

Dated 9 September 2022

LAI SUN DEVELOPMENT COMPANY LIMITED
麗新發展有限公司

and

LAI FUNG HOLDINGS LIMITED
麗豐控股有限公司

**FINANCIAL ASSISTANCE
FRAMEWORK AGREEMENT**

DEACONS
的近律師行

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Alexandra House
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Central, Hong Kong

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THIS FRAMEWORK AGREEMENT is dated 9 September 2022

BETWEEN:

- (1) **LAI SUN DEVELOPMENT COMPANY LIMITED** 麗新發展有限公司, a company incorporated under the laws of Hong Kong (company number: 5532) with limited liability and its registered office at 11th Floor, Lai Sun Commercial Centre, 680 Cheung Sha Wan Road, Kowloon, Hong Kong, as lender (the "**Company**"); and
- (2) **LAI FUNG HOLDINGS LIMITED** 麗豐控股有限公司, an exempted company incorporated in the Cayman Islands (company number: 51347) with limited liability and its registered office at P.O. Box 309, Uglund House, Grand Cayman, KY1-1104, Cayman Islands, as borrower (the "**Borrower**")

(together, the "**Parties**" and each a "**Party**").

WHEREAS:

- (A) The Company and the Borrower are companies whose shares are listed and traded on the Main Board of the Stock Exchange.
- (B) The Company is a non wholly-owned subsidiary of LSG, whose shares are also listed and traded on the Main Board of the Stock Exchange.
- (C) The Borrower is a non wholly-owned subsidiary of the Company and a connected subsidiary of the Company and LSG within the meaning of the Listing Rules. As such, the Borrower is a connected person of the Company and LSG.
- (D) It is the Parties' intention that one or more Group Company(ies) may provide financial assistance to one or more Borrower Group Company(ies) in the form of unsecured bilateral loans from time to time (the "**Loan Transactions**"), and the Loan Transactions will constitute continuing connected transactions of the Company and LSG under the Listing Rules.
- (E) To ensure that the Loan Transactions will comply with the requirements of the Listing Rules, the Parties have agreed to enter into this Framework Agreement to set out the terms and conditions governing the Loan Transactions during the Term.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 In this Framework Agreement (including the Recitals), the following terms shall have the following meanings:

- "Annual Caps"** : means the annual caps to be set by the Company for the Loan Transactions in respect of each financial year of the Term (subject to any revision from time to time) in accordance with Rule 14A.53 of the Listing Rules;
- "Borrower Group"** : means the Borrower and its subsidiaries, as may exist from time to time, throughout the duration of the Term, and "**Borrower Group Company**" means any member of the Borrower Group;
- "Commencement Date"** : has the meaning ascribed to it in Clause 2;

“Condition”	: has the meaning ascribed to it in Clause 4;
“connected person”	: has the meaning ascribed to it in the Listing Rules;
“connected subsidiary”	: has the meaning ascribed to it in the Listing Rules;
“connected transaction”	: has the meaning ascribed to it in the Listing Rules;
“continuing connected transaction”	: has the meaning ascribed to it in the Listing Rules;
“financial assistance”	: has the meaning ascribed to it in the Listing Rules;
“Group”	: means the Company and its subsidiaries (save and except Borrower Group Companies), as may exist from time to time, throughout the duration of the Term, and “Group Company” means any member of the Group;
“HIBOR”	: means the Hong Kong interbank offered rate administered by the Treasury Markets Association (or any other person which takes over the administration of that rate) for HK Dollars for the relevant period;
“HK\$” or “HK Dollars”	: means Hong Kong dollars, the official currency of Hong Kong;
“Hong Kong”	: means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	: means the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time;
“Loan”	: means a loan to be granted by the relevant lender to the relevant borrower pursuant to a Loan Agreement;
“Loan Agreement(s)”	: means the definitive loan agreement(s) in writing for the Loan Transactions (including any amendment(s) thereto and any agreement(s) supplemental thereto) which may be entered into between any Group Company (as lender) and any Borrower Group Company (as borrower) at any time during the Term;
“Loan Transactions”	: has the meaning ascribed to it in Recital (D);
“normal commercial terms or better”	: has the meaning ascribed to it in the Listing Rules;
“Stock Exchange”	: means The Stock Exchange of Hong Kong Limited; and
“Term”	: has the meaning ascribed to it in Clause 2.

1.2 Except where the context otherwise requires, words denoting the singular shall include the plural and *vice versa*.

- 1.3 A reference to a Clause is a reference to a clause of this Framework Agreement.
- 1.4 Clause headings are for ease of reference only and do not affect the construction of this Framework Agreement.

2. TERM

Subject to fulfilment of the Condition, this Framework Agreement shall be effective on and from 1 January 2023 until 31 December 2025 and thereafter shall be automatically renewed for subsequent periods of three (3) years (the "Term") on the same terms and conditions unless terminated in accordance with Clause 6, provided always that the renewal of the Term shall be conditional upon (i) the Company having determined new Annual Caps to apply for renewed Term and (ii) the Company's and LSG's due compliance with all applicable requirements of the Listing Rules (including the requirement to obtain prior shareholders' approval of the Company and/or LSG, if applicable).

