

Dated 22<sup>nd</sup> day of August 2022

**HAPPY TYCOON HOLDINGS LIMITED**

**EARLY HARVEST ASSETS LIMITED**

**RAINBOW ESTATE INTERNATIONAL LIMITED**

**RAINBOW GARDEN HOLDINGS LIMITED**

**CHIU DAVID**

**CHIU TAT JUNG DANIEL**

**CHIU ANDREW WAH WAI**

**and**

**PROSPEROUS BRIDGE LIMITED**

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**CALL OPTION DEED**

**in respect of 150 ordinary shares in the issued share capital of  
RAINBOW ESTATE INTERNATIONAL LIMITED**

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**DEACONS**

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THIS CALL OPTION DEED (this “Deed”) is made on <sup>nd</sup> 22 August 2022

**BETWEEN:**

- (1) **HAPPY TYCOON HOLDINGS LIMITED**, a BVI business company incorporated under the Laws of the British Virgin Islands with limited liability, the registered address of which is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (“**HTH**”);
- (2) **EARLY HARVEST ASSETS LIMITED**, a company incorporated under the Laws of the British Virgin Islands, the registered address of which is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (“**EHAL**”);
- (3) **RAINBOW ESTATE INTERNATIONAL LIMITED (虹置國際有限公司)**, a BVI business company incorporated under the Laws of the British Virgin Islands with limited liability, the registered address of which is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (the “**JVCo**”);
- (4) **RAINBOW GARDEN HOLDINGS LIMITED**, a BVI business company incorporated under the Laws of the British Virgin Islands with limited liability, the registered address of which is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (“**Rainbow Garden**”);
- (5) **CHIU DAVID (邱達昌)**, an individual holding Hong Kong identity card number D661661(6) (“**Mr. David Chiu**”);
- (6) **CHIU TAT JUNG DANIEL (邱達強)**, an individual holding Hong Kong identity card number K092751(1) (“**Mr. Daniel Chiu**”);
- (7) **CHIU ANDREW WAH WAI (邱華璋)**, an individual holding Hong Kong identity card number Y003765(4) (“**Mr. Andrew Chiu**” together with Mr. David Chiu and Mr. Daniel Chiu, the “**HTH Guarantors**”); and
- (8) **PROSPEROUS BRIDGE LIMITED**, a BVI business company incorporated under the Laws of the British Virgin Islands with limited liability, the registered address of which is at Maples Corporate Services (BVI) Limited, Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands (“**PBL**”).

**WHEREAS:**

- (A) As at the date hereof, the JVCo has an issued and outstanding share capital of US\$1,000 divided into 1,000 Shares, which is held by HTH as to 55% and PBL as to 45%.
- (B) As at the date hereof, the JVCo holds 100 ordinary shares in Rainbow Garden, representing 100% of the issued and outstanding share capital of Rainbow Garden.
- (C) Pursuant to the Deed of Undertaking, the Vendor Covenantors (as hereinafter defined) agreed to procure the Vendor to sell to Rainbow Garden all issued and outstanding share capital (together with all benefits of certain loans) of the Target Company after the Vendor has duly assigned the New Lot (as hereinafter defined) to the Target Company subject to and in accordance with the terms of the Acquisition Documents (as hereinafter defined). As of the date of this Deed, it is expected that the Acquisition will be completed on or around 22 August 2022.

- (D) On 14 April 2022, HTH, PBL, the JVCo, Rainbow Garden, Hony Partners Group, L.P. and the HTH Guarantors entered into the JVA in relation to the JVCo. The JVA provides for the governance of the JVCo and other relevant matters, including to the funding and financing of, *inter alia*, certain construction costs with respect to the development and construction of a golf course and other ancillary facilities on the New Lot.
- (E) HTH agreed to grant to EHAL the Call Option to acquire the Call Option Shares, representing 15% of the issued share capital of the JVCo as of the date of Call Option Completion, subject to the terms and conditions hereof.
- (F) Notwithstanding the terms of the JVA, PBL has acknowledged and agreed to the grant of the Call Option by HTH to EHAL on the terms and conditions set out in this Deed and has agreed to give such waiver and consent as set forth in Clause 10 herein.
- (G) Subject to and in accordance with the terms of the JVA, Mr. Andrew Chiu shall be granted the PM Share Options and the Finder Share Options to acquire a total of 53 Shares, representing 5% of all issued and outstanding Shares of the JVCo (on a fully-diluted basis) as of the date of the JVA. Mr. Andrew Chiu also acknowledged the grant of the Call Option by HTH to EHAL.
- (H) The HTH Guarantors have agreed to guarantee to EHAL the performance by HTH of its obligations under this Deed.

**NOW THIS DEED WITNESSETH** as follows:

1. **DEFINITIONS AND INTERPRETATION**

- 1.1 **Defined Terms.** In this Deed (including the recitals), unless the context otherwise requires, the words or expressions set forth below shall have the following meanings. Unless otherwise defined herein, capitalised terms used in this Deed shall have the same meanings set forth in the JVA.

**“Acquisition”** means the acquisition by Rainbow Garden of (a) all issued and outstanding share capital of the Target Company and (b) all loans owing by the Target Company to the Vendor as at the Acquisition Completion Date pursuant to the Acquisition Documents.

**“Acquisition Completion Date”** shall have the same meaning as the term “Completion Date” as set forth in the Deed of Undertaking.

**“Acquisition Completion Payment”** shall have the same meaning as the term “Completion Payment” as set forth in the Deed of Undertaking.

**“Acquisition Documents”** shall have the meaning set forth in the JVA.

**“Applicable Laws”** means, with respect to any Person, any relevant laws, regulations, administrative regulations, rules, notices, ordinances and other legislative, executive or judicial decisions or pronouncements which are publicly promulgated and in force for the time being which are applicable to such Person.

**“Business Day”** means a day (excluding Saturday and Sunday) on which banks are generally open for business in Hong Kong.

**“Call Option”** shall have the meaning set forth in Clause 2.1.

**“Call Option Shares”** means 150 Shares or such number of issued Shares representing 15% of the issued share capital of the JVCo as of the date of Call Option Completion.

