



恒生銀行
HANG SENG BANK

Our Ref: Corporate Banking – B200217 & LN200325

Confidential

31 March 2020

China Century Sunshine Group Investment Company Limited
中国世纪阳光集团投资有限公司
Suite 1104 11/F Tower 6
The Gateway
9 Canton Road
Tsimshatsui
Kowloon

Attention: Mr. Chi Wen Fu, Chairman

Dear Sirs,

BANKING FACILITIES

With reference to our recent discussions, we, Hang Seng Bank Limited (the "**Bank**") are pleased to offer the following banking facility/ facilities (the "**Facilities**") to the borrower(s) specified below (the "**Borrower**").

The Facilities will be made available subject to (a) the terms and conditions set out in this letter, (b) the Standard Terms and Conditions for Banking Facilities attached hereto and (c) the terms and conditions governing your account(s) with the Bank or (as the case may be) the relationship terms of business and upon satisfactory completion of the security specified below. In case of any conflict of terms, the terms of this letter shall prevail.

The Facilities are subject to review at any time and also subject to our overriding right of repayment on demand, including the right to call for cash cover on demand for prospective and contingent liabilities. The Bank shall have an unrestricted discretion to cancel or suspend, or determine whether or not to permit drawings in relation to, the Facilities.

1. Borrower

China Century Sunshine Group Investment Company Limited
中国世纪阳光集团投资有限公司

2. Facilities and Limits

| | |
|-------------------------------|-----------------------|
| Revolving Loan Facility (RLN) | HKD300,000,000 # |
| Total Facility Limit | HKD300,000,000 |

Notes:

Semi-annual principal repayment of 5% will be imposed that HKD15,000,000 principal will be repaid by every 6 months.

3. Facilities and Conditions

Revolving Loan Facility (RLN) : Facility Amount: HKD300,000,000

Purpose: To finance the investment needs of the Group

"Group" means the Borrower and its subsidiaries from time to time.

Drawdown: Drawdown can be made in HKD or USD, subject to availability as determined at the Bank's discretion. The Borrower shall give the Bank one Business Day prior written notice.

In a minimum amount of HKD1,000,000/USD100,000 and its integral multiple.

Final Maturity Date: 2 years from the first drawdown date

Availability Period: Up to the Final Maturity Date and subject to the Bank's periodic review.

Interest Rate and Payment: 2% per annum over HIBOR/LIBOR or the Bank's Cost of Funds, whichever is higher, payable at the end of each interest period. The Borrower may select an interest period which shall be 1/2/3 month(s). No Interest Period shall extend beyond the Final Maturity Date.

Repayment: Each drawdown (together with interest) shall be repayable on the maturity date of such drawdown unless the Bank allows for a rollover, which is to be directly debited from the account maintained with the Bank.

Prepayment: Voluntary prepayment is not permitted during an interest period.

Condition(s) Precedent:

- (1) The People's Republic of China ("PRC") loan card of the Shandong Factory holding companies in PRC has to be obtained.

"Shandong Factory" means Shandong Hongri Chemical Joint Stock Co. Ltd.

- (2) Factory visit is to be completed for the Shandong Factory.
- (3) Sales and Purchase Agreement / Cooperation Agreement between Convertible Bonds (CB) issuer and developer to be submitted to the Bank before loan drawdown.

"Convertible Bonds" or "CB" means the convertible bonds to be issued to the Borrower by Century Sunshine Group Holdings Limited (stock code: 509) ("Century Sunshine"), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on The Stock Exchange of Hong Kong Limited.

