

12. Confidentiality

- 12.1 Each party undertakes that it shall (and shall procure that its Affiliates shall, and where relevant, undertakes to procure that its officers, employees, agents, investment managers and professional and other advisers and those of any Affiliate (together its "Authorised Persons") shall) use its best endeavours to keep confidential at all times and not permit or cause the disclosure of any information (other than to its Authorised Persons) which it may have or acquire before or after the date of this Agreement relating to the other party or their provisions of, and negotiations leading to, this Agreement and the performance of the obligations thereunder (such information being "Confidential Information"). In performing its obligations under this Clause 12.1, each party shall apply confidentiality standards and procedures at least as stringent as those it applies generally in relation to its own confidential information.
- 12.2 Each party shall use its reasonable endeavours to alert the other party as soon as is reasonably practical after it becomes aware of any request from a third party for disclosure of any Confidential Information.
- 12.3 The obligation of confidentiality under Clause 12.1 does not apply to:
- (A) information which at the date of disclosure is within the public domain (otherwise than as a result of a breach of this Clause 12);

- (B) the disclosure of information to the extent required to be disclosed by law, regulation rules of a recognized stock exchange, or any regulatory authority;
- (C) any announcement made in accordance with the terms of Clause 10; or
- (D) the provision of information to a prospective purchaser of some or all of the Bonds, provided any such prospective purchaser shall be required to enter into a customary confidentiality agreement prior to the disclosure of such information to them.

13. Notices

13.1 Any notice or other communication to be given or made under this Agreement shall be in writing and shall be given or made by facsimile, by first class pre-paid post, by courier or personally delivered. Any such notice or communication shall be sent to the party to whom it is addressed and must contain sufficient reference and/or particulars to render it readily identifiable with the subject matter of this Agreement. If so given or made by facsimile, such notice or communication shall be deemed received on the date of despatch; subject to confirmation of uninterrupted transmission by a transmission report provided that any notice despatched by fax after 5:00 p.m. (at the place where fax is to be received on any day) shall be deemed to have been received at 8.00 a.m. on the next Business Day; if so given or made by pre-paid post to an address in Hong Kong, shall be deemed to be received two (2) Business Days after the date of despatch in the case of air mail or two (2) Business Days after delivery to the courier in the case of air courier; if so given from or made by air-mail to an address outside Hong Kong, shall be deemed received seven (7) Business Days after the date of despatch; and if so given or made by courier or personally delivered, shall be deemed received at the time of delivery.

13.2 The relevant address and facsimile number of each party for the purpose of this Agreement are as follows:

In the case of the Issuer:

Address: Rooms 2004-2005, 20/F., World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong

Fax no: (852) 2344 9392

Attention: Board of Directors

In the case of the Subscriber:

Address: Room 2602, 26/F., Tower 1, Lippo Centre, No. 89 Queensway, Hong Kong

Fax no: +852 2525 6930

Attention: Xing Ma (马醒)

14. General Provisions

- 14.1 Any date or period mentioned in this Agreement may be extended by mutual agreement between the Issuer and the Subscriber, but as regards any date or period originally fixed or so extended time shall be of the essence of this Agreement.
- 14.2 Each party undertakes to the other to execute and deliver or procure to be executed and delivered all such documents and to do or procure to be done all such other acts and things as may be reasonable and necessary to give all parties the full benefit of this Agreement.
- 14.3 The exercise of or failure to exercise any right or remedy by any party in respect of any breach of this Agreement shall not, save as provided herein, constitute a waiver by such party of any other right or remedy it may have in respect of that breach.
- 14.4 Any right or remedy conferred by this Agreement on any party for breach of this Agreement (including without limitation the breach of any Warranties) shall be in addition and without prejudice to all other rights and remedies available to it in respect of that breach.
- 14.5 All of the provisions of this Agreement shall remain in full force and effect notwithstanding Completion (except insofar as they set out obligations which have been fully performed at Completion).
- 14.6 No variation of this Agreement shall be effective unless made in writing and signed by all of the parties.
- 14.7 (A) This Agreement shall be binding upon and enure for the benefit of the successors of the parties hereto but shall not be assignable or transferrable, save that the Subscriber (and any assignee of the Subscriber and subsequent assignee thereof) may at any time assign and/or transfer all or any part of its rights and benefits under this Agreement and any agreement referred to herein, including any undertakings and obligations given or undertaken by the Issuer and any cause of action arising under or in respect of any of them, to any of its Controlled Affiliates without the prior written consent of the Issuer and, subject to the prior written consent of the Issuer which should not be unreasonably withheld, to any person other than its Controlled Affiliates. Where the assignee ceases to be the Subscriber's Controlled Affiliates, the Subscriber shall ensure such assignee shall forthwith assign all its rights and obligations under this Agreement to the Subscriber or another Controlled Affiliate of the Subscriber.
- (B) Any assignee of the Subscriber or subsequent assignee thereof (as the case may be) may enforce any right or benefit assigned to it as if it had been named in this Agreement as the Subscriber and as if it had subscribed the Bond (or the appropriate proportion thereof) and upon the other terms of this Agreement and had thereby sustained all diminutions of value, losses and expenses in consequence of such acquisition as have been sustained by the Subscriber but such assignee shall not be entitled to recover any amount to the extent that it has

already been recovered by the Subscriber or another preceding assignee.

- (C) Any assignee and/or transferee of the Subscriber (or subsequent assignee thereof) shall be entitled to enforce the benefits conferred upon it by such assignment and this Clause 14.7 directly against the Issuer and for that purpose each such assignee shall be entitled to the benefit of and be subject to all the provisions of this Agreement in any way relevant to the rights assigned to it and conferred upon it by this Clause 14.7. The consent of such assignee shall be required to any amendment this Agreement.

14.8 This Agreement supersedes all and any previous agreements, arrangements or understanding among the parties relating to the matters referred to in this Agreement and all such previous agreements, arrangements or understanding (if any) shall cease and determine with effect from the date hereof.

14.9 If at any time any provision of this Agreement is or becomes illegal, void or unenforceable in any respect, the remaining provisions hereof shall in no way be affected or impaired thereby.

14.10 This Agreement may be executed by the parties in any number of counterparts and on separate counterparts, each of which when so executed shall be deemed an original but all of which shall constitute one and the same instrument and is binding on all parties.

14.11 All payments due under this Agreement are to be made in Hong Kong dollars and are stated exclusive of any applicable Tax other than taxes imposed in respect of net income by a taxing jurisdiction wherein the recipient is incorporated or resident for tax purposes. If any deduction or withholding for or on account of such Taxes is required to be made from any payment, then the party making the payment shall pay an additional amount so that the recipient receives, free from any such withholding, deduction, assessment or levy, the full amount of the payments set out herein. The paying party shall make appropriate payments and returns in respect of such Taxes and provide to the other party with an original or authenticated copy of the tax receipt.

15. Governing Law and Jurisdiction

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

15.2 Any disputes or controversy arising out of or in connection with this Agreement shall be submitted solely and exclusively to arbitration in Hong Kong in accordance with the UNCITRAL Arbitration Rules as at present in force and as may be amended by the rest of this Clause 15.2. The place of arbitration shall be in Hong Kong at the China International Economic and Trade Arbitration Commission Hong Kong Arbitration Center (“CIETAC”). There shall be three arbitrators. The language of the arbitration shall be English. The Subscriber and the Issuer shall each be entitled to, and shall, appoint one arbitrator each within twenty one days of the notice of arbitration, failing which the appointment shall be made by the Chairman of CIETAC.

The third arbitrator shall be appointed by the other two arbitrators within fifteen Business Days of the appointment of the second arbitrator, failing which the appointment shall be made by the Chairman of CIETAC. Nothing in this Clause shall prevent any party at any time seeking any interim or interlocutory relief in aid of any arbitration or in connection with enforcement proceedings. Any award of the arbitral tribunal shall be final and binding on the parties. The parties agree to be bound by any award and to act accordingly without delay. The arbitral award may be enforced in any court of competent jurisdiction.

Schedule 1
FORM OF INSTRUMENT

Dated the [*] day of [*] 2014

RISING DEVELOPMENT HOLDINGS LIMITED
(as issuer)

DEED POLL

constituting the

HK\$700,000,000 3 months HIBOR plus 5.5 per cent. per annum
Convertible Bonds due 2016
convertible into ordinary shares in the share capital of
Rising Development Holdings Limited

Peter Yuen & Associates in association with Fangda Partners
Solicitors
30/F, One Exchange Square,
8 Connaught Place, Central,
Hong Kong

THIS INSTRUMENT is executed by way of Deed Poll on the [*] day of [*] 2014 by **Rising Development Holdings Limited** (the “**Issuer**”) a company incorporated in Bermuda, having its registered office at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business in Hong Kong at Rooms 2004-2005, 20/F., World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong.

WHEREAS:

- (A) By a subscription agreement dated 22 August 2014 (the “**Subscription Agreement**”) made between the Issuer as issuer and Shanghai Electric Hongkong Co. Limited (the “**Subscriber**”) as Subscriber, the Issuer has agreed to issue, and the Subscriber has agreed to subscribe for the 3 months HIBOR plus 5.5 per cent. per annum convertible bonds in registered form in an aggregate principal amount of HK\$700,000,000 due 2016 in favour of the Bondholders.
- (B) The Issuer is entering into this Instrument by way of deed poll for the purpose of constituting and defining the rights and interests of the Bondholders for the time being.

NOW THIS INSTRUMENT WITNESSES and the Issuer declares as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 **Adoption of defined terms:** Words and expressions defined in the Conditions and not defined in the main body of this Instrument shall when used in this Instrument have the same meanings as are given to them in the Conditions.

1.2 **Definitions:** In this Instrument, the following expressions shall have the meanings assigned:

“ CIETAC ”		has the meaning given to it in Clause 12.2.
“ Conditions ”		the terms and conditions endorsed on the Bonds in definitive form as they may from time to time be modified in accordance with their provisions and/or the provisions of this Instrument, and reference in this Instrument to a particular numbered Condition shall be construed accordingly;
“ Issuer ”		has the meaning ascribed to it in the preamble of this Instrument.
“ Merger ”		has the meaning given to it in Clause 6.1(7).
“ Relevant Date ”		the later of (a) the date on which such payment first becomes due and (b) if the full amount payable has not been received by the Bondholders on or prior to such due date, the date on which, such full amount payable having been so received, notice to that effect shall have been given to the Bondholders.
“ Relevant Period ”		the full financial year ended immediately prior to the Relevant Date when the ratio is being calculated.
“ Relevant Dividend ”	Cash	has the meaning given to it in Clause 8.1(2).
“ Scrip Dividend ”		has the meaning given to it in Clause 8.1(2).
“ Share Option ”		the share option scheme adopted by the Issuer on 30 July 2004 or

Scheme”	any scheme which may hereafter be adopted by the Issuer or any Subsidiary pursuant to which Shares or other securities (including rights or options relating to Shares) may be issued, offered or granted to participants including, without limitation, employees or directors of the Issuer or its Subsidiaries including (without prejudice to the generality of the foregoing) any scheme or plan whereby monies are provided by the Issuer or any of its Subsidiaries for the purchase or subscription of Shares or other securities of the Issuer by trustees of, or by trustees who are to hold the same for the benefit of, the employees and directors;
“Subscriber”	has the meaning ascribed to it under the recitals of this Instrument.
“Subscription Agreement”	has the meaning ascribed to it under the recitals of this Instrument.
“this Instrument”	this instrument, the schedules (as from time to time altered in accordance with the terms of this instrument) and any other document executed in accordance with this instrument (each as from time to time so altered) and expressed to be supplemental to this instrument.

1.3 **Construction of certain references:** The provisions of Clause 1.2 shall apply in construing this Instrument.

1.4 **Headings:** Headings shall be ignored in construing this Instrument.

1.5 **Schedules:** The Schedules are part of this Instrument and shall have effect accordingly.

1.6 **Enforceability:** If at any time any provision of this Instrument is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Instrument nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

2. **ISSUE OF THE BONDS**

2.1 The Issuer shall upon its execution of this Instrument issue the Bonds for subscription by the Subscribers in accordance with the terms of the Subscription Agreement and this Instrument.

2.2 The Bonds are governed by this Instrument and the Conditions which shall be binding on the Issuer and the Bondholders. The Bondholders shall be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions as if the same were set out and contained in this Instrument which shall be read and construed as one document with the Bonds.

3. AMOUNT OF THE BONDS AND COVENANT TO PAY

- 3.1 **Amount of the Bonds:** The aggregate principal amount of the Bonds is limited to HK\$700,000,000.
- 3.2 **Covenant to pay:** The Issuer shall on any date when the Bonds or any of them become due to be redeemed unconditionally pay to or to the order of the Bondholders the amount due for redemption on that date in accordance with the Conditions.
- 3.3 **Discharge:** Any payment to be made in respect of the Bonds by the Issuer may be made as provided in the Conditions and any payment so made shall to such extent be a good discharge to the Issuer.

4. FORM AND DENOMINATION OF THE BONDS

- 4.1 **The Certificates:** On issue of the Bonds, every Bondholder shall be entitled to a definitive Certificate in or substantially in the form set out in Schedule 1 and endorsed with the Conditions in or substantially in the form also set out in that Schedule.
- 4.2 **Denomination:** The Bonds shall be denominated in Hong Kong dollars and shall be issued in principal amounts of HK\$10,000,000 each (unless the amount remaining on exercise of the Conversion Rights shall be less than HK\$10,000,000).
- 4.3 **Signature:** The definitive Certificates shall be signed manually or in facsimile by two Directors of the Issuer or one Director and the Secretary of the Issuer. The Issuer may use the facsimile signature of any person who at the date of this Instrument is a Director of the Issuer even if at the time of issue of any Certificate he no longer holds such office and the Bonds in respect of which a Certificate is so executed shall be binding and valid obligations of the Issuer.
- 4.3 **Issue:** Issue and delivery of the Bonds shall be completed on the issue and delivery of the Certificates to the Bondholder (or its representative) by, or by the order of, the Issuer and completion of the Register of Bondholders by or on behalf of the Issuer.
- 4.4 **Entitlement to treat Bondholder as owner:** The Bondholders shall (save as otherwise required by law) 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 shall be liable for so treating the Bondholders or any entry on the Register of Bondholders.

5. CAPITAL DUTIES AND TAXES

- 5.1 **Capital duties, etc.:** The Issuer will pay any stamp, issue, registration, documentary, transferor other taxes and duties, including interest and penalties, payable in Bermuda or Hong Kong in respect of the creation and issue of the Bonds and the execution or delivery of this Certificate and pay any taxes and capital, stamp, issue and registration duties in Hong Kong, Bermuda or, if relevant, the place of any alternative stock exchange, arising from the deposit of Certificates for the conversion of Bonds and the issue and delivery of Shares following such deposit.
- 5.2 **Change of taxing jurisdiction:** If the Issuer becomes subject generally to the taxing jurisdiction of any territory or any authority of or in that territory having power to tax other than Bermuda and Hong Kong or any such authority of or in such territory then the Issuer shall give to the Bondholders an undertaking in terms corresponding to the terms of Condition

6.6(c) of the Conditions with the substitution for the references in that Condition to Bermuda and/or Hong Kong of references to that other territory or authority to whose taxing jurisdiction the Issuer has become so subject and in such event this Instrument and the Bonds shall be read accordingly.