**“Call Option Completion”** means the completion of the transfer of the Call Option Shares pursuant to the exercise of the Call Option when all matters as set out in Clause 5.2 and 5.3 shall be transacted.

**“Call Option Completion Date”** means the date on which Call Option Completion takes place.

**“Call Option Exercise Price”** shall have the meaning set forth in Clause 3.1.

**“Call Option Exercise Period”** shall have the meaning set forth in Clause 2.3.

**“Call Option Notice”** shall have the meaning set forth in Clause 4.3.

**“Call Option Price”** means the sum of HK\$115,500,000.

**“Completion Accounts”** means the unaudited financial statements of the JVCo (comprising a statement of financial position of the JVCo as at the Call Option Completion Date and a statement of comprehensive income of the JVCo for the period from the date of its incorporation to the Call Option Completion Date) prepared and agreed or determined in accordance with the provisions of **Schedule 2**.

**“Completion Payment”** means the amount payable by EHAL to HTH upon Call Option Completion as determined in accordance with Clause 3.3.

**“Confidential Information”** shall have the meaning set forth in Clause 13.2.

**“Deed of Undertaking”** means the Deed of Undertaking dated 14 April 2022 and entered into amongst the Vendor Covenantors, Rainbow Garden, Mr. David Chiu and Mr. Andrew Chiu as may be amended or supplemented from time to time.

**“Director”** means a member of the board of directors of the JVCo.

**“Draft Completion Accounts”** shall have the meaning set forth in paragraph 3 of **Schedule 2**.

**“EHAL Shareholder Loan”** shall have the meaning set forth in Clause 3.5(b).

**“EHAL Shareholder Loan Agreement”** shall have the meaning set forth in Clause 3.5(d).

**“EHAL’s Solicitors”** means Messrs. Deacons.

**“Encumbrance”** means a mortgage, charge, pledge, lien, option, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including a title transfer or retention arrangement) having similar effect and any agreement or obligation to create or grant any of the aforesaid.

**“External Loans”** means all and any liabilities of, or amounts due from, any Group

Company to any third party (including banks or financial institutions) for borrowed money, excluding loans from Shareholders but including any amount owed by any Group Company to the lenders under the Financing Documents.

**"Facility Agreement"** means the facility agreement dated 28 June 2022 in respect of HK\$668,000,000 term loan facilities entered into amongst Rainbow Garden, United Overseas Bank Limited and Fubon Bank (Hong Kong) Limited, as may be amended or supplemented from time to time prior to the execution of the New Facility Agreement.

**"Financing Documents"** shall have the meaning set forth in the JVA, which, for the avoidance of doubt, shall include the Facility Agreement and/or the New Facility Agreement, as the case may be.

**"Finder Share Options"** shall have the meaning set forth in the JVA.

**"Fundamental HTH Warranties"** means each of the statements set forth in Section 1 (*Call Option Shares and HTH Shareholder Loan*), Section 6 (*Insolvency*), Section 8(b) and Section 10 (*Execution of this Deed*) of **Schedule 4**.

**"GAAP"** means the generally accepted accounting principles in the relevant jurisdiction.

**"Group"** means, as of the date of this Deed, the JVCo and Rainbow Garden and, as from the Acquisition Completion Date, the JVCo, Rainbow Garden, the Target Company and such other subsidiary(ies) of the JVCo.

**"Group Companies"** means members of the Group from time to time.

**"HKFRS"** means the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

**"Hong Kong"** means the Hong Kong Special Administrative Region of the People's Republic of China.

**"HTH Shareholder Loan"** means the aggregate amount of all loans and other amounts owing by the JVCo to HTH (including any interest accrued on any shareholder loan advanced by HTH to the JVCo) immediately before Call Option Completion (and, for the avoidance of doubt, before the Partial Repayment).

**"HTH Shareholder Loan Agreement"** means the shareholder loan agreement dated 14 April 2022 and made between HTH, the JVCo and Rainbow Garden, as may be amended or supplemented from time to time.

**"HTH's Solicitors"** means Messrs. Mayer Brown.

**"HTH Warranties"** means each of the statements set forth in **Schedule 4**.

**"JVA"** means the joint venture agreement dated 14 April 2022 relating to the JVCo entered into amongst HTH, PBL, the JVCo, Rainbow Garden, Hony Partners Group, L.P. and the HTH Guarantors.

**"JVCo"** shall have the meaning set forth in the recitals to this Deed.

**"Listing Rules"** means the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

**“Longstop Date”** means 30 November 2022 (subject to postponement by EHAL and HTH in accordance with the terms of this Deed).

**“LSD”** means Lai Sun Development Company Limited, a company incorporated under the Laws of Hong Kong, whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 488).

**“LSG”** means Lai Sun Garment (International) Limited a company incorporated under the Laws of Hong Kong, whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 191).

**“Management Accounts”** means the unaudited consolidated financial statements of the Group comprising a statement of financial position of the Group as at the end of the calendar month immediately prior to the Acquisition Completion Date and a statement of comprehensive income of the Group for the period from the date of incorporation of the JVCo to the end of the calendar month immediately prior to the Acquisition Completion Date, which will be provided by HTH to EHAL after the date of this Deed.

**“Material Adverse Effect”** for a Party to this Deed, means a material adverse effect on (a) the ability of the Party to perform its obligations under this Deed; or (b) the validity or enforceability of this Deed against that Party, or the rights or remedies of the other Parties under this Deed against that Party.

**“New Facility Agreement”** shall have the meaning set forth in Clause 5.1(a).

**“New JVA”** shall have the meaning set forth in Clause 6.1.

**“New Grant”** shall have the meaning set forth in the Deed of Undertaking.

**“New Lot”** shall have the meaning set forth in the Deed of Undertaking.

**“Partial Repayment”** shall have the meaning set forth in Clause 3.5(a).

**“Party”** means a named party to this Deed and **“Parties”** shall be construed accordingly.

**“PBL Shareholder Loan”** means the aggregate amount of all loans and other amounts owing by the JVCo to PBL upon Call Option Completion.