Condition(s):

- (1) The Borrower shall undertake to use drawdown proceeds under this facility to purchase securities and/or investment products from or outside the Bank. By usage of the investment drawdown proceeds, any purchase and sales of subject investment products must immediately notify the Bank.
- (2) The Borrower undertakes that this facility shall not be used for any property acquisition/investment.
- (3) Statements of the financial institution with which the investment products are bought (using the drawdown proceed) and held shall be provided to the Bank quarterly to show that the investment products are in place.
- (4) Redemption of the CB by the Borrower (if applicable) at any time shall trigger immediate repayment of the loan.
- (5) The Borrower undertakes to immediately remit (or cause to remit) all proceeds of the redemption and coupon interest of the CB to the Borrower's charged account opened and maintained with the Bank.

- (6) Chi Wen Fu shall maintain his 100% shareholding of the Borrower directly and shall at all times be the single largest ultimate beneficial shareholder of the Group and has effective management control over the Group ("*management control*" means being able to direct the affairs and policies of an entity and to control the composition of the board of directors or equivalent body of that entity).
- (7) The Borrower undertakes to immediately remit (or cause to remit) all dividend and other distribution proceeds received from the shares of Century Sunshine held in the Borrower's name to the Borrower's charged account opened and maintained with the Bank.
- (8) Semi-annual principal repayment of 5% will be imposed that HKD15,000,000 principal will be repaid by every 6 months.

4. Security

The availability of the Facilities is conditional upon the Bank's receipt of the following documents in form and substance satisfactory to the Bank:-

- (1) An **All Monies First Legal Charge** over House No.9 together with the garden space adjoining thereto, Strawberry Hill Phase I, No.32 Plantation Road, Hong Kong (the "**Property**") with Lo Kai Ming Charles and Lee Wai Yin Angela as the mortgagor for RLN facility only (excluding personal guarantee provisions), to be prepared by solicitors designated by the Bank and subject to approval of title of the said property by solicitors designated by the Bank. The charged property is required to have insurance covered according to Clause 12 of Standard Terms and Conditions for Banking Facilities.
- (2) An **Assignment of Insurances** (other than third party liabilities and public liabilities) over the **Property** executed by Lo Kai Ming Charles and Lee Wai Yin Angela for RLN facility only.
- (3) An **Assignment on the Interest Proceed from the Convertible Bonds** in form and substance acceptable to the Bank executed by the Borrower.
- (4) An **All Monies Second Legal Charge on the Convertible Bonds** in form and substance acceptable to the Bank executed by the Borrower.

- (5) A **Charge over Deposit Account(s)** (include an interest reserve accounts for collection of coupon interest received from the Convertible Bonds and/or dividend proceeds received from the shares of Century Sunshine Group Holdings Limited held in the Borrower's name) in form and substance acceptable to the Bank executed by the Borrower.
- (6) A **Guarantee** in the Bank's standard form for HKD300,000,000 from Chi Wen Fu.

The Borrower and the corporate guarantor(s) (if any) and the corporate security provider(s) (if any) shall provide certified true copies of any consent, license, approval or authorization of, or registration or declaration with any governmental authority, bureau or agency required in connection with the execution, delivery, performance, validity and enforceability of this facility and all other documents required by the Bank.

The Borrower and the corporate guarantor(s) (if any) and the corporate security provider(s) (if any) shall provide such other documents, items or evidence as the Bank may reasonably request from time to time.

The Borrower shall ensure that the legal charge and release/discharge of any property mortgaged to the Bank as security for the Facilities will contain all the usual provisions which are currently in use in Hong Kong and will be prepared by solicitors designated by the Bank.

5. Undertakings

Without prejudicing or affecting the Bank's right to suspend, withdraw or make demand in respect of the whole or any part of the Facilities made available to the Borrower at any time or determine whether or not to permit drawings in relation to the Facilities, the Borrower and the under-mentioned undertaking parties (if any) will undertake to the Bank as follows:-

- (1) The Borrower and the corporate guarantor(s) (if any) shall provide to the Bank a certified copy of its annual audited accounts/financial statements within 180 days after the end of each financial year and such other relevant financial information as the Bank may from time to time reasonably request.
- (2) Each of the Borrower and the corporate guarantor(s) (if any) and the corporate security provider(s) (if any) shall immediately inform the Bank once there are changes of its directors or beneficial shareholders or amendment to its memorandum of association (if any) and articles of association or equivalent constitutional documents and shall ensure that such changes/amendment are updated in the company registry of its place of incorporation promptly.