6. GENERAL COVENANTS

6.1 So long as any Bond is outstanding, the Issuer covenants to and with each Bondholder that:

- (1) **Notice of Events of Default:** the Issuer will notify the Bondholders in writing in accordance with Condition 13 of the Conditions immediately upon becoming aware of the occurrence of any Event of Default;
- (2) **Notice of inability to perform:** the Issuer shall promptly inform the Bondholders in writing with Condition 13 of the Conditions of any occurrence of which it becomes aware which might materially and adversely affect its ability to perform its obligations under the Bonds;
- (3) **Bonds held by Issuer etc.:** the Issuer will send to the Bondholders as soon as reasonably practicable and in any event within five days after being so requested in writing by any Bondholder a certificate of the Issuer signed by any two of its Directors on behalf of the Issuer setting out, based on the Register of Bondholders maintained by or on behalf of the Issuer, the total number of Bonds which, at the date of such request, were held by or on behalf of the Issuer or its Subsidiaries and which had not been cancelled.
- (4) **Compliance:** the Issuer will comply with and perform and observe all the provisions of this Instrument and the Conditions which are expressed to be binding on it;
- (5) **Public float:** the Issuer shall at all times use its reasonable endeavours to ensure that the minimum public shareholding requirement of the Listing Rules is complied with;
- (6) **Negative pledge:** the Issuer shall not create or permit to subsist, and the Issuer shall procure that its Material Subsidiary shall not create or permit to subsist, any Encumbrance upon the whole or any substantial part of its undertaking, assets or revenues, present or future, to secure any Debt Securities or to secure any guarantee of or indemnity in respect of, any Debt Securities, save for any Security or arrangement made in the ordinary course of business of the Issuer or any of its Material Subsidiaries and any hedging arrangements ordinarily entered into for the purpose of hedging interest rate or currency exposure arising in respect of such Debt Securities, unless, at the same time or prior thereto, the Issuer's obligations under the Bonds: (i) are secured equally and rateably therewith; or (ii) have the benefit of such other Security, guarantee, indemnity or other arrangement as approved by the Bondholders.
- (7) **Merger etc.:** the Issuer will not consolidate with, merge or amalgamate into or transfer its assets substantially as an entirety to any corporation (not being part of the Group) or convey or transfer its properties and assets substantially as an entirety to any person (not being part of the Group) (the consummation of any such event, a "**Merger**"), unless: (i) the Issuer has notified the holders of the Bonds of such event in accordance with Condition 13 of the Conditions; (ii) the corporation formed by such Merger or the person that acquires such properties and assets shall expressly assume all obligations of the Issuer under the Bonds and the performance of every covenant and agreement applicable to it contained therein and herein; (iii) immediately after giving effect to any such Merger, none of the Events of Default

shall have occurred or be continuing or would result therefrom and the Issuer shall have provided to the Bondholders an authorised officer's certificate to such effect; and (iv) the corporation formed by such Merger, or the person that acquired such properties and assets, shall expressly agree, among other things, to indemnify each Bondholder against any tax, assessment or governmental charge payable by withholding or deduction thereafter imposed on such holder solely as a consequence of such Merger with respect to the payment of principal and premium on the Bonds;

- (8) **Financial Reporting:** the Issuer shall comply with the financial reporting requirements under applicable laws, regulations or the Listing Rules, including but not limited to publication of its financial results in a timely manner as required under the Listing Rules;
- (9) **Information Rights:** the Issuer shall provide the Bondholders with (i) a copy of its annual reports, annual financial statements and interim reports and all other statements and circulars (all in English version) sent by the Issuer to the Shareholders within seven Business Days after the Issuer sends the same to the Shareholders; and (ii) each set of consolidated financial statements published by the Issuer in respect of the Relevant Period;
- (10) **Approvals and licences etc.:** the Issuer shall (i) obtain and promptly renew from time to time, and make available for inspection by the Bondholders or their authorised representatives during normal business hours of, all such authorizations, approvals, consents, licences, exemptions as may be required under any applicable law or regulation in connection with the execution, validity and performance of the Bonds ; and (ii) take immediate steps to obtain and thereafter maintain in full force and effect any other authorisations which may become necessary or advisable for the purposes stated therein;
- (11) **Extend offer:** if an offer is made to all holders of Shares (or such holders other than the offeror and/or any Issuer controlled by the offeror and/or persons associated or acting in concert with the offeror) to acquire all or a portion of the Shares or if any person proposes a scheme with regard to such acquisition, it shall forthwith give notice of such offer or scheme to the Bondholders at the same time as any notice thereof is sent to its Shareholders (or as soon as practicable thereafter) stating that details concerning such offer or scheme may be obtained from the specified office of the Issuer and, where such an offer or scheme has been recommended by the Board or where such an offer has become or been declared unconditional in all respects, use its best endeavours to procure that a like offer or scheme is extended in accordance with the Takeovers Code to the Bondholders and the holders of any Conversion Shares issued during the period of the offer or scheme;
- (12) **Reduction or redemption of capital or Capital Distribution:** the Issuer shall not (i) declare or pay or make any dividend or other distribution which would constitute a Capital Distribution or (ii) make any reduction or redemption of share capital, share premium account or capital redemption reserve involving the repayment of money to the Shareholders (other than to the Shareholders having the right on a winding-up to a return of capital in priority to the holders of shares) or reduce any uncalled liability in respect thereof unless, in any such case, such reduction or redemption is permitted by applicable law, and (a) the same gives rise (or would, but for the provisions of Clause 8 give rise) to an adjustment of the Conversion Price in accordance with Clause 8 or (b) as approved by an Ordinary Resolution;
- (13) **No winding-up etc.:** the Issuer shall not take any step with a view to effect dissolution, liquidation or winding-up of the Issuer;

(14) **Non-contravention:** the Issuer shall not enter into any deed, agreement, assignment, instrument or documents whatsoever binding on it which may result in any breach of its bye-laws or the Instrument, the Conditions and/or the Subscription Agreement;

(15) **Issue of securities:** subject to the Conditions, the Issuer shall ensure that at no time shall there be in issue Shares of differing nominal values;

6.2 The provisions contained in Schedule 2 (Provisions for meetings of Bondholder(s)) shall have effect in the same manner as if herein set forth.

7. **CONVERSION RIGHTS AND RELATED COVENANTS**

7.1 **Rights of Conversion:** The holder of each Bond will have the right, subject to and in accordance with the Conditions, to convert such Bond into Shares, credited as fully paid.

7.2 **Conversion related covenants:** The Issuer hereby undertakes to and covenants with the Bondholders that so long as any Conversion Right remains exercisable, it shall, save with the approval of an Ordinary Resolution:

(1) **Maintain sufficient unissued share capital:** ensure that such number of Shares as are required at any particular time to enable the Conversion Rights and all other rights of conversion into, subscription for or exchange into, Shares exercisable at that time to be satisfied in full are kept available for issue free from pre-emptive rights out of its authorised but unissued share capital and will be duly and validly issued as fully-paid and non-assessable;

(2) **Conversion Rights:** upon the exercise of any Conversion Rights pursuant to the Conditions, allot the number of Shares in respect of which Conversion Rights are exercised subject to and in accordance with this Instrument and the Conditions free and clear of all Encumbrances;

(3) **Ranking:** ensure that all Shares allotted pursuant to an exercise of the Conversion Rights shall rank pari passu in all respects with the fully paid Shares in issue on the relevant Registration Date and shall accordingly entitle the holders to participate in full in all dividends or other distributions paid or made on the Shares after the relevant Registration Date other than any dividend or other distribution previously declared, or recommended or resolved to be paid or made if the Record Date therefor falls on or before the relevant Registration Date and notice of the amount and Record Date for which shall have been given to the Stock Exchange, and the Bondholders prior to the relevant Registration Date and, for this purpose, the notice to the Bondholders may take the form of sending a copy of the relevant paid announcement to them;

(4) **Listing of Shares:** maintain a listing on the Stock Exchange for all the issued Shares for the time being and, as soon as reasonably practicable after their issue, for all Shares issued on exercise of the Conversion Rights attaching to the Bonds and give notice to the Bondholders of any delisting of Shares by the Stock Exchange; and if the Issuer 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 the Issuer may from time to time determine in consultation with the Bondholders and will forthwith give notice to the Bondholders of the delisting of the Shares on the Stock Exchange and the listing of the Shares on any such alternative stock exchange;

- (5) **Transfer of Conversion Shares:** unless so required by the Stock Exchange, the Listing Rules, applicable law or regulation and the bye-laws of the Issuer as then in effect or in order to establish any dividend or other rights attaching to the Shares, convert the Bonds legally into Shares and the Shares so issued conversion may be transferred at all times during the period of such closure. The Issuer shall not close its register of members of or take any other action which would prevent the transfer of its Shares (including the Conversion Shares);
- (6) **Notice:** upon the happening of an event as a result of which the Conversion Price will be adjusted pursuant to Clause 8, as soon as reasonably practicable notify the Bondholders in writing of the adjusted Conversion Price, the date on which such adjustment takes effect and brief particulars of the event;
- (7) **Compliance:** in respect of the issue of the Bonds or for the listing of and permission to deal in the Shares issued or to be issued on conversion, comply with all rules, regulations, practice directions and other applicable directives imposed by the Stock Exchange and other regulatory authorities having jurisdiction over it;
- (8) **Modification of Rights:** refrain from modifying the rights attaching to the Shares with respect to voting, dividends or liquidation nor issue any Equity Securities carrying any rights which are more favourable than the rights attaching to Shares but nothing in this Clause 7.2(8) shall prevent (i) a consolidation or subdivision of the Shares or the conversion of any Shares into stock or vice versa, (ii) a modification to the rights attaching to the Shares which is not, in the opinion of the Approved Financial Adviser, materially prejudicial to the interests of the Bondholders, (iii) the conversion of Shares into, or the issue of any Shares in, uncertificated form (or the conversion of Shares in uncertificated form to certificated form), (iv) the amendment of the articles of association of the Issuer to enable title to securities of the Issuer (including Shares) to be evidenced and transferred without a written instrument, (v) any other alteration to the bye-laws of the Issuer made in connection with the matters described in this Instrument or which are supplemental or incidental to any of the foregoing (including amendments made to enable or facilitate procedures relating to such matters and amendments dealing with the rights and obligations of holders of securities (including Shares) dealt with under such procedures) or (vi) any issue of equity share capital which (subject to the provisions of Clause 8) results in an adjustment of the Conversion Price
- (9) **Expenses:** to pay the expenses of the issue of, and all expenses of obtaining listing on the Stock Exchange of, Shares arising on conversion of the Bonds, which are payable by the Issuer; and
- (10) **Part 16 registration:** to maintain its registration as an oversea company under Part 16 of the Companies Ordinance (Cap. 622) and authorise at least one representative to accept the service of process and notices in accordance with section 774(1) of the Companies Ordinance.

8. ADJUSTMENTS TO CONVERSION PRICE

8.1 Subject to the Conditions, the Conversion Price shall from time to time be subject to adjustment in accordance with this Clause 8.1 if, whilst any of the Bonds remains outstanding, any of the following events or circumstances in relation to the Shares shall occur:-

- (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 or

subdivision, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to 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 from the day on which such consolidation or subdivision becomes effective.

- (2) **Capitalisation of Profits or Reserves:** If and whenever the Issuer shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account) including Shares paid up out of distributable profits or reserves and/or share premium account issued, save where Shares are issued in lieu of the whole or any part of a specifically declared cash Dividend (the “**Relevant Cash Dividend**”), being a Dividend which the Shareholders concerned would or could otherwise have received and which would not have constituted a Capital Distribution (a “**Scrip Dividend**”), 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 such record date.

- (3) **Capital Distribution:** If and whenever the Issuer shall pay or make any Capital Distribution to the Shareholders (except where the Conversion Price falls to be adjusted under (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 last Trading Day preceding (a) the date on which the Capital Distribution is publicly announced or (b) (where no such announcement is required to be made under the Listing Rules) the record date of the Capital Distribution; and
B is the Fair Market Value on the date of such announcement (or, where no such announcement is required to be made under the Listing Rules, such record date) of the portion of the Capital Distribution attributable to one Share.

Such adjustment shall become effective on the date that such Capital Distribution is made. For the avoidance of doubt, Capital Distribution excludes all cash distributions paid to the Shareholders.

- (4) ***Rights Issues of Shares or Options over Shares:*** If and whenever the Issuer 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, of options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than 80.1% of the Current Market Price per Share on the last Trading Day preceding the date of the announcement of the terms of such 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 purchase 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).

- (5) ***Rights Issues of Other Securities:*** If and whenever the Issuer shall issue any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares) to all or substantially all Shareholders as a class, by way of rights, or the issue or grant by the Issuer to all or substantially all Shareholders as a class by way of rights, of any options, warrants or other rights to subscribe for or purchase or otherwise acquire, any securities (other than Shares or options, warrants or other rights to subscribe for or purchase 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 last Trading Day preceding 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 grant of such rights, options or warrants (as the case may be).

- (6) ***Issues at less than Current Market Price:*** If and whenever the Issuer shall issue (otherwise than as mentioned in (4) above) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of the options granted by the Issuer pursuant to its Share Option Schemes, or any other rights of conversion into, or

exchange or subscription for, Shares) or the issue or grant of (otherwise than as mentioned in (4) above and other than the options granted by the Issuer pursuant to its Share Option Schemes) options, warrants or other rights to subscribe or purchase Shares in each case at a price per Share which is less than 80.1% of the Current Market Price on the last Trading Day preceding 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 or grant by the following fraction:

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

where:

- A is the number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for or purchase any Shares;
- B is the number of Shares which the aggregate consideration (if any) receivable by the Issuer for such additional Shares to be issued or otherwise made available or, as the case may be, upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Share; and
- C is the maximum number of additional Shares issued or the maximum number of Shares that may be issued upon exercise of such options, warrants or rights.

References to additional Shares in the above formula shall, in the case of an issue or grant by the Issuer of options, warrants or other rights to subscribe for or purchase Shares, mean such Shares to be issued, or otherwise made available, assuming that such options, warrants or other rights are exercised in full at the initial exercise price (if applicable) 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 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 existing securities in accordance with the terms applicable to such existing securities, if and whenever the Issuer or any Subsidiary of the Issuer (otherwise than as mentioned in (4), (5) or (6) above) or (at the direction or request of or pursuant to any arrangements with the Issuer or any Subsidiary) any other company, person or entity (otherwise than as mentioned in (4), (5) or (6) above) shall issue any securities (other than the Bonds and the options granted by the Issuer pursuant to its Share Option Schemes) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for or purchase of, or to otherwise acquire, Shares issued or to be issued by the Issuer or securities which by their terms may be redesignated Shares receivable upon conversion, exchange, subscription or redesignation at a consideration per Share which is less than 80.1% of the Current Market Price on the last Trading Day preceding 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 or grant (but where the relevant securities carry rights of conversion into, or rights of exchange or subscription for, or purchase or acquisition of, Shares which have been issued by the Issuer for the purposes of, or in connection with, such issue, less the number of Shares so issued);
- B is the number of Shares which the aggregate consideration (if any) receivable by the Issuer for the Shares to be issued or otherwise made available upon conversion or exchange or on exercise of the right of subscription or purchase or acquisition attached to such securities or, as the case may be, the Shares would purchase at such Current Market Price per Share; and
- C is the maximum number of Shares to be issued or otherwise made available upon conversion or exchange of such securities or on the exercise of such rights of subscription or purchase or acquisition attached thereto at the initial conversion, exchange or subscription price or rate or, as the case may be, the maximum number of Shares to be issued or to arise or to be made available from any such redesignation.

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

- (8) ***Modification of Rights of Conversion etc.***: If and whenever there is any modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to any such securities as are mentioned in (7) above (other than in accordance with the existing terms applicable to such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than 80.1% of the Current Market Price on the last Trading Day preceding 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 (but where the relevant securities carry rights of conversion into, or rights of exchange or subscription for, or purchase or acquisition of, Shares which have been issued by the Issuer for the purposes of, or in connection with, such issue, less the number of Shares so issued);
- B is the number of Shares which the aggregate consideration (if any) receivable by the Issuer for the Shares to be issued, or otherwise made available, on conversion or exchange or on exercise of the right of subscription, purchase or acquisition attached to the securities so modified would purchase at (a) such Current Market Price per Share or (b) the existing conversion, exchange, subscription or purchase price of such securities if such price is lower than the Current Market Price per Share; and
- C is the maximum number of Shares to be issued, or otherwise made available, on conversion or exchange of such securities or on the exercise of such rights of subscription, purchase or acquisition attached thereto at the modified conversion, exchange, subscription or purchase price or rate but giving credit in such manner as an Approved Financial Adviser (acting as an expert), considers appropriate (if at all) for any previous adjustment under this (8) or (7) above.