**“PBL Waiver and Consent”** shall have the meaning set forth in Clause 10.

**“Person”** means any natural person, corporation, enterprise, joint venture, partnership, association, company, or other form of legal entity (whether incorporated or unincorporated and whether or not having separate legal personality).

**“PM Share Options”** shall have the meaning set forth in the JVA.

**“Pro Forma Completion Accounts”** has the meaning given in paragraph 1 of **Schedule 2**.

**“Project”** shall have the meaning set forth in the JVA.

**“Rainbow Garden Management Accounts”** means the unaudited financial

statements of Rainbow Garden comprising a statement of financial position of Rainbow Garden as at 31 July 2022 and a statement of comprehensive income of Rainbow Garden for the period from 1 April 2022 to 31 July 2022.

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

“**Shares**” means ordinary shares in the share capital of the JVCo pursuant to the JV Articles (as defined in the JVA) and Applicable Law, and “**Share**” means any of them as the context may require.

“**Shareholder**” means a holder of Shares from time to time.

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

“**Target Company**” means Tai Po Golf Club Limited (大埔高爾夫球會有限公司) a company incorporated under the laws of Hong Kong with company no.3135846.

“**Target Company Completion Accounts**” shall have the same meaning as the term “Completion Accounts” as set forth in the Deed of Undertaking.

“**Target Company Liabilities**” shall have the same meaning as the term “Liabilities” as set forth in the Deed of Undertaking.

“**Target Company Pro Forma Completion Accounts**” shall have the same meaning as the term “Pro Forma Completion Accounts” as set forth in the Deed of Undertaking

“**Vendor**” means Sha Lo Tung Development Company Limited (沙螺洞發展有限公司), a company incorporated under the laws of Hong Kong with company no. 74718.

“**Vendor Covenantors**” means Mr. Fong Biu Bill, Mr. Fong Kam Chuen James and Mr. Fong Tsung Hang Joseph.

- 1.2 References to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).
- 1.3 References herein to Clauses and Schedules are to clauses of and schedules to this Deed unless the context requires otherwise and the Schedules to this Deed shall be deemed to form part of this Deed.
- 1.5 The headings are inserted for convenience only and shall not affect the construction of this Deed.
- 1.6 Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing a gender include every gender.
- 1.7 In this Deed, unless the context otherwise requires, the words “**other**”, “**including**” and “**in particular**” do not limit the generality of any preceding words and are not to be construed as being limited to the same class as the preceding words where a wider construction is possible.

## 2. GRANT OF THE CALL OPTION

### 2.1 Call Option.

In consideration of the payment of the Call Option Price by EHAL to HTH, HTH hereby irrevocably grants to EHAL a call option (the “**Call Option**”) pursuant to which EHAL shall have the right at any time during the Call Option Exercise Period to require HTH to sell to EHAL all the Call Option Shares free from all Encumbrances and with all rights, interests and benefits attaching thereto on the Call Option Completion Date on the terms and subject to the conditions of this Deed.

2.2 Call Option Price and Method of Payment.

- (a) The Call Option Price shall be payable by EHAL to HTH upon execution of this Deed and shall not be refunded to EHAL except in accordance with Clause 11.2.
- (b) Payment of the Call Option Price shall be made by way of cheque(s) drawn on a licensed bank in Hong Kong in favour of Mr. David Chiu (as agent of HTH) or such other method as HTH and EHAL may agree in writing.
- (c) HTH hereby authorises Mr. David Chiu as its agent to receive all or any monies payable by EHAL to HTH under this Deed (including the Call Option Price, the Completion Payment and the amount, if any, payable by EHAL to HTH after adjustment of the Call Option Exercise Price under Clause 3.2). HTH hereby further acknowledges that any payment made by EHAL to Mr. David Chiu shall be a discharge of EHAL’s payment obligation towards HTH under this Deed in respect of the amount of such payment.

2.3 Call Option Exercise Period. The Call Option may only be exercised by EHAL during the following period (the “**Call Option Exercise Period**”):-

- (a) subject to Clause 2.4(a), commencing on the date on which the last of the following conditions (“**Exercise Conditions**”) is satisfied or waived by EHAL:-
  - (i) all conditions precedent of the Deed of Undertaking (as set out in clause 5.1 therein) having been duly satisfied or otherwise waived by Rainbow Garden with the prior written consent of EHAL;
  - (ii) completion of the Acquisition having taken place in accordance with the terms of the Acquisition Documents;
  - (iii) HTH having delivered to EHAL certified copies of the New Grant and the duly executed memorandum of agreement and assignment relating to the assignment of the New Lot by the Vendor to the Target Company in accordance with the terms of the New Grant;
  - (iv) HTH having delivered to EHAL the Management Accounts and certified copies of the Target Company Pro Forma Completion Accounts as received by Rainbow Garden from the Vendor Covenantors and, if any, a certified copy of the Target Company Pro Forma Completion Accounts agreed between Rainbow Garden and the Vendor Covenantors;
  - (v) all Fundamental HTH Warranties remaining true, accurate and not misleading in all respects and all other HTH Warranties remaining true, accurate and not misleading in all material respects on the date on which all Exercise Conditions would have been satisfied if it were not for this Clause 2.3(a)(v);



Provided That HTH shall issue a written notice to EHAL as soon as reasonably practicable after the Exercise Conditions as set out in Clauses 2.3(a)(i) and 2.3(a)(ii) are satisfied; and

- (b) before the Longstop Date, and if the Call Option is not exercised on or before such date, it shall lapse.

For the purposes of this Clause 2.3, the date of exercise of the Call Option is the date on which EHAL serves the Call Option Notice on HTH in accordance with Clause 12.5.