6. Fees

Drop dead fee of (i) 0.25% (the "0.25% Drop Dead Fee") if the CB issuance is not successful or (ii) 0.50% if the CB issuance is successful, on the Facility Amount of the RLN facility from the Borrower shall be payable to the Bank upon receipt of a signed copy of this letter by the Bank.

A facility arrangement fee of 1.75% (inclusive of the 0.25% Drop Dead Fee") on the Facility Amount of the RLN facility (to be collected annually) from the Borrower shall be payable to the Bank after successful limit load and thereafter an annual/review fee in such amount as the Bank may prescribe from time to time shall be payable upon each review of the Facilities.

Upon completing each review of the Facilities, the Bank is authorised to debit the current account maintained by the Borrower with the Bank for the facility review fee as the Bank may prescribe from time to time.

If applicable, a valuation fee shall be payable by the Borrower for the purpose of valuation of the property by surveyor appointed by the Bank in its sole discretion. The Bank is authorised to debit the current account maintained by the Borrower with the Bank for such valuation fee as the surveyor may charge, notwithstanding that the Borrower does not accept this Facility Letter, the Facilities are not made available due to the Borrower failing to comply with the terms and conditions set out in this Facility Letter, or the Facilities are cancelled or suspended at any time.

7. Banking (Exposure Limits) Rules

The Banking (Exposure Limits) Rules, Cap. 155S of the Laws of Hong Kong ("Rules") and regulations in respect thereof have imposed on the Bank certain limitations on the exposures to persons connected with any member of the HSBC Group (including the Bank and its subsidiaries). In accepting the Facility Letter, the Borrower(s) and/or the Guarantor(s) should, to the best of its (their) knowledge, advise the Bank whether it is in any way connected with the HSBC Group. In the absence of such advice, the Bank will proceed on the basis that the Borrower(s) and/or the Guarantor(s) is (are) not so connected for the purpose of the Rules. The Bank would also ask, that if the Borrower(s) and/or the Guarantor(s) become(s) aware that it (they) become(s) so connected in future, that the Borrower(s) and/or the Guarantor(s) immediately advise(s) the Bank (together with the details) in writing.

The Borrower(s) and the Guarantor(s) shall obtain consent and authorisation from such persons who are connected with the HSBC Group as referred to above for the provision of their information to the Bank, its branches, subsidiaries and Affiliates for the purpose of enabling the Bank and its Affiliates to comply with the Rules.

The Borrower(s) and the Guarantor(s) authorise (and authorise on behalf of the above connected persons) the Bank to exchange with the Bank's branches, subsidiaries and Affiliates information relating to the Borrower(s), the Guarantor(s) and/or the above connected persons and the facilities granted to/guaranteed by the Borrower(s), the Guarantor(s) and/or the above connected persons for the purpose of enabling the Bank and its Affiliates to comply with the Rules.

You may be considered as connected with the HSBC Group if you are:

- (a) a director or employee of a member of the HSBC Group;
- (b) a relative of a director or employee of a member of the HSBC Group;
- (c) a firm, partnership or non-listed company in which a member of the HSBC Group or a controller, minority shareholder controller or director of HSBC Group (or if such controller, minority shareholder controller or director is a natural person, his/her relative) is interested as director, partner, manager or agent;

- (d) a natural person, firm, partnership or non-listed company to whom a member of the HSBC Group has provided a financial facility and if any controller, minority shareholder controller, or director of the HSBC Group (or if such controller, minority shareholder controller or director is a natural person, his/her relative) is a guarantor of such facility;
- (e) a controller or minority shareholder controller of any member of the HSBC Group (or if such controller or minority shareholder controller is a natural person, his/her relative); or
- (f) a firm, partnership or non-listed company which any of the persons listed above (who is a natural person) is able to control.