3. GENERAL TERMS FOR LOAN TRANSACTIONS

3.1 At any time during the Term, any Group Company (as lender) and any Borrower Group Company (as borrower) may enter into Loan Transaction(s) upon such terms and conditions as may be mutually agreed between the parties thereto, provided that each Loan Transaction shall fully comply with the terms and conditions of this Framework Agreement.

3.2 The Parties agree that, during the Term:-

- (a) each Loan Transaction shall take the form of unsecured bilateral loan(s) to be granted by a Group Company (as lender) to a Borrower Group Company (as borrower), and no mortgage, pledge or other security over the assets of or interest in any Borrower Group Company shall be granted in connection with any Loan Transaction;
- (b) the effective interest rate of each Loan Transaction shall be the aggregate of HIBOR for the relevant interest period and an interest margin to be determined by the relevant lender on a case-by-case basis in accordance with the provisions of Clause 3.3;
- (c) each Loan Transaction shall be on normal commercial terms;
- (d) each Loan Transaction shall be governed by a Loan Agreement which shall clearly set out the terms and conditions upon which the Loan Transaction shall be undertaken (including but not limited to any conditions precedent, the interest rate, the repayment schedule and any prepayment conditions);
- (e) the advance of each Loan shall be conditional upon (amongst any other conditions precedent) the relevant lender having sufficient available funds to finance the Loan;
- (f) at any time during the Term, the aggregate amount of the Loans provided by the Group Companies to the Borrower Group Companies shall not exceed the Annual Cap for the relevant financial year; and
- (g) each Loan Transaction shall be in compliance with the provisions of this Framework Agreement, the constitutional documents of each party to the relevant Loan Transaction and all applicable laws and regulations (including but not limited to the Listing Rules).

3.3 The Parties acknowledge and agree that, when a decision is to be made by a Group Company on the terms and conditions of a Loan Transaction to be offered to a Borrower Group Company:-

- (a) the Group Company shall obtain the prevailing rates and terms at the time offered by not less than two (2) major independent commercial banks in Hong Kong for a similar loan (similar as to currency, term, type of interest rate and other factors deemed relevant by the Group Company) for comparison; and
 - (b) without prejudice to Clauses 3.2(b) and (c), the interest margin to be offered by the Group Company in a Loan Transaction shall not be (i) lower than the lowest interest margin offered by the aforesaid commercial banks, or (ii) higher than the highest interest margin offered by the aforesaid commercial banks.
- 3.4 Each of the Company and the Borrower undertakes to, and respectively undertakes to procure the relevant Group Companies and the relevant Borrower Group Companies to, take all actions as are necessary to comply with all requirements set out in this Clause 3.

4. CONDITIONALITY

This Framework Agreement shall be conditional upon the Company and LSG both having obtained shareholders' approval in accordance with the applicable requirements of the Listing Rules in respect of: (i) the entering into of this Framework Agreement by the Company, (ii) the Loan Transactions contemplated hereunder, and (iii) the Annual Caps for the initial Term (the "Conditions").

5. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

- 5.1 Each of the Company and the Borrower represents and warrants to the other (where applicable) that it is duly authorised and has capacity to execute and be bound by this Framework Agreement and shall be capable of performing its respective obligations under this Framework Agreement.
- 5.2 The Parties acknowledge that:-
- (a) the Company and/or LSG shall be required to comply or re-comply with the relevant requirements of the Listing Rules (including the requirement to obtain shareholders' approval of the Company and/or LSG, if applicable) in the event that (i) the Annual Cap is exceeded or is likely to exceed or (ii) this Framework Agreement is renewed or there is a material change to its terms and, if any of these events occur, the continuation of this Framework Agreement will be subject to compliance with such requirements; and
 - (b) in the event of any future amendments to the Listing Rules imposing more stringent requirements on continuing connected transactions and/or connected transactions than those as of the date of this Framework Agreement, the Loan Transactions will be conditional upon the Group taking all necessary steps to ensure compliance with such requirements (if applicable).

Each of the Company and the Borrower undertakes to, and respectively undertakes to procure the relevant Group Companies and the relevant Borrower Group Companies to, take all actions as are necessary to comply or re-comply with the relevant requirements of the Listing Rules as soon as practicable if any of the above events occur.

6. TERMINATION

- 6.1 This Framework Agreement shall become effective on the Commencement Date and shall continue for the Term until terminated:
- (a) at any time by either Party giving not less than one (1) month's prior written notice to the other Party, in which case the Term shall be deemed to have concluded on the last day of the said notice period;

- (b) by either Party if the other Party commits a material breach of any of the provisions of this Framework Agreement (save for any breach which is caused by the Party seeking to rely on it) and, in the case of such a breach which is capable of remedy, fails to remedy the same within thirty (30) days after receipt of a written notice giving full particulars of the breach and requiring it to be remedied;
- (c) by either Party if the other Party makes any voluntary arrangement with its creditors or becomes subject to an administration order;
- (d) by either Party if the other Party has become insolvent or is subject to any winding-up, liquidation or analogous proceedings (where applicable); or
- (e) by either Party if the other Party ceases, or threatens to cease, to carry on business (where applicable).