Such adjustment shall become effective on the date of modification of the rights of

conversion, exchange, subscription, purchase or acquisition attaching to such securities.

- (9) **Other Events:** If either: (A) the rights of conversion, exchange, purchase or subscription attaching to any options, rights or warrants to subscribe for or purchase Shares or any securities convertible into or exchangeable for Shares or the rights carried by such securities to subscribe for or purchase Shares are modified (other than pursuant to, and as provided in, the existing terms and conditions of such options, rights, warrants or securities); or (B) the Issuer determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in any other provisions of this anti-dilution adjustment provision which in either case have or would have an effect on the position of the Bondholders as a class compared with the position of the holders of all the securities (and options, rights and warrants relating thereto) of the Issuer, taken as a class, which is analogous to any of the events referred to in (1) to (8), then, in any such case, the Issuer shall at its own expense request an Approved Financial Adviser (acting as expert) to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination provided that where the circumstances giving rise to any adjustment pursuant to this anti-dilution adjustment provision have already resulted or will result in an adjustment to the Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of 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 anti-dilution adjustment provision as may be advised by the Approved Financial Adviser (acting as expert) to be in their opinion appropriate to give the intended result.

8.2 Further provisions:

- (1) The provisions of Clause 8.1 shall not apply to:
- (i) an issue of fully paid Shares upon the exercise of any Conversion Right;
 - (ii) any issue of Shares or other securities of the Issuer wholly or partly convertible into or options or rights to subscribe for or acquire Shares in connection with any transaction or possible transaction announced by the Issuer at any time before 22 August 2014;
 - (iii) an issue of fully paid Shares upon the exercise of any conversion rights attached to securities convertible into Shares or upon exercise of any rights (excluding any conversion of any Bond) to acquire Shares (except a rights issue) provided that an adjustment (if required) has been made under this Clause 8.1 in respect of the issue of such securities or granting of such rights (as the case may be); and
 - (iv) a grant of options or rights, and an issue of Shares or other securities of the Issuer wholly or partly convertible into, or options or rights to subscribe for or acquire, Shares to officers, employees of the Issuer or any of its Subsidiaries or other eligible persons, pursuant to any Share Option Scheme which has been or may be adopted in accordance with and in compliance with the Listing Rules (including a grant of options or rights, an issue of Shares by the Issuer to officers or employees of the Issuer or any of its

Subsidiaries or other eligible persons upon the exercise of the subscription right attached to the outstanding share options which had been granted under the Share Option Scheme prior to the Completion Date (as defined in the Subscription Agreement)).

- (2) Any adjustment to the Conversion Price shall not involve an increase in the Conversion Price (except upon any consolidation of the Shares pursuant to Clause 8.1(1)).
- 8.3 **Rounding:** Any adjustment to the Conversion Price shall be made to the nearest one-tenth of a Hong Kong cent so that any amount under HK\$0.0005 shall be rounded down and any amount of HK\$0.0005 or more shall be rounded up. Any adjustment not required to be made, and any amount by which the Conversion Price has been rounded up or down, shall not be carried forward in any subsequent adjustment.
- 8.4 **Notice:** Whenever the Conversion Price is adjusted as herein provided, the Issuer shall as soon as possible but not later than seven Business Days after the relevant adjustment has been determined give notice of the same to the Stock Exchange and the Bondholders (setting forth the event giving rise to the adjustment, the Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date thereof) in accordance with Condition 13 of the Conditions.
- 8.5 **No issue at a discount:** Notwithstanding any other provision of this Clause 8, no adjustment shall be made which would result in the Conversion Price being reduced so that on Conversion, Shares would fall to be issued at a discount to their then nominal value, and in such case an adjustment shall be made to the effect that the Conversion Price will be adjusted to the then nominal value of the Shares.
- 8.6 **Decision of Approved Financial Adviser:**
 - (1) Every adjustment to the Conversion Price shall be certified in writing by the Approved Financial Adviser.
 - (2) The Issuer shall make available for inspection at its principal place of business in Hong Kong at all times after the effective date of the adjustment in the Conversion Price and so long as the Bonds remains outstanding, a signed copy of the certificate of the Approved Financial Adviser and a certificate signed by a director of the Issuer setting forth brief particulars of the event giving rise to the adjustment, the Conversion Price in effect prior to the adjustment, the adjusted Conversion Price and the effective date thereof and shall, on request, send a copy thereof to the Bondholders.
 - (3) In giving any certificate or making any adjustment to the Conversion Price, the Approved Financial Adviser appointed shall be deemed to be acting as an expert and not as arbitrators and, in the absence of manifest error, their decision shall be conclusive and binding on the Issuer and the Bondholders and all persons claiming through or under them respectively.
- 8.9 **No breach of Listing Rules or Takeovers Code:** Notwithstanding anything said in these Conditions, the Issuer is not obliged to adjust the Conversion Price or issue Shares in satisfaction of the Conversion Rights in breach of its obligations under the Listing Rules (including but not limited to the minimum public float requirement of the Listing Rules) or the Takeovers Code.

9. MODIFICATIONS

- 9.1 Any modification to this Instrument or the Conditions may be effected only by deed poll, executed by the Issuer and expressed to be supplemental hereto, and (save for minor amendments by the Issuer which shall not adversely affect the rights of the Bondholders under the Instrument or the Conditions) only if it shall first have been sanctioned by an Ordinary Resolution of the Bondholders.
- 9.2 A memorandum of every such supplemental deed shall be endorsed on this Instrument.
- 9.3 Notice of every modification to this Instrument or the Conditions shall be given to the Bondholders as soon as reasonably practicable.

10. SUIT BY AND MEETINGS OF BONDHOLDERS

- 10.1 The Issuer hereby acknowledges and covenants that the benefit of the covenants, obligations and conditions on the part of or binding upon it contained in this Instrument shall enure to each and every Bondholder.
- 10.2 Subject to the Conditions, each Bondholder shall be entitled severally to enforce the said covenants, obligations and conditions against the Issuer insofar as each such Bondholder's Bonds are concerned, without the need to join the allottee of any such Bond or any intervening or other Bondholder in the proceedings for such enforcement.
- 10.3 The Bondholders may hold meetings for the consideration of such matters as they may think fit. The provisions of Schedule 2 shall apply to regulate the convening and conduct, and the powers, of all meetings of Bondholders. Such provisions may be altered by Ordinary Resolution.

11. COMMUNICATIONS

- 11.1 Any communication to the Issuer shall be by letter delivered personally to its principal place of business in Hong Kong registered under Part 16 of the Companies Ordinance, currently being Rooms 2004-2005, 20/F., World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong, (or such other address as shall be notified in writing by the Issuer to the Bondholders from time to time with specific reference to this Instrument).
- 11.2 Any such communication will take effect, in the case of delivery, at the time of receipt by the Issuer or, in the case of facsimile transmission, at the time of despatch which shall be deemed properly transmitted on receipt of a report of satisfactory transmission printed out by the sending machine.

12. GOVERNING LAW

- 12.1 **Governing law:** This Instrument shall be governed by and construed in accordance with the laws of Hong Kong.
- 12.2 **Jurisdiction:** Any disputes or controversy arising out of or in connection with this Instrument or the Bonds shall be submitted solely and exclusively to arbitration in Hong Kong in accordance with the UNCITRAL Arbitration Rules as at present in force and as may be amended by the rest of this Clause 12.2. The place of arbitration shall be in Hong Kong at the China International Economic and Trade Arbitration Commission Hong Kong Arbitration Centre ("CIETAC"). There shall be three arbitrators. The language of the arbitration shall be English. The Bondholder and the Issuer shall each be entitled to, and shall, appoint one arbitrator each within twenty one (21) days of the notice of arbitration, failing which the appointment shall be made by the Chairman of CIETAC. The third

arbitrator shall be appointed by the other two arbitrators within fifteen (15) Business Days of the appointment of the second arbitrator, failing which the appointment shall be made by the Chairman of CIETAC. Nothing in this Clause shall prevent any party at any time seeking any interim or interlocutory relief in aid of any arbitration or in connection with enforcement proceedings. Any award of the arbitral tribunal shall be final and binding on the parties. The parties agree to be bound by any award and to act accordingly without delay. The arbitral award may be enforced in any court of competent jurisdiction.

IN WITNESS whereof this Instrument has been executed as a deed poll on the date stated at the beginning.

THE COMMON SEAL of)
RISING DEVELOPMENT)
HOLDING LIMITED)
was hereunto affixed in the presence of:)

Schedule 1
Form of Certificate

On the front:

Principal amount:
HK\$[*]

Certificate no.:

RISING DEVELOPMENT HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)

HK\$700,000,000
3 MONTHS HIBOR PLUS 5.5 PER CENT. PER ANNUM CONVERTIBLE BONDS DUE 2016

Issued pursuant to the articles of association of Rising Development Holdings Limited (“Issuer”) and a resolution of its board of directors passed on [*], 2014. The Bond or Bonds in respect of which this Certificate is issued, the identifying numbers of which are noted above, are in registered form and form part of a series designated as specified in the title (the “Bonds”) of the Issuer and constituted by the Instrument referred in the terms and conditions of the Bonds as attached hereto (“Conditions”). The Bonds are subject to, and have the benefit of, that Instrument. Such Instrument (together with any instruments supplemental thereto) and copies of the bye-laws of the Issuer are available for inspection by Bondholders at the principal office for the time being in Hong Kong of the Issuer.

Bondholders will be deemed to have notice of all the provisions contained in the said Instrument (and any instruments supplemental thereto) and may obtain copies thereof upon written request to the Issuer.

THIS IS TO CERTIFY that

[*]

whose registered address is situate at [*] is, at the date hereof, entered in the Issuer’s register of Bondholders as the holder of the Bonds in the principal amount set out on the top left hand side of this certificate (this “Certificate”). For value received, the Issuer by such entry promises to pay the person who appears at the relevant time on the register of Bondholders as holders of the Bonds in respect of which this Certificate is issued such amount or amounts as shall become due in respect of such Bonds in accordance with the Conditions and each of the Issuer and the Bondholder mentioned above agree to comply with the Conditions.

The Bonds in respect of which this Certificate is issued are convertible into fully-paid ordinary shares with a par value of HK\$0.01 each in the capital of the Issuer subject to and in accordance with the Conditions and the Instrument.

This Certificate is evidence of entitlement only. Title to the Bonds passes only on due registration on the register of Bondholders (“Register of Bondholders”) and only the duly registered holder is entitled to payments on Bonds in respect of which this Certificate is issued.

This Certificate shall not be valid for any purpose until executed by the Issuer.

This Certificate is governed by, and shall be construed in accordance with, the laws of the Hong Kong Special Administrative Region of the People’s Republic of China.

In witness whereof, the Issuer has caused this Certificate to be executed as a deed on [*].

EXECUTED AS A DEED BY)
RISING DEVELOPMENT HOLDINGS LIMITED)
Acting by:)
In the presence of)

(For endorsement in the event of partial conversion or repurchase)

Date Amount Converted/Repurchased Amount Outstanding

[On the back/ Attached hereto]: Terms and Conditions of the Bonds

[Reverse side of/ Attached to] Bond certificate]

Terms and Conditions of the Bonds

The following, other than the words in italics, is the text of the Terms and Conditions of the Bonds which will appear on the reverse of each definitive certificate evidencing the Bonds.

The issue of HK\$700,000,000 in aggregate principal amount of 3 months HIBOR plus 5.5 per cent. per annum. convertible Bonds due 2016 (the “Bonds”) of Rising Development Holdings Limited (the “Issuer”), a company incorporated in Bermuda, on the issue date on the Bonds (the “Issue Date”) was authorised by a resolution of the Board passed on [*], 2014. The Bonds are constituted by a deed poll (the “Instrument”, such expression shall include amendments and modifications from time to time made thereto) dated [*] executed by the Issuer. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Instrument. Copies of the Instrument are available for inspection by Bondholders at the principal office of the Issuer being at the date hereof at its principal place of business in Hong Kong at Rooms 2004-2005, 20/F., World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong. The Bondholders are entitled to the benefit of the Instrument and are bound by, and are deemed to have notice of, all the provisions of the Instrument.

1. Definitions and Interpretation

1.1 For the purpose of these Conditions, the words and expressions set out below shall have the meaning attributed to them below unless the context otherwise requires:

“Approved Financial Adviser” means the auditor of the Issuer or, an independent reputable accounting firm, investment bank or other reputable financial institution selected and appointed by the Issuer at the cost of the Issuer and acceptable to the Bondholders.

“Board” means the board of directors of the Issuer from time to time.

“Bondholder” means a person in whose name a Bond is registered in the register of Bondholders, and “holder” in relation to a Bond has a corresponding meaning.

“Business Day” means a day (other than a Saturday and a Sunday and a day on which a tropical cyclone warning number 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are open for general banking business in Hong Kong throughout their normal business hours.

“Capital Distribution” means (a) any distribution of assets in specie charged or provided for in the accounts of the Issuer for any financial period falling after 31 December 2013 (whenever paid or made and however described) but excluding a distribution of assets in specie in lieu of, and to a value not exceeding, a cash dividend which would not have constituted a Capital Distribution under (b) below (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 by way of capitalisation of reserves); and (b) any cash dividend or distribution of any kind charged or provided for in the accounts of the Issuer for any financial period (whenever paid or made and however described) unless (and to the extent that) in the case of a distribution in specie only, it does not, when taken together with any other dividend or distribution previously made or paid in respect of all periods ending after 31 March 2014, exceed the aggregate of the consolidated net profits for such periods (less the aggregate of any consolidated net losses) attributable to Shareholders for all periods ending after 31 March 2014, after deducting minority interests and preference dividends (if any) but (1) deducting any amounts in respect of any asset previously credited to the Issuer’s reserves (in respect of any period or date up to and including 31 March 2014) pursuant to any revaluation of such

asset, where amounts arising on the disposal of such asset have contributed to such profits and (2) deducting any exceptional and extraordinary items, (and for the avoidance of doubt, after excluding any amount arising as a result of any reduction in registered capital, share premium account or capital redemption reserve, but including any profit transferred from any reserve), in each case calculated by reference to the audited consolidated profit and loss accounts for such periods of the Issuer and its Subsidiaries.

In making any such calculation under this Condition, such adjustments (if any) shall be made as an Approved Financial Adviser may consider appropriate to reflect (1) any consolidation or subdivision of the Shares, (2) issues of Shares by way of capitalisation of profits or reserves, or any like or similar event or (3) the modification of any rights to dividends of Shares.

“CCASS” means the Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited.

“Certificate” means a certificate in or substantially in the form set out in Schedule 1 of the Instrument issued in the name of the holder of a principal amount of Bonds and includes any replacement Certificate issued pursuant to the Bonds, together with the Conditions, and “Certificates” shall be construed accordingly.

“Change of Control” means the occurrence of one or more of the following:

(i) any person or persons, acting together, other than Mr. Lai Leong and parties acting in concert with him for the purposes of the Code, acquires 30% or more voting rights in the Issuer; or

(ii) the merger, amalgamation or consolidation of the Issuer with or into another person or the merger, amalgamation or consolidation of another person with or into the Issuer, where the Controlling shareholder of the Issuer upon such merger, amalgamation or consolidation does not Control such merged, amalgamated or consolidated entity, or the sale of all or substantially all the assets of the Issuer to another person.

“Conditions” means these terms and conditions as may from time to time be modified in accordance with the provisions of the Instrument.

“Conversion Date” has the meaning given to it in Condition 6.6(b).