2.4 Exercise Conditions not satisfied. If at any time any of the Parties (save and except EHAL) becomes aware of a fact or circumstance that would reasonably be expected to prevent any Exercise Condition from being satisfied, it shall as soon as reasonably practicable inform EHAL. EHAL may, to such extent as it thinks fit and is legally entitled to do so, at any time waive in writing any of the Exercise Conditions (save and except the Exercise Condition in Clause 2.3(a)(ii) which may not be waived). If any of the Exercise Conditions has not been satisfied or (if it may be waived) waived in accordance with this Clause on or before the Longstop Date, then unless EHAL and HTH otherwise agree in writing, then EHAL may on that date, at its option, by written notice to HTH:

- (a) other than where the Exercise Condition in Clause 2.3(a)(ii) has not been satisfied, elect for the Call Option Exercise Period to commence;
- (b) postpone the Longstop Date to a date (being a Business Day) as EHAL and HTH may agree in writing and, if EHAL elects to postpone the Longstop Date and HTH agrees to such postponement, then the provisions of this Deed shall apply as if the date set for satisfaction or waiver of the Exercise Conditions were the date to which the Longstop Date is so postponed in accordance with this Clause; or
- (c) terminate this Deed (in which event the applicable provisions of Clause 11.2 shall apply).

### 3. CALL OPTION EXERCISE PRICE

3.1 Call Option Exercise Price. Subject to EHAL's exercise of the Call Option, the total consideration for the Call Option Shares and advance of the EHAL Shareholder Loan for the Partial Repayment in accordance with Clause 3.5 payable by EHAL upon Call Option Completion shall be determined in accordance with the provisions of Clause 3.3 (the "**Call Option Exercise Price**") provided that the Call Option Exercise Price shall not exceed HK\$135,000,000.

3.2 Payment of the Call Option Exercise Price. The Call Option Exercise Price shall be paid by EHAL to HTH in the following manner:

- (a) the Completion Payment (calculated based on the Pro Forma Completion Accounts) shall be paid by EHAL to HTH upon Call Option Completion;
- (b) in the event that the final amount of the Call Option Exercise Price (calculated based on the Completion Accounts) is more than the amount of the Completion Payment paid by EHAL upon Call Option Completion, EHAL shall pay to HTH a sum representing the difference between the Call Option Exercise Price and the Completion Payment within 10 Business Days after the date on which the Call Option Exercise Price is deemed to be final and binding on the Parties in

accordance with the provisions of Schedule 2; and

- (c) in the event that the amount of the Call Option Exercise Price (calculated based on the Completion Accounts) is less than the amount of the Completion Payment paid by EHAL upon Call Option Completion, HTH shall, by way of cashier's order drawn on a licensed bank in Hong Kong in favour of EHAL (or as EHAL may direct) repay to EHAL a sum representing the difference between the Call Option Exercise Price and the Completion Payment within 10 Business Days after the date on which the Call Option Exercise Price is deemed to be final and binding on the Parties in accordance with the provisions of Schedule 2.

All payment under this Clause shall be made by way of cheque(s) drawn on a licensed bank in Hong Kong in favour of Mr. David Chiu (as agent of HTH) or such other method as HTH and EHAL may agree in writing.

- 3.3 Determination of the Completion Payment and the Call Option Exercise Price. The Completion Payment (to be calculated based on the Pro Forma Completion Accounts) and the Call Option Exercise Price (to be calculated based on the Completion Accounts) shall be determined by the following formula:

$$A = B - C$$

where:

- "A" means the Completion Payment or the Call Option Exercise Price (as the case may be);
- "B" means the amount equivalent to  $\frac{150}{550}$  (approximately 27.27%) of the principal amount of the HTH Shareholder Loan as shown in the Pro Forma Completion Accounts (in case of the Completion Payment) or the Completion Accounts (in case of the Call Option Exercise Price); and
- "C" means the Call Option Price.

For the avoidance of doubt, it is the mutual intent of EHAL and HTH that the amount in "B" above shall represent 15% of the aggregate principal amount of the shareholder loans contributed by HTH and PBL to the JVCo up to the Call Option Completion Date for the purpose of enabling Rainbow Garden to perform, discharge and fulfil its obligations under the Deed of Undertaking and the Acquisition Documents (to the extent that the relevant funding requirement is not met by External Loans), including:-

- (i) the principal amount of the shareholder loan advanced by HTH to the JVCo pursuant to the terms of the HTH Shareholder Loan Agreement, which is up to 55% of the loan advanced by Rainbow Garden to the Target Company for the purpose of enabling the Vendor to pay the land premium under the New Grant;
- (ii) any further shareholder loan(s) to be advanced by HTH to the JVCo up to the Call Option Completion Date for the purpose of enabling Rainbow Garden to pay the Acquisition Completion Payment and such other amount payable to the Vendor (if any) pursuant to the terms of the Acquisition Documents after taking into account any External Loans, where:-
- (A) the Acquisition Completion Payment as per the terms of the Deed of Undertaking shall be the base consideration of HK\$1,670,000,000 minus the total amount of the Target Company Liabilities (including the principal amount of the abovementioned loan owed by the Target Company to Rainbow

Garden in the amount of HK\$770,000,000) as set out in the Target Company Pro Forma Completion Accounts; and

- (B) the External Loans shall include the loan facility of approximately HK\$668,000,000 advanced or to be advanced by the lenders to Rainbow Garden pursuant to the terms of the Financing Documents;
- (iii) any further shareholder loan(s) advanced or to be advanced by HTH to the JVCo up to the Call Option Completion Date for the purpose of funding:-
  - (A) all payments made by any Group Company pursuant to the Financing Documents (including all interest, fees and other payments) up to Call Option Completion;
  - (B) all costs and expenses paid by any Group Company up to Call Option Completion in connection with the preparation, negotiation and execution of the Acquisition Documents and the Financing Documents (including, for the avoidance of doubt, the costs and expenses of legal, accounting and other advisers); and
  - (C) all costs and expenses paid by any Group Company up to Call Option Completion to professional advisers, consultants, contractors, suppliers and service providers in connection with the Project,

in each case, as supported by documentary evidence to be provided by HTH to EHAL and to the extent included as part of the HTH Shareholder Loan and the PBL Shareholder Loan in the Pro Forma Completion Accounts or the Completion Accounts (as the case may be).