For the purposes of this clause, please see the information set out below for ease of reference (For further details, the Banking (Exposure Limits) Rules (Cap. 155S) may be accessed at <https://www.elegislation.gov.hk/hk/cap155S>) :-

"Affiliate" includes an associated company as such term is defined in the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) as amended and supplemented from time to time and any entity in which a controller of an HSBC Group Member:

- (a) has a beneficial interest in, or controls, 50% or more of the total number of ordinary shares; or
- (b) is entitled to exercise, or control the exercise of, 50% or more of the voting power.

A **"controller"** means any person who is :-

- (a) an indirect controller, that is, in relation to a company, any person in accordance with whose directions or instructions the directors of the company or of another company of which it is a subsidiary are accustomed to act, or
- (b) a majority shareholder controller, that is, in relation to a company, any person who, either alone or with any associate or associates, is entitled to exercise, or control the exercise of, more than 50% of the voting power at any general meeting of the company or of another company of which it is a subsidiary;

and **"control"** shall be construed accordingly.

A firm, partnership or non-listed company (**"controlled entity"**) is treated as being controlled by a natural person if :-

- (a) the person owns more than 50% of the voting rights in the controlled entity;
- (b) the person has control of a majority of the voting rights in the controlled entity under an agreement with other shareholders (or similar holders of voting rights);
- (c) the person has the right to appoint or remove a majority of the members of the board of directors of the controlled entity (or a similar governing body);
- (d) a majority of the members of the board of directors of the controlled entity (or a similar governing body) have been appointed solely as a result of the person exercising his/her voting rights; or
- (e) the person has the power, under a contract or otherwise, to exercise a controlling influence over the management or policies of the controlled entity.

"HSBC Group" means HSBC Holdings plc, its subsidiaries and Affiliates and other entities (including their subsidiaries, Affiliates and special purpose entities) over which HSBC Holdings plc, its subsidiaries or Affiliates is able to exert control, wherever situated.

A person is a "minority shareholder controller" of a company if such person, either alone or with any associate or associates, is entitled to exercise, or control the exercise of, 10% or more, but not more than 50% of the voting power at any general meeting of the company or of another company of which it is a subsidiary.

"relative", in relation to a natural person, means:

- (a) a parent, grandparent or great grandparent;
- (b) a step-parent or adoptive parent;
- (c) a brother or sister;
- (d) the spouse, or his/her parent, step-parent or adoptive parent, brother or sister;
- (e) if the person is a party to a union of concubinage, the other party of the union;
- (f) a cohabitee;
- (g) a son, step-son, adopted son, daughter, step-daughter or adopted daughter; or
- (h) a grandson, granddaughter, great grandson or great granddaughter.

For the purpose of the term "relative":

"adopted" means adopted in a manner recognized by the laws of Hong Kong;

"cohabitee", in relation to a natural person who is in a cohabitation relationship with another natural person, means the other natural person;

"cohabitation relationship" means a relationship between 2 natural persons (whether of the same sex or of the opposite sex) who live together as a couple in an intimate relationship;

"party to a union of concubinage", in relation to a union of concubinage, means the male partner or the female partner of the union; and

"union of concubinage" means a union of concubinage entered into by a male partner and a female partner before 7 October 1971, under which union the female partner has, during the lifetime of the male partner, been accepted by his wife as his concubine and recognized as such by his family generally.

"subsidiary" shall have the same meaning as ascribed to it under the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) as amended and supplemented from time to time.

8. Interest Rate Benchmarks Risk Disclosure

As LIBOR and EURIBOR are subject to national and international regulatory guidance and reforms, and recent developments may cause them to perform differently than they have in the past or to disappear entirely, we are attaching our Interest Rate Benchmarks Risk Disclosure Notice for your attention.