“Conversion Notice” has the meaning given to it in Condition 6.6(a).

“Conversion Period” has the meaning given to it in Condition 6.1(a).

“Conversion Price” has the meaning given to it in Condition 6.4.

“Conversion Right” has the meaning given to it in Condition 6.1(a).

“Conversion Shares” means the Shares to be issued by the Issuer upon conversion of the Bonds.

“Current Market Price” means in respect of the Shares on a particular date, the average closing price per Share quoted on the daily quotation sheets of the Stock Exchange for the five (5) Trading Days immediately preceding such date provided that if at any time during the said five Trading Day period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:

(i) if the Shares to be delivered in such circumstances do not rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted

cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Share; or

- (ii) if the Shares to be delivered in such circumstances rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount,

and provided further that if the Shares on each of the said five Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Share.

“Debt Securities” means any present or future indebtedness in the form of, or represented by, bonds, debentures, notes, loan stock or other debt securities but shall exclude any indebtedness constituted by loan agreements with lenders not involving the issue of securities.

“Designated Office” means at any time the Issuer’s principal place of business in Hong Kong at that time, being, as at the Issue Date, Rooms 2004-2005, 20/F., World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong.

“Dividend” means any dividend or distribution, whether of cash, assets or other property, and whenever paid or made and however described (and for these purposes a distribution of assets includes, without limitation, an issue of Shares or other securities credited as fully or partly paid-up) provided that where a cash Dividend is announced which is to be, or may at the election of a holder or holders of Shares be, satisfied by the issue or delivery of Shares or other property or assets, then, the Dividend in question shall be treated as a cash Dividend of an amount equal to the cash Dividend so announced.

“Encumbrance” means any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same and “Encumber” and “Encumbrancer” shall be construed accordingly.

“Event of Default” has the meaning given to it in Condition 10.

“Equity Securities” shall mean (i) any Shares or other equity security of the Issuer, (ii) any security convertible into or exercisable or exchangeable for, with or without consideration, any Shares or other equity security of the Issuer (including any option to purchase such a convertible security), (iii) any security carrying any warrant or right to subscribe to or purchase any Shares, or other equity security of the Issuer or (iv) any such warrant or right.

“Fair Market Value” means, with respect to any assets, security, option, warrants or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Approved Financial Adviser (acting as an expert); 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; and (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such Approved Financial Adviser) 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 on which such options, warrants or other rights are publicly traded.

“Group” means the Issuer and its Subsidiaries from time to time and “members of the Group” shall be construed accordingly.

“HIBOR” means the Hong Kong Interbank Offered Rate.

“HK\$” or “Hong Kong dollars” means Hong Kong dollars, the lawful currency of Hong Kong.

“HKFRS” means Hong Kong Financial Report Standards.

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“Interest Payment Date” has the meaning given to it in Condition 5.1(a).

“Interest Reference Dates” means March 30, June 30, September 30 and December 30 in each year, or if such date falls on a day which is not a Business Day, the immediately preceding Business Day.

“Listing Rules” means the Rules Governing the Listing of Securities on the Stock Exchange.

“Material Adverse Effect” means (a) any event, fact, change, development, effect or circumstance that is or may be materially adverse to the business, operations, assets (including intangible assets), liabilities (including contingent liabilities), business or financial condition, results or prospects of the Group taken as a whole, which has a material adverse impact on the market price of the Shares, or (b) material impairment of the ability of the Issuer to perform its obligations under the Subscription Agreement, the Bonds or other transaction documents, provided that (i) any change that generally affects the industries or markets in which the Group operates, (ii) any change in the financial markets or general economic or political conditions, (iii) any change in law or any accounting principle applicable to the Group (iv) the entering into the Subscription Agreement and the issue and subsistence of the Bonds by the Issuer and/or (v) the entering into of transactions by any member of the Group in connection with the solar photovoltaic business of the Group, shall not be taken as a “Material Adverse Effect”.

“Material Subsidiary” means at any time any Subsidiary of the Issuer:

- (a) whose net profits (if it does not have any Subsidiary) consolidated net profits (as the case may be), before taxation and extraordinary items as shown by its latest audited profit and loss account are at least 25 per cent. of the consolidated net profits before taxation and extraordinary items of the Issuer as shown by the latest audited consolidated financial statements published from time to time (the “Accounts”); or
- (b) whose total assets (if it does not have any Subsidiary) or total consolidated assets (as the case may be) as shown by its latest audited balance sheet are at least 25 per cent. of the total consolidated assets of the Issuer as shown by the Accounts; or
- (c) whose revenues (if it does not have any Subsidiary) or consolidated revenues (as the case may be) as shown by its latest audited profit and loss account are at least 25 per cent. of the consolidated revenues of the Issuer as shown by the Accounts; or

(d) to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary which immediately prior to such transfer is Material Subsidiary, provided that, such a case, the Subsidiary so transferring its assets and undertaking shall thereupon cease to be a Material Subsidiary and the Subsidiary to which the assets are so transferred shall become a Material Subsidiary on the date on which the first published audited accounts (consolidated, if appropriate) of the Issuer are issued after such transfer, unless such latter Subsidiary would cease to be a Material Subsidiary on the basis of such accounts by virtue of paragraphs (a), (b) and (c) above.

“Maturity Date” means [*to insert the 716th day after the Issue Date*] or, if that is not a business day, the first business day thereafter.

“Ordinary Resolution” has the meaning ascribed to it in paragraph 17 of Schedule 2.

a “Put Event” occurs when the closing price per Share quoted on the daily quotation sheets of the Stock Exchange for ten (10) consecutive Trading Days exceeds 200% of the Conversion Price then prevailing, provided that during such period, the average daily share trading turnover should not be less than HK\$30,000,000.

“Put Period” has the meaning given to it in Condition 6.1(b).

“Rate of Interest” means 3 months HIBOR plus 5.5 per cent. per annum.

“Registration Date” has the meaning given to it in Condition 6.6(f).

“Register of Bondholders” has the meaning given to it in Condition 3.3(a).

“Shares” means the ordinary shares of an existing par value of HK\$0.01 each in the share capital of the Issuer and listed on the Stock Exchange and all other (if any) stock or shares from time to time and for the time being ranking *pari passu* therewith, and all other (if any) stock or shares resulting from any sub-division, consolidation or re-classification thereof, 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 Issuer.

“Shareholder(s)” means holder(s) of the Shares.

“Stock Exchange” means The Stock Exchange of Hong Kong Limited.

“Subscription Agreement” means the subscription agreement dated 22 August 2014 between the Issuer and Shanghai Electric Hongkong Co. Limited in respect of the issuance and subscription of the Bonds, as varied, amended, modified, supplemented or novated from time to time.

“Subsidiary” has the definition ascribed to them “subsidiary” in the Listing Rules.

“Takeovers Code” means the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs.

“Tax” and “Taxation” means (a) any form of tax whenever created or imposed and whether of Hong Kong, Bermuda or elsewhere, payable to or imposed by any taxation authority and includes, without limitation, profits tax, provisional profits tax, interest tax, salaries tax, property tax, taxes on income, estate duty, capital duty, stamp duty, payroll tax and other similar liabilities or contributions and any other taxes, levies, duties, charges, imposts or withholdings similar to, corresponding with, or replacing or replaced by any of the foregoing and including an amount equal to any deprivation of any relief from taxation; and (b) all charges, interests, penalties and fines, incidental or relating to any Taxation falling within (a)

above.

“Trading Day” means a day on which trading of the Shares is conducted on the Stock Exchange in accordance with the rules and regulations of the Stock Exchange promulgated from time to time.

- 1.2 A reference to a “date of announcement” shall mean the first date on which the matter or document referred to in the public announcement made under the Listing Rules is released and uploaded on the official website of Hong Kong Exchanges and Clearing Limited; and for the avoidance of doubt, where (a) a public announcement is required to be made under the Listing Rules but is not made, the “date of announcement” shall be deemed to be the date of the occurrence of the underlying matter or the execution of the underlying document; and “announced” and “announcement” shall be construed accordingly.
- 1.3 A reference to “outstanding” in relation to the Bonds shall mean all the Bonds issued other than:
- (a) those which have been redeemed or in respect of which Conversion Rights have been exercised and which have been cancelled in accordance with these Conditions;
 - (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest accrued on such Bonds to the date for such redemption under Condition 5) have been duly paid to the relevant Bondholder or on its behalf; and
 - (c) those which have been cancelled as provided in Condition 8.
- 1.4 Except as otherwise expressly provided, expressions defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) have the same meaning when used in these Conditions.
- 1.5 A reference to a statute or statutory provision includes a reference:
- (a) to that statute or provision as from time to time modified or re-enacted; and
 - (b) to any orders, regulations, instruments or other subordinate legislation made under the relevant statute or statutory provision.
- 1.6 References to any Hong Kong statutory provision or legal term for any action, remedy, method of judicial proceeding, legal document, legal statutes, court, official or other legal concept, state of affairs or thing shall in respect of any jurisdiction other than Hong Kong be deemed to include that which most nearly approximates in that jurisdiction to the Hong Kong statutory provision or legal term or other legal concept, state of affairs or thing.
- 1.7 Unless the context otherwise requires:
- (a) words in the singular include the plural, and vice versa;
 - (b) words importing either gender or the neuter include both genders and the neuter; and
 - (c) a reference to a person includes a reference to a body corporate and to an unincorporated body of persons.
- 1.8 Condition headings in these Conditions are included for convenience of reference only and shall not constitute a part of the Bonds for any other purpose. The Exhibits to these

Conditions form part of these Conditions and shall be read accordingly.

- 1.9 References to costs, charges or expenses include any withholding, value added, turnover or similar tax charged in respect thereof;

2. Status

The Bonds constitute senior, direct, unsubordinated, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves and all existing and future unsubordinated and unsecured obligations of the Issuer.

3. Form, Denomination, Title, Register, Certificate

3.1 *Form and Denomination*

The Bonds are issued in registered form in the denomination of HK\$10,000,000 each or any integral multiple thereof, unless the amount remaining on exercise of the Conversion Rights or in consequence of an adjustment pursuant to the provisions of the Conditions shall be less than HK\$10,000,000) ("Authorised Denomination"). A Certificate will be issued to each bondholder in respect of its registered holding of the Bonds. Each Bond and each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the Register of Bondholders which will be kept by the Issuer pursuant to Condition 3.3.

3.2 *Title*

Title to the Bonds will pass only by transfer and registration in the Register of Bondholders as described in Condition 4. The holder of any Bond will (except as otherwise required by law) 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.

3.3 *Register of Bondholders*

- (a) The Issuer will or will procure its principal share registrar and transfer office in Bermuda to maintain and keep the register (the "Register of Bondholders") on which the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and all transfer of the Bonds are entered. Each holder of such Bonds shall be entitled to receive only one Certificate in respect of its entire holding of the Bonds.
- (b) Any Bondholder may require a copy of the names and addresses of the Bondholders and the amount of outstanding principal amount of each of such Bondholders as set forth in the Register of Bondholders and within three Business Days of receipt by the Issuer of such requirement, a copy of the Register of Bondholders shall be made available for collection at the specified office of the Issuer or, if so requested by the Bondholder, be sent by courier at the risk and cost of the Bondholder entitled.

3.4 *Certificate*

Where only part of a principal amount of the Bonds (being that of one or more 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 together

with the other documents required under these Conditions to the Issuer, be made available for collection at the specified office of the Issuer or, if so requested in the form of transfer (the form of which being set out in Exhibit A), 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 Issuer's expense) to the address of such holder appearing on the Register of Bondholders.

4. Transfers of Bonds

- 4.1 Subject to Conditions 4.2 to 4.6, all or part (in Authorised Denomination or integral multiples thereof) of a Bond may be transferred or exchanged at any time by delivery of the Certificate issued in respect of that Bond, with the endorsed form of transfer (the form of which being set out in Exhibit A) duly completed and signed by the registered Bondholder or his attorney duly authorised in writing, to the Issuer at the Designated Office together with such evidence as the Issuer may reasonably require to prove the authority of the individuals who have executed the form of transfer. No transfer of title to a Bond will be valid unless and until entered on the Register of Bondholders.
- 4.2 A Bond may only be transferred if:
- (a) such transfer shall be in compliance with the terms and conditions of the Subscription Agreement; and
 - (b) such transfer shall be further subject to (where applicable) the conditions, approvals, requirements and any other provisions of or under:
 - (i) the Listing Rules;
 - (ii) the Takeovers Codes; and
 - (iii) all applicable laws and regulations.
- 4.3 No Bondholder may require the transfer or exchange of any Bond to be registered (i) during the period of seven Business Days ending on (and including) the dates for payment of any principal pursuant to the Conditions; (ii) after a Conversion Notice has been delivered with respect to such Bond; or (iii) during the period of seven Business Days ending on (and including) any Interest Payment Date in respect of any payment of interest on the Bond. Where only part of a principal amount of the Bonds (being that of one or more Bonds) in respect of which a Certificate is issued is to be transferred, exchanged, 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 together with the other documents required these Conditions to the Issuer, be made available for collection at the specified office of the Issuer or, if so requested in the form of transfer, be mailed by to the address of such holder appearing on the Register.
- 4.4 Each new Certificate to be issued upon a transfer of Bond will, within three Business Days of receipt by the Issuer of the original Certificate and other documents referred to in Condition 4.1, be made available for collection at the specified office of the Issuer 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 Issuer's expense) to the address specified in the form of transfer.
- 4.5 Registration of a transfer of Bonds and issuance of new Certificates will be effected without charge by the Issuer, but upon payment by the transferor and/or the transferee (or, at the Issuer's option, the giving of such indemnity as the Issuer may require) in respect of any Tax or other governmental charges which may be imposed in relation to such transfer, and the Issuer being satisfied that the laws, rules, codes and regulations concerning transfers of Bonds

have been complied with.

- 4.6 (a) Any reasonable legal and other costs and expenses which may be properly incurred by the Issuer in connection with any transfer of a Bond or any request therefor (including, but without limitation to, the costs which may be properly incurred by the Issuer to comply with the Listing Rules and the Takeovers Code in respect of such transfer) except the mailing costs referred to in Conditions 3.4 and 4.4 and (b) all Taxes and governmental charges which may be imposed in relation to such transfer shall be borne by the transferor Bondholder.

5. **Interest**

5.1 *Interest Commencement and Rate*

- (a) The Bonds shall bear interest from and including the Issue Date at the Rate of Interest determined on each Interest Reference Date (the first of which shall be 30 September 2014), and shall be payable quarterly in arrears on the fifth (5th) Business Day preceding the next following the Interest Reference Dates (the “Interest Payment Date”).
- (b) Interest in respect of a Bond shall be calculated and paid in the Hong Kong Dollars calculated by applying the Rate of Interest to the principal amount of such Bond.
- (c) With respect to each Interest Payment Date, interest on the Bonds shall accrue from and including the immediately preceding Interest Payment Date until and excluding the relevant Interest Payment Date, provided that the initial interest period shall start from, and include, the date of the issuance of the Bonds, and the last interest period shall end on, and exclude, the Maturity Date. Notwithstanding anything to the contrary contained herein, if the Conversion Date falls during an interest period, interests on the Bonds for the period from and including the immediately preceding Interest Payment Date until and excluding the Conversion Date shall become due and payable as of the Conversion Date, and any portion of such interests that are not included in the amount of Bonds to be converted into Conversion Shares in accordance with Condition 6 shall be payable in cash to the Bondholder as of the Conversion Date.

5.2 *Cessation of the Interest Accrual*

Each Bond will cease to bear interest on the earliest of:

- (a) for the principal amount of the Bond in respect of which the Conversion Rights has been exercised and the Conversion Shares has been issued, from and including the Interest Payment Date last preceding its Conversion Date (or, if such Conversion Date falls on or before the first Interest Payment Date, its Issue Date) subject to conversion of the relevant Bond in accordance with the provisions of Condition 6;
- (b) where the Bond has been fully repaid, purchased and cancelled or redeemed in accordance with these Conditions or otherwise as agreed between the Bondholders and the Issuer.