For further avoidance of doubt, it is the mutual intent of HTH and EHAL that, to the extent that any of the payments, costs and expenses referred to in sub-paragraphs (iii)(A) to (C) above have been incurred by any Group Company but have not been paid before Call Option Completion, the same shall be provided for as liabilities of the Group in the Pro Forma Completion Accounts and the Completion Accounts, and shall be settled following Call Option Completion and funded by way of shareholder loans contributed or to be contributed by HTH, EHAL and PBL in accordance with the terms of the New JVA based on their respective shareholding proportion in the JVCo.

3.4 Pro Forma Completion Accounts and Completion Accounts. HTH shall procure the preparation and delivery of the Pro Forma Completion Accounts and Completion Accounts in accordance with the provisions of **Schedule 2** and HTH and EHAL shall comply with their respective obligations set out in that Schedule.

3.5 Partial Repayment of HTH Shareholder Loan and advance of EHAL Shareholder Loan. Subject to the exercise of the Call Option by EHAL and in consideration of the payment of the Call Option Price and Call Option Exercise Price by EHAL to HTH in accordance with the terms and conditions of this Deed, EHAL, HTH, the JVCo and Rainbow Garden hereby acknowledge and agree with each other as follows:

- (a) an amount equivalent to  $\frac{150}{550}$  (approximately 27.27%) of the HTH Shareholder Loan as at Call Option Completion shall be deemed to have been duly repaid by the JVCo to HTH upon Call Option Completion ("**Partial Repayment**") and HTH shall waive all claims (if any) against the JVCo, Rainbow Garden and/or EHAL in respect of the amount of such Partial Repayment under the HTH Shareholder Loan Agreement;

- (b) an amount equivalent to the Partial Repayment shall be deemed to have been advanced by EHAL to the JVCo by way of shareholder loan upon Call Option Completion ("**EHAL Shareholder Loan**");
- (c) the JVCo shall be deemed to have applied the amount of the EHAL Shareholder Loan towards the Partial Repayment upon Call Option Completion; and
- (d) EHAL and the JVCo shall enter into a shareholder loan agreement (in a form substantially similar to the HTH Shareholder Loan Agreement *mutatis mutandis*, and to be mutually agreed between EHAL, the JVCo and Rainbow Garden) ("**EHAL Shareholder Loan Agreement**") in respect of the EHAL Shareholder Loan upon Call Option Completion under which the JVCo shall acknowledge the due receipt of the full amount of the EHAL Shareholder Loan from EHAL.

For the avoidance of doubt, it is the intention of the Parties that, after taking into account the Partial Repayment, the balance of the HTH Shareholder Loan, the PBL Shareholder Loan and the EHAL Shareholder Loan shall respectively represent approximately 40%, 45% and 15% of all loans and other amounts owing by the JVCo to the respective Shareholders immediately after Call Option Completion.

#### 4. **EXERCISE OF THE CALL OPTION**

- 4.1 EHAL shall have the right, but not obligation, to exercise at its sole discretion the Call Option during the Call Option Exercise Period and, subject to Clause 2.1, to require HTH to sell all the Call Option Shares held by it to EHAL.
- 4.3 To exercise the Call Option, EHAL shall deliver to HTH (with copy to PBL) a written notice, substantially in the form attached as **Schedule 3** (the "**Call Option Notice**").
- 4.4 Provided that all Exercise Conditions have been satisfied and the Call Option Exercise Period has commenced, if the Call Option has not been exercised on or before the expiry of the Call Option Exercise Period in accordance with the terms hereof, then the Call Option shall immediately lapse forthwith, then, for the avoidance of doubt, the Call Option Price shall be retained by and belong to HTH absolutely and shall not be refundable to EHAL, and in which event none of the Parties shall have any claim or cause of action against any other Party.
- 4.5 The Call Option Notice, once delivered, is binding on EHAL and may not be withdrawn, *unless* withdrawn by EHAL in accordance with Clause 5.4(c) or Clause 7(c) or all the Parties agree otherwise.

#### 5. **CALL OPTION COMPLETION**

- 5.1 **Completion Conditions.** Completion of the transfer of the Call Option Shares pursuant to the exercise of the Call Option and the Partial Repayment shall take place 5 Business Days after the satisfaction of the last of the following conditions (the "**Completion Conditions**") or on such later date as HTH and EHAL may otherwise agree in writing:-
  - (a) subject to Clause 5.5, the Facility Agreement having been (i) amended by the parties thereto or (ii) replaced with a new facility agreement (in a form to be mutually agreed between the parties thereto) duly executed by the parties thereto (in either case, the "**New Facility Agreement**"), such that the entering into this Deed by the Parties, the exercise of the Call Option and/or the

completion of the transactions contemplated under this Deed will not trigger any prepayment, default or any other events adverse to any Group Company under, and shall not be restricted or prohibited in any way by, the New Facility Agreement;

- (b) the form of the New JVA having been agreed between the parties thereto in accordance with Clause 6.1; and
- (c) all Fundamental HTH Warranties remaining true, accurate and not misleading in all respects and all other HTH Warranties remaining true, accurate and not misleading in all material respects.

5.2 Completion Obligations of HTH. On the date of Call Option Completion, upon receipt of the Completion Payment and the Partial Repayment Amount in accordance with Clause 5.3, HTH shall perform and complete the following matters:-

- (a) sell and transfer the legal and beneficial title and interest in the Call Option Shares to EHAL free and clear of all Encumbrances and with all rights, interests and benefits attaching thereto;
- (b) deliver or procure to be delivered to EHAL the following documents:-
  - (i) a written confirmation signed by HTH confirming the due completion of the Acquisition together with a certified copy of the duly executed and stamped instrument of transfer and contract notes in respect of all issued shares of the Target Company between the Vendor and Rainbow Garden;
  - (ii) an instrument of transfer in respect of the Call Option Shares duly executed by HTH;
  - (iii) a certified copy of the board resolutions of HTH approving the execution of this Deed, the grant of the Call Option, the transfer of the Call Option Shares by HTH to EHAL and the deemed Partial Repayment of the HTH Shareholder Loan, together with any power of attorney or signing authority (if any) under which any such documents to be delivered to EHAL has been executed;
  - (iv) a certified copy of the board resolutions of the JVCo approving the execution of this Deed, the registration of the transfer of the Call Option Shares by HTH to EHAL, the execution of the EHAL Shareholder Loan Agreement and the application of the amount of the EHAL Shareholder Loan towards the Partial Repayment;
  - (v) the EHAL Shareholder Loan Agreement duly executed by the parties thereto (other than EHAL);
  - (vi) a copy of the certificate of incumbency of each of the JVCo and HTH dated no earlier than 5 Business Days before (and exclusive of the Call Option Completion Date); and
  - (vii) an original counterpart of the New JVA (in the form agreed between the parties thereto in accordance with Clause 6.1) duly executed by each of the parties thereto (other than EHAL); and
- (c) perform such other acts or (so far as it lies within its powers) procure the JVCo