6.2 In the event that the Borrower ceases to be a connected person of the Company, or the Loan Transactions cease to be subject to the requirements of the Listing Rules in relation to continuing connected transactions, the Parties may (but shall not be obliged to) terminate this Framework Agreement by way of mutual agreement in writing. For the avoidance of doubt, unless and until this Framework Agreement is terminated in accordance with this Clause 6, the terms and conditions of this Framework Agreement shall remain in full force and effect notwithstanding the Borrower ceasing to be a connected person of the Company at any time during the Term.

6.3 The termination of this Framework Agreement shall not affect or discharge all rights, obligations and liabilities accrued or incurred by the Parties prior to or upon termination.

7. **NOTICES**

Any notice, demand or communication to be served on any Party by the other concerning this Framework Agreement or any matter arising therefrom shall be in writing and may be served by posting it by courier or by sending it by e-mail to the address or e-mail address stated below (or such other address or e-mail address as may be notified by the relevant Party to the other Party in accordance with this Clause) and shall be deemed to have been received by the addressee on the expiry of three (3) days from the date of posting if so posted, or if sent by e-mail, at the time when sent (if no notification of failure of delivery has been received):-

To the Company

Address : 11th Floor, Lai Sun Commercial Centre, 680 Cheung Sha Wan Road,
Kowloon, Hong Kong
Attention : Company Secretary
Email : LSD-ComSec@laisun.com

To the Borrower

Address : 11th Floor, Lai Sun Commercial Centre, 680 Cheung Sha Wan Road,
Kowloon, Hong Kong
Attention : Company Secretary
Email : LFH-ComSec@laifung.com

8. MISCELLANEOUS

- 8.1 Each Party shall perform (or procure the performance of) all further acts and things and execute and deliver (or procure the execution and delivery of) such further documents as may be required by law or relevant constitutional documents or as may be necessary or reasonably required by either Party to implement and give effect to this Framework Agreement.
- 8.2 Each Party shall not assign any or all of its rights, benefits or obligations under this Framework Agreement except with the prior written consent of the other Party.
- 8.3 In the event that any term of this Framework Agreement is held to be invalid, illegal or unenforceable by virtue of being a violation of any applicable law or some other reason, such term shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable.
- 8.4 This Framework Agreement and the Loan Agreement(s) contain the entire agreement between the Parties hereto with respect to the subject matter hereof.
- 8.5 No failure or delay on the part of any Party to exercise or in exercising any right or remedy under this Framework Agreement shall be construed as a waiver thereof nor shall any single or partial exercise of any right or remedy under this Framework Agreement preclude the exercise of any other right or remedy or preclude the further exercise of such right or remedy as the case may be.
- 8.6 This Framework Agreement may be signed in any number of counterparts, each of which shall together constitute the same agreement. Any Party may enter into this Framework Agreement by signing any such counterpart.

9. THIRD PARTY RIGHTS

This Framework Agreement does not create any right enforceable by any person who is not a party to this Framework Agreement under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong), but this Clause does not affect a right or remedy of a third party that exists or is available apart from this Ordinance.

10. INCONSISTENCY WITH LOAN AGREEMENTS

In the event of any conflict between any of the terms or conditions of this Framework Agreement, on the one hand, and any of the terms or conditions of any Loan Agreement, on the other hand, the terms and conditions of this Framework Agreement shall prevail. The Company and the Borrower shall, and shall respectively procure the relevant Group Companies and the relevant Borrower Group Companies to, take all actions necessary to give full effect to the terms and conditions of this Framework Agreement.

11. VARIATION AND WAIVER

- 11.1 No amendment or variation of this Framework Agreement shall be effective unless in writing and signed by or on behalf of each of the Parties.
- 11.2 The respective rights and obligations of the Parties in relation to this Framework Agreement (whether arising under this Framework Agreement or any applicable laws) shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing agreed by the Parties.

11.3 No single or partial exercise of, or failure or delay in exercising, any right under this Framework Agreement shall constitute a waiver or preclude any other or further exercise of that or any other right.

12. SEVERABILITY

If, at any time, any one or more provisions hereof is or becomes invalid, illegal, unenforceable or incapable of performance in any respect, the validity, legality, enforceability or performance of the remaining provisions hereof shall not thereby in any way be affected or impaired.

13. GOVERNING LAW AND JURISDICTION

This Framework Agreement shall be governed by and construed in accordance with the laws of Hong Kong. Each of the Parties agrees to submit to the non-exclusive jurisdiction of the courts of Hong Kong.

IN WITNESS whereof the Parties executed this Framework Agreement on the day and year first above written.

SIGNED by)
)
for and on behalf of)
LAI SUN DEVELOPMENT COMPANY LIMITED)
麗新發展有限公司)
in the presence of:-)



CHEW Fook Aun


Wei Wei

IN WITNESS whereof the Parties executed this Framework Agreement on the day and year first above written.

SIGNED by

for and on behalf of
LAI FUNG HOLDINGS LIMITED
麗豐控股有限公司
in the presence of:-

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CHEW Fook Ann



Wei Wei