5.3 *Principal Amount Not Paid on Due Date*

If, upon due presentation of any Bond on the due date for redemption, payment of principal is improperly held or refused, such Bond will continue to bear the Default Interest in accordance with Condition 7.5 (both before and after judgment) until the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder.

5.4 *Interest Amounts*

If interest is required to be paid in respect of a Bond on any other date or on an Interest Payment Date but in respect of a period which does not commence on an earlier Interest Payment Date, the interest in respect of a Bond shall be the principal amount of such Bond, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest HK\$ (half a HK\$ being rounded upwards), where “Day Count Fraction” means, in respect of any period, the number of days in the relevant period divided by 365.

6. **Conversion**

6.1 *Conversion Right*

(a) Subject as provided in the Conditions, the Bondholders shall have the right (the “Conversion Right”) to convert their Bonds into Shares credited as fully paid at any time during the Conversion Period. Subject to, and upon compliance with, the provisions of these Conditions, the Conversion Right attaching to any Bond may be exercised, at the option of the holder thereof, at any time following the Issue Date up to the Maturity Date (both days inclusive) but, except as provided in Condition 6.5, in no event thereafter (the “Conversion Period”).

(b) Upon the occurrence of a Put Event, the Issuer has the right to issue Conversion Shares in satisfaction of all or part (in authorised denominations) of its obligations to repay or redeem at face value the principal amount of the Bonds then outstanding at the Conversion Price then prevailing at any time and from time to time during the ninety-day period (the “Put Period”) commencing on the later of (i) the first anniversary of the date of this Instrument and (ii) the occurrence of the Put Event. In respect of each exercise of such right, the Issuer shall give to each Bondholder not less than thirty days prior written notice (expiring no earlier than the commencement of the Put Period) provided that if no notice is given then all of the outstanding unconverted Bonds shall be converted in full on the last day of the Put Period.

6.2 *Number of Shares issuable on Conversion*

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 of the Bonds to be converted.

The number of Shares to be issued on conversion of a Bond will be determined by the following formula:

$$S = \frac{B}{P}$$

Where

S = number of Shares to be issued;

B = the whole or such part of the principal amount of the Bonds to be converted; and

P = the Conversion Price.

6.3 *Fractions of Shares:*

Fractions of Shares will not be issued on conversion and no cash adjustments 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 of such Bonds being so converted and rounded down to the nearest whole number of Shares.

6.4 *Conversion Price:*

The price at which Shares will be issued upon conversion will be HK\$3.39 per Share (the “Conversion Price”) subject to adjustment in the manner provided in the Instrument.

6.5 *Revival and/or Survival after Default*

Notwithstanding the provisions of Condition 6.1, if (a) any Bond has become due and payable prior to the Maturity Date by reason of the occurrence of any of the Events of Default, or (b) any Bond is not redeemed on the Maturity Date in accordance with Condition 8.1, then 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 Bondholders.

6.6 *Conversion Procedures and related provisions:*

- (a) **Conversion Notice:** To exercise the Conversion Right attaching to any Bond, the holder thereof must complete, execute and deposit at its own expense during normal business hours at the Designated Office a notice of conversion (a “Conversion Notice”) in the form scheduled to these Terms as Exhibit B.
- (b) **Conversion Date:** 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 and will be deemed to be the Trading Day 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 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 Issuer consents in writing to such withdrawal.
- (c) **Stamp Duty etc.:** (i) A Bondholder exercising Conversion Rights must pay directly to the relevant authorities any Taxes and capital, stamp, issue and registration duties arising on such exercise (other than any Taxes or capital or stamp duties payable in Bermuda or Hong Kong by the Issuer in respect of the allotment and issue of Shares and listing of the Shares on the Stock Exchange 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. (ii) The Issuer will pay any stamp, issue, registration, documentary, transferor other taxes and duties, including interest and penalties, payable in Bermuda or Hong Kong in respect of the creation, issue and offering of the Bonds and the execution or delivery of this Certificate and pay any taxes and capital, stamp, issue and registration duties in Hong Kong, Bermuda or, if relevant, the place of any alternative stock exchange, arising from the deposit of Certificates for the conversion of Bonds and the issue and delivery of Shares following such deposit, except for the taxes and capital, stamp, issue and registration duties required to be paid by Bondholders under this Condition 6.6(c).

- (d) **Delivery of certificates:** As soon as practicable, and in any event not later than three Business Days after the Conversion Date, the Issuer will, in the case of Bonds converted on exercise of the Conversion Right and in respect of which a duly completed Conversion Notice has been delivered and the relevant Certificate and amounts payable by the Bondholder as required by these Conditions have been paid, register the Bondholder or the relevant CCASS participant designated for the purpose in the Conversion Notice as holder(s) of the relevant number of Shares in the Issuer's register of members and will cause the Registrar to make a certificate or certificates for the relevant Shares available for collection at the Designated Office or, if so requested in the relevant Conversion Notice, will cause its 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. Unless otherwise agreed by the Issuer, a single certificate shall be issued for all the Shares (in board lots) that fall to be issued in respect of all Conversion Notices given by the same Bondholder on the same day together with (if applicable) a second certificate for any Shares in odd lots that fall to be issued.
- (e) **Retroactive adjustment to Conversion Price:** 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 8.1 of the Instrument, but before the relevant adjustment becomes effective under the relevant Condition (a "Retroactive Adjustment"), upon the relevant adjustment becoming effective the Issuer shall issue to the converting Bondholder (or in accordance with the instructions contained in the Conversion Notice (subject to applicable exchange control 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 6.6(e) to the Conversion Date shall be deemed to refer to the date upon which the Retroactive Adjustment becomes effective (notwithstanding that the date upon which it becomes effective falls after the end of the Conversion Period). However, this Condition relating to Retroactive Adjustment shall not apply where an adjustment of the Conversion Price under in Condition 8.1 of the Instrument refers to the record date and such adjustment will take effect from the date next following such record date.
- (f) **Ranking of Conversion Shares:** 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 Issuer's register of members (the "Registration Date"). The Shares issued upon conversion of the Bonds will be fully-paid and free from all Encumbrances and in all respects rank *pari passu* with the Shares in issue on the relevant Registration Date and immediately tradable on the Stock Exchange. Save as set out in these Conditions, a holder of Shares issued on conversion of the Bonds shall not be entitled to any rights the record date for which precedes the relevant Registration Date.
- (g) **Calculation of dividends:** 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 (disregarding any Retroactive Adjustment of the Conversion Price referred to in this sub-paragraph prior to the time such Retroactive Adjustment shall have become effective), the Issuer 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 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 after it has received from the Bondholder the bank account details as referred hereinafter. For the avoidance of doubt, such payment shall not be taken as a Capital Distribution, shall not trigger any adjustment as contemplated in Condition 8.1 of the Instrument and shall not reduce the amounts of dividend or distribution payable to those Shareholders whose names are on the Issuer’s register of members on the record date. The Equivalent Amount shall be paid 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.

7. Payments

7.1 Principal amount, Premium, and Interest

Payment of principal, premium, interest and other amount due in respect of the Bonds will be made by transfer to the registered account of the Bondholder in cash. Payment of principal will only be made after surrender of the relevant Certificate at the Designated Office of the Issuer in Hong Kong.

References in these Conditions to principal in respect of any Bond shall, where the context so permits, be deemed to include a reference to any premium payable thereon. References to interest shall where the context so permits, be deemed to include a reference to any default interest payable.

7.2 Registered Accounts

For the purpose 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 from time to time, details of which appear on the Register of Bondholder at the close of business on the second Business Day before the due date for payment and a Bondholder registered address means its address appearing on the Register at that time.

7.3 Fiscal Laws

All payments are subject in all cases to any applicable laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

7.4 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 Business Day, for value on the first following day which is a Business Day) will be initiated on the due date for payment (or, if it is not a Business Day, the immediately following Business Day), or in the case of payment of principle, if later, on the Business Day on which the relevant Certificate is surrendered at the Designated Office of the Issuer in Hong Kong.

7.5 *Default Interest and Delay in Payment*

- (a) If the Issuer fails to pay any sum in respect of the Bonds when the same becomes due and payable under these Conditions, interest shall accrue on the overdue sum at the rate of 10% per annum (the “Default Interest”) from the due date and ending on the date on which full payment is made to the Bondholders in accordance with the Conditions. Such default interest shall accrue on the basis of the actual number of days elapsed and a 365-day year.
- (b) 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 Business Day, or if the Bondholder is late in surrendering its Certificate (if required to do so).
- (c) If an amount which is due on the Bonds is not paid in full, the Issuer will annotate the Register of Bondholders with a record of the amount (if any) in fact paid.

8. **Redemption and Cancellation**

8.1 *Maturity*

Unless previously redeemed, converted or cancelled as provided herein, the Issuer will redeem each Bond on the Maturity Date at an amount equal to 100 per cent of the principal amount outstanding of the Bonds.

8.2 *Redemption at the Option of the Bondholder*

At any time upon the occurrence of any of the Events of Default or a Change of Control, the Bondholder shall have the right at its option, but not the obligation, at any time thereafter, to require the Issuer to redeem in whole or in part the outstanding Bonds held by it at the redemption amount equal to the sum of 100 per cent. of the principal amount outstanding of the Bonds to be redeemed; and a further sum that would result in a total internal rate of return to that Bondholder as at the date of redemption of 12 per cent. per annum from the Issue Date on the principal amount outstanding of the Bonds to be redeemed (inclusive, for the avoidance of doubt, of any interest paid or payable to the Bondholder under these Conditions). To exercise the early redemption right as set out in this Condition 8.2 a Bondholder may (regardless of whether any notice has been given by the Issuer), upon the occurrence of such Event of Default, complete, sign and deposit at the specified office of the Issuer a duly completed and signed a notice of redemption in the form as set out in Exhibit C hereto (the “Redemption Notice”), together with the Certificate evidencing the Bonds to be redeemed. The Issuer shall redeem the Bonds which form the subject of a valid Redemption Notice and pay the applicable redemption amount on the third business day after the deposit of the Redemption Notice aforesaid. A Bondholder shall have the right to forthwith exercise its rights under this Condition 8.2 at any time after it becomes aware of the Event of Default.

8.3 *Cancellation*

All Bonds which are redeemed or converted by the Issuer or any of its Subsidiaries will forthwith be cancelled and such Bonds may not be reissued or resold.

9. **Taxation**

- 9.1 All payments made by the Issuer with respect to the Bonds shall 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 or levied by or on behalf of Bermuda, Hong Kong, People’s Republic of China or

any authority thereof or therein having power to tax (each, a “Taxing Jurisdiction”), unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law. In such event, the Issuer will pay such additional amounts as will result in the receipt by the Bondholders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been required, except that no such additional amount shall be payable in respect of any Bond to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the Taxing Jurisdiction, otherwise than merely by holding the Bond or by the receipt of amounts in respect of the Bond or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate authority which such holder is legally capable and competent of making but fails to do so.

9.2 References in these Conditions to principal interests and other payments payable by the Issuer shall be deemed also to refer to and include any additional amounts which may be payable under this Condition 9.

10. Events of Default

For so long as any Bond remains outstanding, each of the following events shall constitute an “Event of Default” occurs:

- (a) any failure for more than three days by the Issuer to pay any principal, premium, interest or any other amount due in respect of the Bonds;
- (b) any failure by the Issuer to, or procure its share registrar to: (i) register the person or persons designated in a Conversion Notice as the holder(s) of the relevant number of Conversion Shares in the Issuer's share register; and/or (ii) deliver the Conversion Shares and/or the certificate(s) for the Conversion Shares as and when the Conversion Shares are required to be delivered in accordance with these Conditions, in each case within the period specified in Condition 6.6(d) following conversion of Bonds and such failure continues for more than three days;
- (c) the Issuer does not perform or comply with any covenant, condition or provision contained in the Instrument or in the Bonds and on its part to be performed or observed which default is incapable of remedy, or if capable of remedy, is not remedied within fourteen days of a Bondholder giving notice to the Issuer or the Issuer becoming aware of the breach;
- (d) there is any breach of any applicable law, regulation or Listing Rules by the Issuer or any of its Subsidiaries which will result in a Material Adverse Effect;
- (e) there is any changes made to the bye-laws of the Issuer which adversely affects a Bondholders' rights thereunder;
- (f) (i) any other present or future indebtedness (whether actual or contingent) of the Issuer 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 event of default or the like (howsoever described), (ii) any such indebtedness is not paid when due or (if a grace period is applicable) within any applicable grace period, or (iii) the Issuer 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; and such failure is incapable of remedy or, if capable of remedy, is not remedied within fourteen days after written notice of such failure shall have

been given by the Bondholder to the Issuer;

- (g) the Shares (as a class) cease to be listed or admitted to trading on the Stock Exchange or any alternative stock exchange acceptable to the Bondholders except there is any transactions in accordance with Chapter 14 of the Listing Rules which requires clearance from the Stock Exchange;
- (h) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries and is not discharged or stayed within thirty days;
- (i) any Encumbrance, present or future, created or assumed by the Issuer or any of its Material Subsidiaries becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of an Encumbrancer) and such enforcement will result in a Material Adverse Effect;
- (j) the Issuer or any of its Material Subsidiaries is insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or a material part 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 the debts of the Issuer or any of its Material Subsidiaries; or if an administrator or liquidator of the Issuer or of any of its Material Subsidiaries or the whole or any material part of the assets and revenues of the Issuer or any of its Material Subsidiaries is appointed (or application for any such appointment is made);
- (k) an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer or any of its Material Subsidiaries, or the Issuer or its Material Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) in the case of the Issuer, on terms approved by the Bondholders, or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of such Material Subsidiary are transferred to or otherwise vested in the Issuer or another of its Material Subsidiaries;
- (l) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or any of its Material Subsidiaries or the Issuer, or any of its Material Subsidiaries is prevented from exercising normal control over all or a material part of its property, assets and turnover;
- (m) 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 (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds admissible in evidence in the courts of Bermuda and/ or Hong Kong, is not taken, fulfilled or done;
- (n) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Bonds;

- (o) 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 the foregoing paragraphs of this Condition 10; or
- (p) any Material Adverse Effect.

11. **Enforcement**

At any time after the Bonds have become due and repayable, any Bondholders may at their sole discretion and without further notice, take such proceedings against the Issuer as it may think fit to enforce repayment of the Bonds and to enforce the provisions of these Conditions.

12. **Replacement Certificate**

If the Certificate for the Bonds is lost, mutilated defaced, destroyed, or stolen, the relevant Bondholder shall notify the Issuer as soon as practicable and a replacement Certificate shall be issued if the Bondholder provides the Issuer with a declaration by the Bondholder or its officer or director that the original Certificate for the Bonds had been lost or mutilated (as the case may be) or other evidence that the Certificate for the Bonds had been lost mutilated defaced, destroyed, or stolen, together with the mutilated or defaced Certificate for the Bonds (if applicable). The Certificate for the Bonds replaced in accordance with this Condition shall forthwith be cancelled.

13. **Notices**

13.1 Any notice or other communication to be given or made under the Bonds shall be in writing and shall be given or made by facsimile, by first class pre-paid post, by courier or personally delivered. Any such notice or communication shall be sent to the party to whom it is addressed and must contain sufficient reference and/or particulars to render it readily identifiable with the subject matter of the Bonds. If so given or made by facsimile, such notice or communication shall be deemed received on the date of despatch; if so given or made by post to an address in Hong Kong, shall be deemed to be received two (2) Business Days after the date of despatch; if so given or made by air-mail to an address outside Hong Kong, shall be deemed received seven (7) Business Days after the date of despatch; and if so given or made by courier or personally delivered, shall be deemed received at the time of delivery.