China Century Sunshine Group Investment Company Limited
中國世紀陽光集團投資有限公司
Our Ref: Corporate Banking – B200217 & LN200325

Please note that in reviewing the Facilities, we may make reference to the credit report(s) of the Borrower(s)/guarantor(s)/security provider(s) (as the case may be) from the credit reference agency(ies). If you wish to access the report(s) yourself, you can contact the credit reference agency(ies) directly at the following address:

Commercial credit reference agency:

Dun & Bradstreet (HK) Ltd., Unit 1308-1315, 13/F., BEA Tower, Millennium City 5, 418 Kwun Tong Road, Kwun Tong, Kowloon.

Tel: 2516 1100 ; Fax: 2960 4721.

Please arrange for the enclosed copy of this letter to be signed by the Borrower and all guarantors and security providers of the Facilities and return the same to the Bank with Board Resolution(s) and Shareholder's Resolution(s) (if applicable) of the Borrower and all guarantors and security providers before **30 April 2020**, failing which our offer shall lapse unless it is extended by us at our absolute discretion.

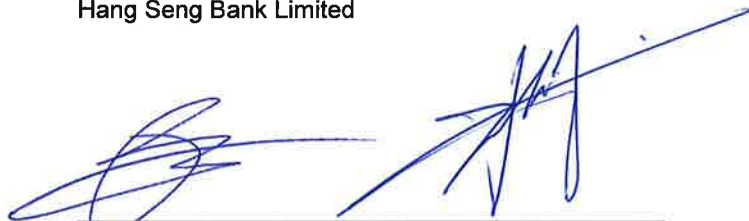
You are invited to make use of our Payments and Cash Management and Insurance services.

Should you have any queries, please do not hesitate to contact our Mr. Kenny Wong at 21983682.

We trust that you will make active use of the Facilities and are pleased to be of continued assistance.

Yours faithfully,

For and on behalf of
Hang Seng Bank Limited



Authorized Signature(s)

CST/HM/gw

China Century Sunshine Group Investment Company Limited
中国世纪阳光集团投资有限公司
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I/We hereby accept the Facilities and agree to be bound by all the terms and conditions set out in this letter and the Standard Terms and Conditions for Banking Facilities, which I/we have read and understood. We further acknowledge receipt of the Interest Rate Benchmarks Risk Disclosure Notice.



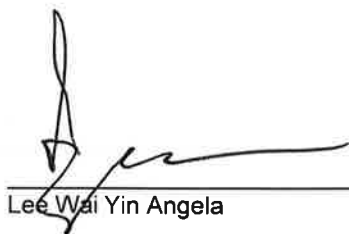
China Century Sunshine Group Investment Company Limited
中国世纪阳光集团投资有限公司

I/We agree to act as guarantor/ security provider of the Facilities on the terms and conditions set out in this letter and the Standard Terms and Conditions for Banking Facilities.

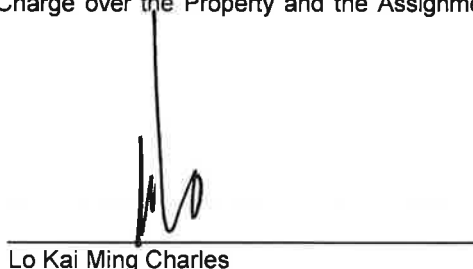


Chi Wen Fu

I/We agree to act as security providers of the Facilities on the terms and conditions set out in this letter and the Standard Terms and Conditions for Banking Facilities. By signing below, we acknowledge (in our capacity as security providers under the Legal Charge over the Property and the Assignment of Insurances over the Property) our awareness of the Facilities contemplated under this letter, on the understanding that the only obligations we owe to the Bank in connection with the Facilities are limited to those arising under the aforementioned Legal Charge over the Property and the Assignment of Insurances over the Property.



Lee Wai Yin Angela



Lo Kai Ming Charles