or such other parties to perform such other acts or execute and deliver such further documents to EHAL as EHAL may reasonably require for consummation of the transfer of the Call Option Shares by HTH to EHAL.

5.3 Completion Obligations of EHAL. On the date of Call Option Completion, EHAL shall perform and complete the following matters:-

- (a) pay the Completion Payment to HTH by way of cashier's order(s) issued by a licensed bank in Hong Kong in favour of Mr. David Chiu (as agent of HTH) or such other method as HTH and EHAL may agree in writing;
- (b) deliver or procure to be delivered to HTH the following documents:-
  - (i) a certified copy of the board resolutions of EHAL approving the exercise of the Call Option and the purchase of the Call Option Shares and the execution and performance by EHAL of this Deed, the execution of the EHAL Shareholder Loan Agreement, together with any power of attorney or signing authority under which any such documents to be delivered to HTH has been executed;
  - (ii) the EHAL Shareholder Loan Agreement duly executed by EHAL; and
  - (iii) 8 original counterparts of the New JVA (in the form agreed between the parties thereto in accordance with Clause 6.1) duly executed by EHAL; and
- (c) perform such other acts or execute and deliver such further documents to HTH as HTH may reasonably require for consummation of the transfer of the Call Option Shares by HTH to EHAL.

5.4 Completion Conditions not satisfied. If, at any time, any of the Parties (save and except EHAL) becomes aware of a fact or circumstance that would reasonably be expected to prevent any Completion Condition from being satisfied, it shall as soon as reasonably practicable inform EHAL. EHAL may, to such extent as it thinks fit and is legally entitled to do so, at any time waive in writing any of the Completion Conditions on such terms as it may decide (save and except for those set out in Clauses 5.1(a) and 5.1(b)). If any of the Completion Conditions has not been satisfied on or before the Longstop Date, then unless EHAL and HTH otherwise agree in writing, then EHAL may on that date, at its option, by written notice to HTH:

- (a) (without prejudice to any other right or remedy it may have) if the Completion Condition which has not been satisfied is that set out in Clause 5.1(c), waive such Completion Condition;
- (b) postpone the date of Call Option Completion or the Longstop Date (as the case may be) to a date (being a Business Day) as EHAL and HTH may agree in writing and, if EHAL elects to postpone the date of Call Option Completion or the Longstop Date (as the case may be) and HTH agrees to such postponement, then the provisions of this Deed shall apply as if the date set for satisfaction or waiver of the Completion Conditions were the date to which Call Option Completion or the Longstop Date (as the case may be) is so postponed in accordance with this Clause; or
- (c) terminate this Deed (in which event the provisions of Clause 11.2 shall apply).

5.5 New Facility Agreement. EHAL shall, following the date of this Deed and in any event

on or before on the date on which all Completion Conditions would have been satisfied if it were not for Clause 5.1(a):

- (a) act reasonably in agreeing to the form and substance of the New Facility Agreement and each security document required under the New Facility Agreement to be provided as security for the External Loans under the New Facility Agreement, provided that EHAL and/or its affiliate(s) shall not be required to provide security for the External Loans under the New Facility Agreement for more than EHAL's ownership proportion of the Shares in the JVCo;
- (b) provide such information relating to EHAL and its affiliate(s) as the lender(s) under the New Facility Agreement may require; and
- (c) enter, or procure that its affiliate(s) enter(s), into the relevant security document(s) as contemplated under Clause 5.5(a) to which it is a party.

5.6 Specific Performance. The Parties agree that any Party may institute any action, claim, or legal proceeding to enforce the provisions of this Deed, and any Party against whom such action, claim, or legal proceedings is brought hereby waives any claim or defence that such Party has an adequate remedy at law and accepts that this Deed may be enforced by injunction, specific performance or other equitable relief ordered by any court of competent jurisdiction.

## 6. FURTHER REPRESENTATIONS AND UNDERTAKINGS

6.1 New JVA. Subject to the exercise of the Call Option by EHAL pursuant to the terms of this Deed, for the purpose of Clause 5.1(b), HTH, PBL, EHAL, the JVCo, Rainbow Garden and the HTH Guarantors hereby agree and undertake with each other to, and PBL shall procure that Hony Partners Group, L.P. shall, negotiate in good faith and use all reasonable endeavours to agree on the form of a new joint venture agreement with respect to the JVCo ("**New JVA**") with the objective of entering into the New JVA, which shall supersede the JVA in its entirety, upon the Call Option Completion, provided that, to the extent that the terms and conditions thereof are no less favourable to PBL and Hony Partners Group, L.P. than those as currently enjoyed by PBL and Hony Partners Group, L.P. under the JVA, PBL shall not, and shall procure that Hony Partners Group, L.P. not to, unreasonably withhold its consent to such form of the New JVA.

6.2 Due Diligence. HTH shall procure that the JVCo shall provide to EHAL, its advisers and representatives all reasonable access to the books and records, corporate documents, accounts, affairs, contracts and insurance policies of the Group Companies and to such other information as EHAL may reasonably request (in each case, to the extent in the possession of HTH) as soon as reasonably practicable and in any event within 5 Business Days following the date of this Deed to evaluate the transactions contemplated under this Deed.

6.3 Rectification. If EHAL discovers any Encumbrance on the Call Option Shares or material irregularities or defects affecting the Call Option Shares during its due diligence review, HTH and the HTH Guarantors shall, at their cost, clear and rectify the same as soon as reasonably practicable.