13.2 The relevant address and facsimile number of the Issuer for the purpose of notices and communications are as follows:

<u>Address</u>	<u>Facsimile Number</u>	<u>Attention</u>
Room 2004-5, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong	(852) 2344 9392	Board of Directors

13.3 The relevant address, facsimile number and contact person of each Bondholder for the purpose of notices and communications shall be as set out in the Register of Bondholders.

14. **Amendment, Modification and Waiver**

The terms and conditions of the Bonds may only be varied, modified, expanded or amended by agreement in writing between the Issuer and approved by Ordinary Resolution. Any consent or approval in relation to the Bonds or any waiver or authorisation of any breach by

the Issuer of the Bonds may only be effected after being sanctioned by agreement amongst all Bondholders or in writing by the requisite majority of Bondholders and any such variation, expansion and amendment shall apply equally to all Bonds regardless of whether any given Bondholder has participated in the relevant meeting of Bondholders or given its approval in writing and shall be notified to the Bondholders generally and be binding on the Issuer and all Bondholders.

15. Meetings Of Bondholders

The Instrument contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the sanctioning by Ordinary Resolution of a modification of the Bonds or the provisions of the Instrument. The quorum at any such meeting for passing an Ordinary Resolution will be one or more persons holding or representing at least 10% in principal amount of the Bonds for the time being outstanding or, at any adjourned such meeting, one or more persons holding or representing at least 10% in principal amount of the Bonds. An Ordinary Resolution passed at any meeting of Bondholders will be binding on all Bondholders, whether or not they are present at the meeting. The Instrument provides that a written resolution signed by or on behalf of a holder or the holders of not less than 50% of the aggregate principal amount of Bonds outstanding shall be as valid and effective as a duly passed Ordinary Resolution.

16. No waiver of Bondholder's rights

No omission or delay by the Bondholder in exercising any rights under the Bonds shall operate as a waiver, and the single or partial exercise of any such right or rights shall not preclude any other further exercise of such right or rights.

17. Governing law and jurisdiction

17.1 The Bonds and the Instrument are governed by and shall be construed in accordance with the laws of Hong Kong.

17.2 Any disputes or controversy arising out of or in connection with this Certificate shall be submitted solely and exclusively to arbitration in Hong Kong in accordance with the UNCITRAL Arbitration Rules as at present in force and as may be amended by the rest of this Condition 17.2. The place of arbitration shall be in Hong Kong at the China International Economic and Trade Arbitration Commission Hong Kong Arbitration Centre ("CIETAC"). There shall be three arbitrators. The language of the arbitration shall be English. The Bondholder and the Issuer shall each be entitled to, and shall, appoint one arbitrator each within twenty one (21) days of the notice of arbitration, failing which the appointment shall be made by the Chairman of CIETAC. The third arbitrator shall be appointed by the other two arbitrators within fifteen (15) Business Days of the appointment of the second arbitrator, failing which the appointment shall be made by the Chairman of CIETAC. Nothing in this Condition shall prevent any party at any time seeking any interim or interlocutory relief in aid of any arbitration or in connection with enforcement proceedings. Any award of the arbitral tribunal shall be final and binding on the parties. The parties agree to be bound by any award and to act accordingly without delay. The arbitral award may be enforced in any court of competent jurisdiction.

**Exhibit A
FORM OF TRANSFER**

RISING DEVELOPMENT HOLDINGS LIMITED

**HK\$700,000,000
3 MONTHS HIBOR PLUS 5.5 PER CENT. PER ANNUM CONVERTIBLE BONDS DUE 2016**

TRANSFER NOTICE

[CERTIFICATE NUMBER]

FOR VALUE RECEIVED the undersigned hereby transfers to

.....

.....

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE)

HK\$[*] principal amount of the Bonds in respect of which this Certificate is issued, and all rights in respect thereof.

All payments in respect of the Bonds hereby transferred are to be made (unless otherwise instructed by the transferee) to the following account:

Name of bank :

HK\$ account number :

For the account of :

Dated:

Certifying Signature

Name:

Bonds:

- (a) A representative of the holder of the Bonds should state the capacity in which he signs, e.g. executor.
- (b) The signature of the persons effecting a transfer shall conform to any list of duly authorized specimen signatures supplied by the registered holder or be certified by a notary public or in such other manner as the Issuer may require.
- (c) This form of transfer should be dated as of the date it is deposited with the Issuer.
- (d) Transfers of the Bonds are subject to the restrictions set out in the Conditions.

Exhibit B
FORM OF CONVERSION NOTICE

RISING DEVELOPMENT HOLDINGS LIMITED

HK\$700,000,000
3 MONTHS HIBOR PLUS 5.5 PER CENT. PER ANNUM CONVERTIBLE BONDS DUE 2016

CONVERSION NOTICE

[date]

To: Rising Development Holdings Limited (the “Issuer”)

Re: Conversion Notice in relation to the HK\$700,000,000 3 months HIBOR plus 5.5 per cent. per annum Convertible Bonds due 2016 (the “Bonds”), constituted by the Certificate issued in respect of the Bonds as of [*] with an aggregate outstanding, principal amount of HK\$[*]. Capitalised terms used herein and not otherwise defined shall have their respective meanings as set forth in the Certificate and Conditions.

Dear Sirs,

I/We, [being the holder of Bonds/ by or on behalf of the holder or beneficial owner of the Bonds] in the aggregate principal amount of HK\$[*], hereby deliver this Conversion Notice pursuant to Condition 6.6(a) of the Bonds and notify the Issuer of the exercise of the conversion rights set forth in Condition 6.1 of the Bonds to convert [all of the outstanding principal amount of the Bonds] [such principal amount of the Bonds set out below] at the prevailing Conversion Price set out below. Capitalised terms used herein shall, unless otherwise defined, have the same meanings as given to them in the Certificate and the Conditions.

1. Total principal amount and certificate numbers of Bonds to be converted:

Total principal amount:

Total number of Bonds:

Certificate numbers of Bonds:

N.B. If necessary, the certificate numbers of Bonds attached need not be in consecutive serial numbers.

2. Conversion Price on Conversion Date:

3. Total number of Shares to be issued:

4. Name(s), address(es) and signature(s) of person(s) in whose name(s) the Shares required to be delivered on conversion are to be registered:

Name:

Address:

.....

.....

Signature:

5. (A) the relevant number of Shares be issued in the name(s) of the person(s) whose name(s) stand(s) on the Register of Bondholders as the Bondholder(s) represented by this Certificate and the certificate for such Shares be delivered to the address of the following participant of the Central Clearing and Settlement System (“CCASS”) operated by the Hong Kong Securities Clearing Company Limited:

Participation I.D. of the designated CCASS participant:

CCASS participants contact person:

CCASS participants contact telephone number and fax number:

CCASS participants address for delivery of share certificates:

OR

(B) I/We hereby request that the certificates for the Shares (or other securities) required to be delivered upon conversion be despatched (at my/our risk) to the person whose name and address is given below and in the manner specified below:

Name:.....
Address:.....
.....
.....
Manner of dispatch (if other than by ordinary mail):

6. I/We hereby request that a Certificate evidencing the Bonds not so converted be issued in our name and be made available for collection at the specified office of the Issuer/delivered to the address set out below by ordinary mail* in accordance with Condition 6.6(d).

7. I/we designate the following account maintained by me/us with a bank in Hong Kong for the receipt of payments under Conditions 7.1 and 6.6(g):

Bank:

Account Number:

Name of account holder:

8. The Certificates representing the Bonds converted hereby accompany this Conversion Notice.

9. We hereby irrevocably represent, warrant and undertake to you the following: -

- (a) our exercise of the Conversion Rights is not prohibited by any law or regulation of any jurisdiction of which each of us or our beneficial owner or the beneficial owner(s) of the Conversion Shares is a resident or national, and would not require filing or other action by the Issuer to comply with such laws or regulations;
- (b) any taxes payable to the relevant tax authorities pursuant to Condition [*] have fully been paid;
- (c) the delivery of the relevant Bond or Conversion Shares will not result in a breach of any exchange control, fiscal or other laws or regulations for the time being applicable in any jurisdiction of which each of us or our beneficial owner or the beneficial owner(s) of the Conversion Shares is a resident or national.

We hereby acknowledge that you will in reliance of the foregoing representation, warranty and undertaking issue and allot Conversion Shares to us in accordance with the Conditions

* (Delete as appropriate)

Name: Date:
Address:
Signature:

Notes:

- (1) This Conversion Notice will be void unless the introductory details, Sections 1, 2, 3, 4 and (if applicable) 5 are completed.
- (2) Despatch of share certificates or other securities or property will be made at the risk of the converting Bondholder.
- (3) If an adjustment contemplated by the terms and conditions of the Bonds is required in respect of a conversion of

Bonds where additional Shares are to be issued, certificates for the additional Shares deliverable pursuant to such adjustment (together with any other securities, property or cash) will be delivered or despatched in the same manner as the Shares, other securities, property and cash previously.

SCHEDULE 2

Provisions for meetings of Bondholder(s)

1. The Issuer at any time shall, upon a request in writing of Bondholders holding not less than one-tenth in principal amount of the Bonds for the time being outstanding, convene a meeting of Bondholders. Every such meeting shall be held at such time and place as the Directors of the Issuer may reasonably approve.
2. Subject to paragraph 17 below, at least 14 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the day, time and place of meeting shall be given to the Bondholders. The accidental omission to any notice to any of the Bondholders shall not invalidate the proceedings at any meeting.
3. A person (who may, but need not, be a Bondholder) nominated in writing by the Issuer shall be entitled to take the chair at every such meeting but if no such nomination is made or if at any meeting the person nominated shall not be present within 15 minutes after the time fixed for the meeting the Bondholders present shall choose one of their member to be chairman, failing which the Issuer may appoint a chairman. The chairman of an adjourned meeting need not be the same person as was chairman of the original meeting.
4. At any such meeting any two or more persons present in person holding Bonds or being proxies or representatives and holding or representing in the aggregate not less than one-tenth in principal amount of the Bonds for the time being outstanding shall form a quorum for the transaction of business, provided that if all the Bonds are held by the same holder, a single person present in person holding all the Bonds or being proxy or representative shall form a quorum. No business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of business.
5. If within 30 minutes from the time fixed for any such meeting a quorum is not present the meeting shall, if convened upon the requisition of Bondholders, be dissolved. In any other case it shall stand adjourned for such period, not being less than 14 days nor more than 42 days, and to such place, as may be decided by the chairman. At such adjourned meeting two or more persons present in person holding Bonds or being proxies or representatives (whatever the principal amount of the Bonds so held or represented) (and where all the Bonds are held by the same holder, a single person present in person holding all the Bonds or being proxy or representative) shall form a quorum and may pass any resolution and decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had a quorum been present at such meeting.
6. The chairman may with the consent of (and shall if directed by) any meeting adjourn such meeting from time to time from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
7. At least 7 days' notice of any meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and such notice shall state the quorum required at such adjourned meeting. It shall not, however, otherwise be necessary to give any notice of an adjourned meeting.
8. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) which he may have as a Bondholder or as a proxy or representative. Where there is a single person forming the quorum, this paragraph shall not apply and the question will be decided by means of a poll.

9. At any meeting, unless (a) a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, the Issuer or by one or more persons holding one or more Bonds or being proxies or representatives and holding or representing in the aggregate not less than one-fiftieth in principal amount of the Bonds for the time being outstanding, or (b) a single person forms the quorum of such meeting, a declaration by the chairman that a resolution has been carried or carried by a particular majority or lost or not carried by any particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
10. If at any meeting a poll is so demanded, it shall be taken in such manner and (subject as provided below) either at once or after such an adjournment as the chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuation of the meeting for the transaction of any business other than the question on which the poll has been demanded.
11. Any poll demanded at any meeting on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.
12. The Issuer (through its representatives) and financial and legal advisers of the Issuer and the Bondholders may attend and speak at any meeting of Bondholders. No one else may attend at any meeting of Bondholders or join with others in requesting the convening of such a meeting unless he is the holder of a Bond or is a proxy or a representative.
13. At any meeting on a show of hands every person who is present in person and who produces a Bond or is a proxy or a representative shall have one vote and on a poll the principal amount of Bonds for which votes are cast either by the Bondholder in person by its proxy or a representative shall be counted.
14. A Bondholder is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a Bondholder.
15. A meeting of Bondholders shall, subject to the Conditions, in addition to the powers given above, but without prejudice to any powers conferred on other persons by this Instrument, have power exercisable by Ordinary Resolution:
 - (a) to sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Bondholders against the Issuer or against any of its property whether such rights shall arise under this Instrument or otherwise;
 - (b) to sanction any scheme or proposal for the exchange, substitution or sale of the Bonds for, or the conversion of the Bonds into, or the cancellation of the Bonds in consideration of, shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other body corporate formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash;
 - (c) to assent to any modification of this Instrument or the Bonds which shall be proposed by the Issuer;
 - (d) to authorise anyone to concur in and do all such things as may be necessary to carry out and give effect to any Ordinary Resolution;

- (e) to give any authority, discretion or sanction which under this Instrument or the Bonds is required to be given by Ordinary Resolution;
 - (f) to appoint any persons (whether Bondholders or not) as a committee or committees to represent the interests of the Bondholders and to confer upon such committee or committee any powers or discretions which the Bondholders could themselves exercise by Ordinary Resolution;
 - (g) to approve the substitution of any entity for any liability in respect of any act or omission for which it may become responsible under this Instrument or the Bonds;
 - (h) to make any modification to the provisions contained in this Instrument or the Bonds which would have the effect of:
 - (i) changing the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds; or
 - (ii) modifying the status and conversion terms of the Bonds; or
 - (iii) reducing or cancelling the principal amount of, or interest on, or other amounts in respect of or reducing the rate of interest on, the Bonds; or
 - (iv) modifying the provisions contained in this Schedule concerning the quorum required at any meeting of Bondholders or the majority required to pass an Ordinary Resolution; or
 - (v) changing the currency of payment of the Bonds; or
 - (vi) sanctioning any compromise or arrangement proposed to be made between the Issuer and the Bondholders or any of them; or
 - (vii) discharging or exonerating any person from any liability in respect of any act or omission for which such person may have become responsible under this Instrument or the Conditions; or
 - (viii) amending this proviso.
16. An Ordinary Resolution passed in accordance with this Instrument shall be binding upon all the Bondholders, regardless of whether or not (a) such resolution was passed at a meeting of Bondholders or (b) if a meeting is held, all Bondholders were present at such meeting, and whether or not they vote in favour, and each of the Bondholders shall be bound to give effect to it accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances of such resolution justify the passing of it.
17. The expression **Ordinary Resolution** means a resolution passed at a meeting of Bondholders duly convened and held in accordance with these provisions by a majority consisting of not less than half of the votes cast. A written resolution signed by or on behalf of a holder or the holders of not less than 50% of the aggregate principal amount of Bonds outstanding shall be as valid and effective as a duly passed Ordinary Resolution.
18. Minutes of all resolutions and proceedings at every such meeting shall be made and entered in the books to be from time to time provided for that purpose by the Issuer and any such minutes, if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings transacted or by the chairman of the next succeeding meeting of Bondholders, shall be conclusive evidence of the matters contained in them and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been so made and signed shall be deemed to have been duly convened and held and all

resolutions passed or proceedings transacted at it to have been duly passed and transacted.

19. Subject to all other provisions contained in this Instrument the Issuer may without the consent of the Bondholders prescribe such further regulations regarding the holding of the meetings of Bondholders and attendance and voting at them as the Issuer may think reasonable so as to satisfy itself that persons who purport to requisition a meeting in accordance with paragraph 1 are, in fact, Bondholders, their proxies or representatives.