6.4 Information Rights. After the date of this Deed and prior to Call Option Completion:-

- (a) EHAL shall be (and each of PBL, the JVCo, Rainbow Garden and the HTH

Guarantors acknowledges that EHAL shall be) entitled to all information rights enjoyed by HTH as provided in section 7.3 of the JVA; and

- (b) HTH shall deliver or procure to deliver to EHAL all information, communication and/or notices received by HTH forthwith upon receipt thereof from the JVCo and/or other parties to the JVA, including any information received pursuant to section 7.3 of the JVA and any information or update relating to the Acquisition;

provided that EHAL shall, in accordance with section 11.1 of the JVA (as if it were a party thereto), at all times keep confidential, treat as privileged, and not directly or indirectly make, or allow to be made, any disclosure of any information obtained or otherwise received by EHAL pursuant to this Clause 6.4, without the prior written consent of each of HTH and PBL.

- 6.5 Representations. Each of HTH and the HTH Guarantors hereby severally represents to EHAL, and shall represent to EHAL on Call Option Completion, that, apart from the transactions contemplated under this Deed, it does not possess any inside information (as defined in the SFO) or any other price sensitive information regarding EHAL, LSD, LSG and/or their subsidiaries other than the information available in the public domain. HTH hereby further represents to EHAL that, as of the date of this Deed, Mr. David Chiu is the ultimate beneficial owner of HTH holding 60% of the voting power of HTH and no other Person holds more than 30% of the voting power of HTH.

## 7. NON-COMPLIANCE WITH CALL OPTION COMPLETION OBLIGATIONS

If the respective obligations of HTH and EHAL under Clause 5.2 and 5.3 respectively are not complied with on the date set for Call Option Completion pursuant to Clause 5.1, EHAL may by notice to the HTH (in the event that HTH is unable or unwilling to comply with its obligations under Clause 5.2) or HTH may by notice to EHAL (in the event that EHAL is unable or unwilling to comply with its obligations under Clause 5.3):

- (a) (without prejudice to any other right or remedy it may have) proceed to Call Option Completion in so far as reasonably practicable;
- (b) postpone Call Option Completion to a date (being a Business Day) falling not more than 10 Business Days after the date set for Call Option Completion in accordance with Clause 5.1, in which event the provisions of this Deed shall apply as if the date set for Call Option Completion were the date to which Call Option Completion is so postponed in accordance with this Clause; or
- (c) terminate this Deed (in which event Clause 11.2 shall apply).

## 8. REPRESENTATIONS AND WARRANTIES

### 8.1 HTH Warranties.

- (a) Subject to Clause 8.4, HTH and each of the HTH Guarantors hereby jointly and severally warrant to EHAL that all HTH Warranties are true and accurate and not misleading in all respects as at the date of this Deed and on the date of the Call Option Completion, with reference to the facts and circumstances then subsisting from time to time.
- (b) Each of the HTH Warranties is separate and independent and is without prejudice to any other HTH Warranty.



- (c) HTH and the HTH Guarantors shall as soon as reasonably practicable disclose to EHAL in writing, from time to time and at any time before the date of Call Option Completion, any event, fact or circumstance which may arise and become known to HTH or any of the HTH Guarantors before the date of Call Option Completion and which would constitute a breach of the HTH Warranties or which might render any of them misleading, in any material respect.
- (d) The rights and remedies of EHAL in respect of any breach of the HTH Warranties shall not be affected by Call Option Completion.
- (e) HTH and the HTH Guarantors acknowledge that EHAL is entering into this Deed in reliance upon the HTH Warranties.

8.2 Conduct of Business Pending Completion. Prior to Call Option Completion or the termination of this Deed (whichever is the earlier), HTH, the HTH Guarantors, the JVCo and Rainbow Garden hereby jointly and severally covenant with EHAL that they shall use their respective all reasonable endeavours to observe and procure that, except with EHAL's prior written consent or as expressly contemplated under this Deed, the Group Companies shall conduct their businesses in accordance with the provisions set out in **Schedule 5**. Notwithstanding the aforesaid, nothing in this Clause shall restrict any Group Company from taking any action required to be taken by such Group Company or otherwise contemplated under the terms of the Acquisition Documents, the Financing Documents and/or this Deed, which shall not require EHAL's prior written consent.

8.3 EHAL Warranties. EHAL hereby represents and warrants to each of HTH and the HTH Guarantors, as of the date hereof and on the date of Call Option Completion, that:

- (a) EHAL is a company duly incorporated and validly existing under the laws of the British Virgin Islands;
- (b) EHAL is a wholly-owned subsidiary of LSD;
- (c) EHAL has the legal right and full capacity and all necessary power and authority, and has taken (or will take) all action necessary, to perform its obligations under this Deed and execute and deliver each document required to be executed or delivered by EHAL at or before Call Option Completion in relation to this Deed;
- (d) the execution, delivery and performance of this Deed and the transaction documents to which EHAL is or will be a party has been (or will be) duly authorised and approved by all necessary corporate action and no other corporate approval is required by it;
- (e) each document to be executed and delivered by EHAL at or before Call Option Completion is or will be, when executed, binding on EHAL in accordance with their terms, assuming the due authorization, execution and delivery by the other parties thereto; and
- (f) the execution, delivery and performance of this Deed, and the consummation of the transactions contemplated hereunder will not (i) conflict with the organisational documents of EHAL, (ii) violate any law or approval applicable to EHAL, (iii) conflict with, result in a breach of, or constitute a default under any material contract to which EHAL is a party which would reasonably be expected to result in a Material Adverse Effect on EHAL; or (iv) require any approval to be

obtained by EHAL.