Schedule 2
WARRANTIES AND REPRESENTATIONS

PART A: INTERPRETATION

1. Definitions

In this Schedule, where the context admits:

“Authority” means any competent governmental, administrative, supervisory, regulatory, judicial, determinative, disciplinary, enforcement or tax raising body, authority, agency, or any stock exchange, board, department, court or tribunal or other non-governmental regulatory authority of any jurisdiction and whether supranational, national, regional or local.

“Authorisation” means any licence, consent, permit, approval or other authorisation, whether public or private.

“Connected Person” means a “connected person” as such term is defined in the Listing Rules.

“Intellectual Property” means the following rights arising or used in connection with the core business of the Group: (i) all patents, trademarks, service marks, rights (registered or unregistered), copyrights in any designs, Internet domain names of any level, topography rights, trade and business names, including the benefit of all registration of and applications to register and rights to apply for registration of any of the aforesaid items, and all rights in the nature of any of the aforesaid items, anywhere in the world; (ii) rights to sue for passing off; (iii) all trade secrets, confidentiality and other propriety rights, including all rights to know-how and other technical information; and (iv) the benefit of all licenses and permissions granted to or enjoyed by any member of the Group with respect to any of the rights and forms of protection mentioned in this definition.

“Interim Accounts” means the unaudited consolidated interim accounts of the Issuer (and the Subsidiaries) for the period of six months ended on 30 September 2014.

“PRC” means the People’s Republic of China, and for the purpose of this Agreement, does not include Taiwan, Hong Kong or Macau.

“Tax” means all forms or taxation, duties, levies, and imposts whether of Hong Kong, Bermuda or any other jurisdiction including (without limitation) corporation tax, including instalment payments in respect of corporation tax, stamp duty, income tax, capital gains tax, duties of excise, customs and other import duties, inheritance tax, capital duties and any payment whatsoever which the Issuer may be or become bound to make to any person as a result of the operation of any enactment relating to any such taxes or duties and all penalties, fines, charges and interest relating to any of the foregoing or resulting from a failure to comply with the provisions of any enactment relating to taxation.

2. The Warranties shall be deemed to have been made or given in respect of each member of the Group. Accordingly, whenever the Warranties can be read and applied in respect of a Subsidiary references to “Issuer” in this schedule shall where the context permits be construed as a reference to that Subsidiary and such Warranties shall be applied to the fullest extent possible in such circumstances.

PART B: SUBSCRIBER’S WARRANTIES

The Subscriber hereby represents and warrants to the Issuer as follows:

- (a) the Subscriber is a company duly incorporated or organised and validly existing under the laws of its jurisdiction of incorporation or organisation, is not insolvent, in liquidation or receivership. The Subscriber has not taken any step to enter liquidation and there is no grounds on which a petition or application could be based for the winding up or appointment of a receiver of the Subscriber. The Subscriber has full power and authority to own its properties and to conduct its business;
- (b) the Subscriber has full power and authority to enter into this Agreement and to perform its obligations set out in and contemplated under this Agreement and may execute and deliver this Agreement;
- (c) this Agreement has been duly authorised, executed and delivered by the Subscriber and constitutes valid and legally binding obligations of the Subscriber enforceable in accordance with its terms; and
- (d) the Subscriber and its associates (as that term is defined in the Listing Rules) are third parties independent of the Issuer and its connected persons (as that term is defined in the Listing Rules).

PART C: ISSUER’S WARRANTIES

The Issuer makes the following representations, warranties and undertakings to the Subscriber:

1. The Issuer and the Issue of Bonds

- 1.1 The Issuer has full power and authority to enter into and perform this Agreement, and may execute and deliver this Agreement and perform their obligations in this Agreement without any further sanction or consent or of any other person or Authority and this Agreement constitutes valid and binding obligations of the Issuer enforceable in accordance with its terms.
- 1.2 The Issuer has, or prior to the Completion Date will have, sufficient authorised but unissued share capital to satisfy the issue of such number of Conversion Shares as would be required to be issued on conversion of all the Bonds at the initial conversion price.
- 1.3 No Authorisations is required for the execution and delivery by the Issuer of this Agreement, the issue and delivery of the Bonds, the issue of the Conversion Shares, the carrying out of the other transactions contemplated by this Agreement and the

Bonds, or the compliance by the Issuer with the Conditions, except for all of those which have been, or will prior to the Completion Date be, obtained and are, or will on the Completion Date be, in full force and effect.

- 1.4 The Bonds have been duly authorised by the Issuer and, when duly executed, authenticated, issued and delivered, the Bonds will constitute valid and legally binding obligations of the Issuer, enforceable against the Issuer in accordance with its terms.
- 1.5 The Bonds (when issued) will constitute direct, unsecured, unconditional and unsubordinated obligations of the Issuer and will at all times rank at least *pari passu* without any preference among themselves and with and all other present and future direct, unsecured, unconditional and unsubordinated obligations of the Issuer other than those preferred by statute or applicable law.
- 1.6 Subject only to satisfaction of the Conditions, this Agreement will upon Completion be in full force and effect. The execution and delivery by the Issuer of this Agreement, the issue and delivery of the Bonds, the issue of the Conversion Shares on conversion of the Bonds, the carrying out of the other transactions contemplated by this Agreement and the Bonds and the compliance by the Issuer with the Conditions do not and will not:
 - (A) conflict with or result in a breach of any of the terms or provisions of, or constitute a default (nor has any event occurred which, with the giving of notice and/or the passage of time and/or the fulfilment of any other requirement would result in a default by the Issuer or the Group) under, the bye-laws of the Issuer, order, judgment or decree of any Authority by which the Issuer is bound or subject, or the documents constituting the Issuer, or any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which the Issuer or any member of the Group is a party or by which any of their respective assets are bound;
 - (B) infringe any existing applicable law, rule, regulation, judgment, order, authorisation or decree of any government, governmental or regulatory body or court, domestic or foreign, having jurisdiction over the Issuer or any member of the Group or any of their respective assets, or the rules of any stock exchange on which securities of the Issuer are listed;
 - (C) cause the Issuer to lose the benefit of any Authorisation or any right or privilege it presently enjoys or relieve any person of any obligation to the Issuer (whether contractual or otherwise) or enable any person to determine any such obligation or any contractual right or benefit now enjoyed by the Issuer or to exercise any right whether under an agreement with the Issuer;
 - (D) result in any present or future indebtedness of the Issuer becoming due or capable of being declared due and payable prior to its stated maturity;
 - (E) result in the creation, imposition or enforcement of any Encumbrances whatsoever on any assets of the Issuer; or

- (F) give rise to or cause to become exercisable any right of pre-emption.
- 1.7 Save for those set out in this Agreement, the Listing Rules and the Securities and Futures Ordinance, there are no restrictions on transfers of the Bonds or (except under the Listing Rules) the voting or transfer of any of the Shares or payments of dividends with respect to the Shares pursuant to the Issuer's constitutional documents, or pursuant to any agreement or other instrument to which the Issuer is a party or by which it may be bound.
- 1.8 The Conversion Shares, when issued and delivered in the manner contemplated by the Instrument:
- (A) will be duly and validly issued, fully-paid and non-assessable;
 - (B) will rank *pari passu* and carry the same rights and privileges in all respects as any other class of ordinary share capital of the Issuer and shall be entitled to all dividends and other distributions declared, paid or made thereon;
 - (C) will be freely transferable, free and clear of all liens, charges, encumbrances, security interests or claims of third parties and will not be subject to calls for further funds; and
 - (D) will be duly listed, and admitted to trading, on the Main Board of the Hong Kong Stock Exchange.
- 1.9 No member of the Group has any interest, direct or indirect, either alone or in partnership or joint venture in some other form in any business which competes with the business of the Group.

2. **Group structure and corporate matters**

- 2.1 Each of the Issuer and its Subsidiaries is duly incorporated and organised, and validly existing and in good standing under the law of its jurisdiction of incorporation or organisation, is not in liquidation or receivership and has full power and authority to own its properties and to conduct its business. The incorporation of each Subsidiary registered in the PRC has been duly filed with the competent Authorities in accordance with applicable law.
- 2.2 (A) The entire issued share capital of the Issuer is listed on the Stock Exchange, and their respective directors are in compliance with all applicable laws in connection with the issue of the Shares and the applicable requirements of the Listing Rules and the Code on Corporate Governance Practices set out in Appendix 14 of the Listing Rules ("Corporate Governance Code"), and in each case, the Issuer will comply with all applicable laws and the applicable requirements of the Listing Rules in connection with the issue of the Bonds and with respect to the Conversion Shares.
- (B) The Issuer has not been declared by the Stock Exchange to have breached of any rules, regulations or requirements of the Stock Exchange which will cause

the current listing of the Shares on the Stock Exchange to be suspended, cancelled or revoked before Completion.

- (C) There is no dispute concerning the title to any of the shares, or equity interest in any of the Subsidiaries and no other person has claimed to have title to the same or to be entitled to any interest therein and there is no litigation, arbitration or other proceedings in any way relating to the title to such shares, or equity interest and no Subsidiary has received any application for rectification of its register of members, in each case, which if determined adversely to the Group has or will have a Material Adverse Effect. There are no circumstances likely to give rise to any such dispute, proceedings or application.

2.3 The issue of the Conversion Shares will not be subject to any pre-emptive or similar rights; and save for the Share Option Scheme or the general mandate to issue and repurchase shares approved in general meeting of the shareholders of the Issuer:

- (A) there are no outstanding securities issued by the Issuer or its subsidiaries convertible into or exchangeable for, or warrants, rights or options, or agreements to grant warrants, rights or options, to purchase or to subscribe for, shares of the Issuer or its subsidiaries;
- (B) there are no other or similar arrangements approved by the board of directors of the Issuer or a general meeting of shareholders of the Issuer providing for the issue or purchase of Shares or the subscription for Shares;
- (C) no unissued share capital of the Issuer is under option or agreed conditionally or unconditionally to be put under option; and
- (D) no person has the right (whether exercisable now or in the future and whether contingent or not) to call for the allotment, issue, sale, transfer or conversion of any share or loan capital of the Issuer under any option or other agreement.

3. **The Issuer and the law**

- 3.1 (A) So far as the Issuer is aware, each member of the Group has conducted its business in all material respects in accordance with all applicable laws and the applicable requirements (including but not limited to disclosure requirements) of the Listing Rules, other than any non-compliance that will not result in a Material Adverse Effect.
- (B) The operations of each member of the Group are and have been conducted in compliance with applicable financial recordkeeping and reporting and other requirements of the money laundering laws of all relevant jurisdiction, and no action, suit, proceeding, investigation or inquiry by or before any Authority involving any member of the Group with respect to the relevant money laundering laws is pending or threatened.
- (C) So far as the Issuer is aware, there is no order, decree or judgment of any Authority outstanding against the Issuer which may have a Material Adverse

Effect the Issuer.

- 3.2 (A) Neither the Issuer, nor any other member of the Group, is engaged in or the subject of any actions, suits or proceedings whether as claimant, plaintiff, defendant or otherwise that has or will have a Material Adverse Effect on the Group's business.
- (B) There is no circumstances which indicate that any actions, suits or proceedings or enquiry are pending or threatened or expected by or against any member of the Group, or any Director, or any share, equity interest, property or asset of the Group that has or will have a Material Adverse Effect.
- (C) Neither the Issuer nor any other member of the Group is a party to any undertaking or assurance given to any Authority or is the subject of any injunction or other similar court order or has been the subject of any injunction or other similar court order that has or will have a Material Adverse Effect.
- (D) There are no police, legal, governmental or regulatory investigations so far as the Issuer is aware nor any pending actions, suits or proceedings against or affecting the Issuer or any member of the Group or any of their respective directors or officers (in their capacities as such), or assets, which, if determined adversely to the Issuer or any member of the Group or any of their respective directors, officers or assets, would individually or in the aggregate have a Material Adverse Effect, or which are otherwise material in the context of the issue of the Bonds and no such investigations, actions, suits or proceedings are threatened.
- 3.3 Neither the Issuer nor any other member of the Group the Issuer has paid or accepted any unlawful bribe or inducement (monetary or otherwise) or used any of the Group's assets unlawfully to obtain an advantage for itself, himself or any other person.

4. **Accuracy of material matters disclosed**

- (A) All information disclosed in writing by or on behalf of the Issuer to the Subscriber and its advisers on or prior to the date of this Agreement or to be disclosed prior in writing to Completion including, without limitation, the answers and documents provided at due diligence meetings (and any new or additional information serving to update or amend such information supplied or disclosed by the Issuer to the Subscriber or the legal and other professional advisers to the Subscriber)(if any) is true, complete and accurate in all material respects and not misleading in any material respect.
- (B) There has been no material development or occurrence relating to the financial or business condition of the Issuer or the Group since the provision of such information, forecasts or estimates which is not in the public domain and which has a Material Adverse Effect.
- (C) The Issuer has disclosed or will disclose to the Subscriber all information and facts relating to the Issuer and its business, assets and undertaking (including financial information) which are or may be material for disclosure to a subscriber of Bonds on the terms of this Agreement and all information and

facts so disclosed or to be disclosed are or will be true, complete and accurate in all material respects and not misleading in any material respect.

- (D) All statements of fact contained in the announcement (other than information in relation to the Subscriber) to be issued on behalf of the Issuer as soon as possible following the execution of this Agreement are true and accurate in all material respects and not misleading in any material respect and all statements of opinion, intention or expectation of the Directors in relation to the Issuer or the Group contained therein (if any) are truly and honestly held and have been made on reasonable grounds after due and careful consideration and there is no other fact or matter omitted, the omission of which would make any statement in the announcement misleading in any material respect.

5. **The Issuer's solvency**

- 5.1 Each member of the Group is currently in compliance with all financial covenants in respect of its outstanding indebtedness and is not in breach or potential breach of any provision of such indebtedness, nor will be in breach or potential breach of any provision of such indebtedness following issuance of the Bonds.
- 5.2 No order has been made, petition presented or resolution passed for the winding up of the Issuer or any of its Subsidiaries and no meeting has been convened for the purpose of winding up the Issuer or any of its Subsidiaries and there are no circumstances reasonably likely to lead to the presentation of any petition or passing of any resolution for the winding up of the Issuer.
- 5.3 No steps have been taken for the appointment of an administrator or receiver (including an administrative receiver) of all or any part of the Group's assets and there are no circumstances likely to lead to the appointment of such administrator or receiver (or administrative receiver).
- 5.4 None of the members of the Group has made or proposed any arrangement or composition with its creditors or any class of its creditors and there are no circumstances reasonably likely to lead to the making of any such arrangement or composition or the making of any proposal for any arrangement or composition with its creditors or any class of its creditors.
- 5.5 Each member of the Group is not insolvent, or unable to pay its debts within the meaning of the relevant insolvency legislation applicable to the Issuer and the Issuer has not stopped paying its debts as they fall due.
- 5.6 No distress, execution or other process been levied against the Issuer or any of its Subsidiaries or action taken to repossess goods in the Group's possession which has not been satisfied in full. No unsatisfied material judgment is outstanding against the Issuer or any of its Subsidiaries.
- 5.7 No floating charge created by the Issuer has crystallised.

6. **The Issuer's accounts and records**

- 6.1 All accounts, books, ledgers, financial and records (“Records”) of the Issuer:
- (A) have been fully, properly and accurately maintained on a consistent basis are up to date and in the possession and control of the Issuer and contain true, complete and accurate records of all matters required by law to be entered therein; and
 - (B) do not contain or reflect any material inaccuracies or discrepancies.
- 6.2 The Audited Accounts:
- (A) were prepared in accordance with the requirements of all relevant laws and regulations generally accepted accounting principles and practices at the time they were audited;
 - (B) show a true and fair view of the state of affairs and financial position of the Group as at to the Balance Sheet Date and of its results for the financial period ended on the Balance Sheet Date; and
 - (C) apply bases and policies of accounting which have been consistently applied in the audited financial statements of the Issuer and, in the case of the Issuer and the Subsidiaries, in the audited consolidated financial statements for the three accounting reference periods ended on the Balance Sheet Date;
- 6.3 There are no outstanding guarantees or contingent payment obligations of the Group in respect of indebtedness of third parties other than those disclosed in the Audited Accounts which will have a Material Adverse Effect. Each member of the Group is in compliance with all of its obligations under any outstanding guarantees or contingent payment obligations as disclosed in the Audited Accounts.
- 6.4 The Interim Accounts, if available on or prior to the Completion Date, have been prepared in accordance with accounting policies consistent with those used in preparing the Audited Accounts and on a basis consistent with the interim accounts prepared in the preceding three years and fairly represent the financial position of the Issuer and the Subsidiaries as a whole.
- 6.5 No member of the Group has any off-balance sheet transactions which, individually or in the aggregate, would, or is likely to, have a Material Adverse Effect and neither the Issuer nor any member of the Group has any relationships with unconsolidated entities that are contractually limited to narrow activities that facilitate the transfer of or access to assets by the Issuer, or any member of the Group, such as structured finance entities and special purpose entities that could have a material adverse effect on the liquidity of the Issuer or any member of the Group or the availability thereof or the requirements of the Issuer or any member of the Group for capital resources.
- 6.6 The Issuer and each of its Subsidiaries maintain a system of internal control and accounting controls sufficient to provide reasonable assurance that:

- (A) transactions are executed in accordance with management's general or specific authorisations and in compliance with applicable laws, rules and regulations (including without limitation the Listing Rules);
- (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with Hong Kong Financial Report Standards ("HKFRS") and to maintain asset accountability;
- (C) access to assets is permitted only in accordance with management's general or specific authorisation;
- (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and
- (E) each of the Issuer and its subsidiaries has made and kept books, records and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of such entity and provide a sufficient basis for the preparation of the Issuer's consolidated financial statements in accordance with HKFRS; and
- (F) the Group's current management information and accounting control system has been in operation for at least 12 months during which time none of the Issuer nor any member of the Group has experienced any material difficulties with regard to (A) through (D) above;

7. **The Issuer's business and the effect of the sale**

7.1 Since the Balance Sheet Date and up to the Completion Date, save as disclosed by the Issuer by way of regulatory announcements:

- (A) the Issuer has carried on its business in the ordinary and usual course so as to maintain it as a going concern and without any interruption or alteration in the nature, scope or manner of its business or material depletion in the net assets of the Group taken as a whole;
- (B) there has been no Material Adverse Effect or any development involving a prospective Material Adverse Effect, in the condition, financial or otherwise, or in the earnings or business affairs of the Group, whether or not arising in the ordinary course of business;
- (C) no share or loan capital has been issued or agreed to be issued by the Issuer;

7.2 No one is entitled to receive from the Issuer any finder's fee, brokerage, or other commission in connection with this Agreement or the issue and subscription of the Bonds.

7.3 (A) The Issuer and each member of the Group have in place all insurance policies necessary and customary for the conduct of their businesses as currently operated and for compliance with all requirements of law (the "Issuer Insurance") afford the Issuer adequate cover against fire, accident, damage,

injury, third party loss (including product liability), loss of profits and other risks normally insured against by companies carrying on a similar business in the PRC.

- (B) So far as the Issuer is aware, all Issuer Insurance is in full force and effect and will be maintained in full force without alteration pending Completion and all premiums have been paid on time. No notice of cancellation or termination has been received with respect to any such policy, and the Issuer and each member of the Group have complied in all material respects with the terms and conditions of such policies, except where breach of this provision would not have a Material Adverse Effect. So far as the Issuer is aware, there are no circumstances which might lead to any liability under any Issuer Insurance being avoided by the insurers. The Issuer Insurance contains no special or unusual terms, restrictions or rates of premium. There is no claim outstanding under any Issuer Insurance.

8. **The Issuer's assets**

- 8.1 (A) The Issuer and each member of the Group has good title, in all material respects, to all properties and to all assets owned by it necessary for it to conduct the business now operated by them, including but not limited to assets included in the Audited Accounts or all assets which have been acquired by the Issuer since the Balance Sheet Date (the "Assets") and has received all necessary Authorisation in order to have good title to its Assets in all material respects, including without limitation approvals relating to the acquisition of such title other than any defect in title or lack of Authorisation that does not have any Material Adverse Effect.
- (B) No Encumbrance is outstanding nor is there any agreement or commitment to give or create or allow any Encumbrance over or in respect of the whole or any part of the Issuer's Assets, undertaking, goodwill or uncalled capital and no claim has been made by any person that he is entitled to any such Encumbrance except any Encumbrance that does not interfere with the use made or proposed to be made of such Assets by the Issuer or arising in the ordinary course of the Group.
- (C) There are no contractual or legal restrictions that preclude or restrict the Issuer's ability to use any Assets of the Issuer for the purposes for which it is currently being used.
- (D) No charge in favour of the Issuer is void or voidable for want of registration.

9. **Premises**

- 9.1 (A) Each of the premises which the Issuer held by way of government leases or by way of leases and which is material to the operations of the Group ("Premise") is held free from any Encumbrance, lease, sub-lease, tenancy, licence or right of occupation, rent charge, exception, reservation, right, easement, quasi-easement or privilege (or agreement for any of the same) in favour of a third party. The leases, sub-leases, tenancies, licences or agreements for any of the

same under which the Premises are held are valid and subsisting against all persons, including any person in whom any superior estate or interest is vested.

- (B) None of the Premises or any part thereof is affected by any outstanding dispute, notice or complaint or any exception, reservation, right, covenant, restriction or condition which is of an unusual nature or which affects the use of any of the Premises for the purpose for which it is now used (the “current use”);
 - (C) All restrictions, conditions and covenants (including any imposed by or pursuant to any lease, sub-lease, tenancy or agreement for any of the same and whether the Issuer is the landlord or tenant thereunder and any arising in relation to any superior title) affecting any of the Premises have been observed and performed in all material respects and no notice of any breach of any of the same has been received.
- 9.2
- (A) The Issuer is the sole legal and beneficial owner free from Encumbrances of all the Intellectual Property owned by the Issuer which is necessary and material to the Group as a whole at the date hereof (“Owned Intellectual Property”) and (where such property is capable of registration) the registered proprietor thereof.
 - (B) All of the Owned Intellectual Property is valid and enforceable and nothing has been done, omitted or permitted whereby any of them has ceased or might cease to be valid and enforceable.
 - (C) None of the processes or products of the Issuer has to the knowledge of the Issuer infringed in the last three years any Intellectual Property of any other person or involves the unlicensed use of confidential information disclosed to the Issuer by any person in circumstances which might entitle that person to make a material claim against the Issuer.
 - (D) None of the Owned Intellectual Property is being, claimed, applied for, opposed or attacked by any other person.
 - (E) So far as the Issuer is aware, there has been no infringement of the Owned Intellectual Property or of any rights relating to it by any person.
 - (F) All application and renewal fees, costs, charges, taxes and other steps required for the maintenance or protection of the Owned Intellectual Property have been duly paid on time or taken and none of such rights are subject to any existing challenge or attack by a third party or Authority.
 - (G) Each of the intellectual property agreements to which the Issuer is a party is valid and binding. With respect to each item of Intellectual Property licensed to the Issuer that is material to the business of the Group as a whole as at the date hereof (“Licensed Intellectual Property”), the Issuer has the right to use such Licensed Intellectual Property in the continued operation of its business in accordance with the terms of the license agreement governing such Licensed Intellectual Property.

10. **The Issuer's contracts**

- 10.1 The Group is not in default in the performance of any material obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust or other material instrument or agreement to which it is a party or by which it or its property is bound.
- 10.2 None of the members of the Group is a party to, or is bound by, any contract that restricts the conduct of its business anywhere in the world or contains any unusual or burdensome provisions that could reasonably be expected to have a Material Adverse Effect.
- 10.3 The Issuer is not a party to or subject to any agreement, transaction, obligation, commitment, understanding, arrangement or liability which are material to the Group and outside the ordinary and usual course of business of the Group.
- 10.4 No person, as agent or otherwise, is entitled or authorised to bind or commit the Issuer to any obligation not in the ordinary course of the Issuer's business.
- 10.5 No offer, tender, or the like is outstanding which is capable of being converted into an obligation of the Issuer by an acceptance or other act of some other person which if accepted will have a Material Adverse Effect.
- 10.6 No fact or circumstance exists which might invalidate or give rise to a ground for termination, avoidance or repudiation of any of the Material Contracts. No party with whom the Group has entered into the Material Contracts has given notice of its intention to terminate, or has sought to repudiate or disclaim, any of the Material Contracts.

11. **The Issuer and its bankers**

The total amount borrowed by the Issuer from its bankers does not exceed its facilities and the total amount borrowed by the Issuer from whatsoever source does not exceed any limitation on its borrowing contained in its bye-laws, or in any debenture or loan stock deed or other instrument.

12. **Directors and Employees**

There is no existing, pending material industrial or trade dispute, or labour disturbance involving any member of the Group and any of its employees or any trade union or organisation representing its employees, nor is there any existing pending material claims of any type against any member of the Group by any existing or former employees.

13. **Taxation**

- 13.1 No tax or duty (including any stamp or issuance or transfer tax or duty, any service tax and any tax or duty on capital gains or income, whether chargeable on a withholding basis or otherwise) is assessable or payable in, and no withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature is imposed or made for or on account of any income, registration, transfer, service or turnover

taxes, customs or other duties or taxes of any kind, levied, collected, withheld or assessed by or within, Hong Kong or any other relevant jurisdiction or by any subdivision of or authority therein or thereof having power to tax, in connection with the creation, issue or offering of the Bonds or the execution or delivery of this Agreement or the performance of the obligations hereunder or thereunder (including, without limitation, issuance of the Conversion Shares on conversion of the Bonds).

13.2 Each of the Issuer and its Subsidiaries has made all returns for taxation purposes which it is obligated to make and paid or accounted for all Tax (if any) due to be paid or accounted for by it before the date of this Agreement.

13.3 No Tax authority has investigated or indicated that it intends to investigate the Tax affairs of the any member of the Group nor has any Tax authority disputed the inclusion of taxable income from any member of the Group in the Tax computations of such member of the Group.

14. **Environmental Matters**

The Issuer and each member of the Group (i) has received, is in compliance with and will comply with all permits, licences or other approvals required of it under applicable Environmental Laws to conduct its businesses; and (ii) has not received notice of any actual liability under any Environmental Law, except where such non-compliance with Environmental Laws, failure to receive required permits, licences or other approvals, or liability would not, individually or in the aggregate, have a Material Adverse Effect.

15. **Product Liability**

None of the member of the Group is aware of any pending claim for product liability, warranty, material backcharge, material additional work, field repair or other injury claims by any third party (whether based on contract, tort or statute and whether relating to personal injury, including death, property damage or economic loss) arising from (a) services rendered by any member of the Group during periods through and including the Completion Date, (b) the sale, distribution, erection or installation of products by any member of the Group prior to the Completion Date, or the manufacture of products by any member of the Group prior to the Completion Date or (c) the operation of the business during the period through and including the Completion Date, other than warranty and field repair claims that did not and will not have a Material Adverse Effect and that are consistent with past experience with respect to both frequency and amount. No product manufactured, sold, or delivered by, or service rendered by or on behalf of, any member of the Group is subject to any guaranty, warranty or other indemnity, express or implied, beyond the standard terms and conditions of sale for each of the products or services of such member of the Group, and there is no basis for any present or future recall of any such products.

16. **Litigation**

Except to the extent publicly disclosed in any announcements, circulars, quarterly/annual reports of the Group copies of which have been supplied to the Subscriber, none of the member of the Group is engaged in any litigation, arbitration, prosecution or other legal proceeding of material importance nor is there any such proceeding pending or threatened against the Issuer or any of its subsidiaries, nor is there any claim or fact likely to give rise to any claim which in any such case may have or has had a significant effect on the financial position of any member of the Group or which is material in the context of the subscription of the Bonds under the Agreement.

Schedule 3
FORM OF COMPLETION CERTIFICATE

RISING DEVELOPMENT HOLDINGS LIMITED
SHANGHAI ELECTRIC HONGKONG CO. LIMITED
(the "**Subscriber**")

[Completion Date]

Dear Sirs

RISING DEVELOPMENT HOLDINGS LIMITED (the "Issuer")
HK\$700,000,000 3 months HIBOR plus 5.5 per cent. per annum
Convertible Bonds due 2016
Convertible into shares in the share capital of
Rising Development Holdings Limited
(the "Bonds")

I, the undersigned, being a director of Rising Development Holdings Limited, refer to the subscription agreement dated 22 August 2014 between Rising Development Holdings Limited as the Issuer, and Shanghai Electric Hongkong Co. Limited as the Subscriber (as may be amended or supplemented from time to time, the "**Subscription Agreement**") in respect of the Bonds. Expressions which are given defined meanings in the Subscription Agreement have the same meanings herein.

As required by Clause 4.2(H) of the Subscription Agreement, I hereby certify that:

- (A) the Warranties being true, accurate and correct in all respects and not misleading in any respect at, and as if made on, the Completion Date;
- (B) the Issuer has performed all agreements, obligations, covenants herein required to be performed or observed by the Issuer on or prior to the Completion Date in all material respects;
- (C) since the date of this Agreement, (i) no applicable laws shall have been promulgated or enacted that materially delays or makes illegal the performance of this Agreement, (ii) no applicable injunction, restraining order or order of similar nature by a Governmental Authority that materially delays or makes illegal the performance of this Agreement shall be effective and (iii) no applicable Governmental Authority shall have instituted any claim, suit, action, arbitration, investigation or other legal or administrative proceeding against or affecting the Issuer that seeks to materially delay or make illegal the performance of this Agreement;
- (D) all issued Shares remaining listed on, and not having been withdrawn from, the Stock Exchange and save for (i) any trading halts, (ii) any temporary suspension of not more than ten consecutive Trading Days, (iii) any suspension pending clearance of any announcement in

connection with any announcement required to be made under the Listing Rules (in each case, including any suspension in the trading of the Shares on the Stock Exchange pending the clearance or release of any announcement or circular relating to the transactions contemplated under this Agreement), the Stock Exchange not having indicated that it will object to such listing and there being no events or circumstances existing based on which the Stock Exchange could reasonably be expected to raise such objection or that will adversely affect the listing status of the Shares;

(E) listing of, and permission to deal in, all of the Conversion Shares upon conversion of the Bonds having been granted by the Listing Committee of the Stock Exchange (either unconditionally or subject to conditions);

(F) there being no Material Adverse Effect;

(G) there being no event existing or having occurred and no condition being in existence which would (had any Bonds already been issued) constitute an Event of Default and no event or act having occurred which with the giving of notices, or the lapse of time, or both, would (had any Bonds already been issued) constitute an Event of Default;

(H) all Authorisations (if any) which are required from the relevant courts, Governmental Authorities in Hong Kong, the PRC and Bermuda for this Agreement and the transactions contemplated herein having been granted, fulfilled or given (as applicable); and

(I) there has not been an Insolvency Event.

Yours faithfully

for and on behalf of

RISING DEVELOPMENT HOLDINGS LIMITED

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Director

IN WITNESS WHEREOF this Agreement has been executed by the parties and is intended to be and is hereby delivered on the day and year first above written.

SIGNED for and on behalf of)

RISING DEVELOPMENT HOLDINGS LIMITED)

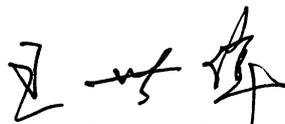
By **Lai Leong**)

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IN WITNESS WHEREOF this Agreement has been executed by the parties and is intended to be and is hereby delivered on the day and year first above written.

SIGNED for and on behalf of

SHANGHAI ELECTRIC HONGKONG CO. LIMITED

A handwritten signature in black ink, consisting of three characters: '王', '世', and '璋'.

Name: WANG, Shi Zhang (王世璋)

Title: Director