#### 8.4 Limitations on Claims.

The liability of HTH and the HTH Guarantors under this Deed shall be limited as follows:

- (a) no claim shall be brought by EHAL under the HTH Warranties or any other provision of this Deed unless it shall have given notice in writing of that claim specifying (in reasonably sufficient detail) the matter giving rise to the claim, the nature of the claim and the amount claimed (with a breakdown of the aggregate loss alleged to have been suffered) to HTH not later than the expiry of a period of 1 year commencing on the Call Option Completion Date;
- (b) EHAL shall not be entitled to claim against any of HTH and the HTH Guarantors under the HTH Warranties or any other provision of this Deed:
  - (i) unless the amount (excluding interest and costs) that would be recoverable (after taking into account the other provisions of this Clause 8.4) from HTH and the HTH Guarantors in respect of the claim exceeds HK\$1,000,000. For this purpose, if a claim relates to more than one event or circumstance which would separately constitute a breach of any of the HTH Warranties or any other provision of this Deed that claim shall be treated as a separate claim in respect of each event or circumstance;
  - (ii) in respect of any matter or thing after the date of this Deed done or omitted to be done at the request of or with the consent of EHAL;
  - (iii) if and to the extent that the subject matter of the claim has been taken into account in the Completion Accounts and in the calculation of the Call Option Exercise Price; and
  - (iv) in respect of any matters disclosed or referred to in this Deed (or arising from implementation of the same) and there are deemed to be disclosed all matters which would reasonably be revealed by all information in such written correspondence and/or documents set out in Schedule 6;
- (c) the aggregate liability of HTH and the HTH Guarantors in respect of claims under the HTH Warranties or any other provision of this Deed shall not exceed the maximum sum of HK\$135,000,000;
- (d) none of HTH and the HTH Guarantors shall be liable to EHAL in respect of any HTH Warranty to the extent that it relates to the Target Company in respect of the period up to and including the Acquisition Completion Date;
- (e) EHAL shall be entitled to make more than one claim for breach of the HTH Warranties or claims under any other provisions of this Deed arising out of the same subject matter, fact, event or circumstance, but EHAL shall not be entitled to recover damages more than once in respect of any one and the same damage regardless of whether more than one claim arises in respect of it; and
- (f) for the avoidance of doubt, notwithstanding any other provisions of this Deed or any HTH Warranties, none of HTH and the HTH Guarantors shall be liable to EHAL in respect of (and any HTH Warranty shall be deemed not to be breached

if it becomes untrue solely as a result of) any change or price fluctuation in the property market in Hong Kong.

## 9. **GUARANTEE**

- 9.1 Subject to Clause 8.4, the HTH Guarantors jointly and severally guarantee to EHAL:
- (a) the performance of the HTH's obligations in accordance with this Deed; and
  - (b) to pay, on demand, any sum which HTH fails to pay to EHAL in accordance with this Deed.
- 9.2 Subject to Clause 8.4, this is a continuing guarantee which shall remain in force until all of HTH's obligations under this Deed have been fulfilled or until this Deed is terminated in accordance with the provisions of this Deed without prejudice to the right to damages for the breach, if any, giving rise to the termination.
- 9.3 Subject to Clause 8.4, the liability of the HTH Guarantors under this Clause 9 shall not be discharged or affected by any act, omission or circumstance which, but for this provision, would discharge any HTH Guarantor to any extent, including any legal limitation, disability or incapacity or any amendment, waiver or release affecting any of the Parties, any other Person, this Deed or the death or insanity of any HTH Guarantor.
- 9.4 No HTH Guarantor shall exercise any rights of subrogation, contribution, indemnity or set-off or counterclaim against EHAL so long as any obligation of HTH under this Deed remains unfulfilled.
- 9.5 Payments by the HTH Guarantors shall be made without set-off, counterclaim, withholding or condition of any kind.
- 9.6 If HTH is obligated to make a payment to EHAL in accordance with the terms and conditions of this Deed, any moneys which are not recoverable from HTH for any reason shall, nevertheless, be recoverable from the HTH Guarantors as principal debtor, by way of indemnity, on EHAL's demand.

## 10. **PBL WAIVER AND CONSENT**

PBL hereby acknowledges and agrees to the grant of the Call Option by HTH to EHAL on the terms and conditions of this Deed. PBL hereby irrevocably (a) waives its rights under (i) section 9.1 (*Transfers*) of the JVA, (ii) section 9.4 (*Right of First Offer*) of the JVA, (iii) section 9.5 (*Tag-Along Rights*) of the JVA and (iv) section 11.2 (*Exclusivity*) of the JVA, in each case solely with respect to and insofar as they are concerned with the grant and the exercise of the Call Option and the transfer of the Call Option Shares on the terms and conditions of this Deed, and (b) pursuant to section 11.1 (*Confidentiality; Announcements*) of the JVA, consents to the disclosure of any Confidential Information (as defined in the JVA) in connection with the JVA and the other Transaction Documents (as defined in the JVA) and the transactions contemplated thereunder to EHAL by the parties to the JVA (other than PBL), provided that EHAL shall at all times keep all such information so obtained or otherwise received by it strictly confidential, and shall not directly or indirectly make, or allow to be made, any disclosure thereof without the prior written consent of each of HTH and PBL (the "**PBL Waiver and Consent**"). By executing this Deed, PBL and HTH agree and confirm that, subject to the PBL Waiver and Consent, the execution and performance of this Deed by the Parties will not contravene, violate or otherwise conflict with the terms and conditions of the JVA.

## 11. **TERMINATION**

11.1 **Termination by mutual agreement.** This Deed may be terminated by the mutual agreement in writing of each Party.

11.2 **Termination by EHAL or HTH.** If EHAL elects to terminate this Deed pursuant to Clause 2.4(c) or Clause 5.4(c) or if this Deed is terminated pursuant to Clause 7(c), then in such event:

- (a) if EHAL elects to terminate this Deed pursuant to Clauses 2.4(c), 5.4(c) or 7(c), the Call Option Notice (if issued by EHAL prior to such termination) shall be deemed to have been effectively withdrawn on the date of the relevant written notice;
- (b) if EHAL elects to terminate this Deed pursuant to Clause 2.4(c) or 5.4(c), HTH shall within 3 Business Days upon its receipt of the relevant written notice refund to EHAL the aggregate amount of the Call Option Price (if paid by EHAL prior to the date of the relevant written notice), without interest, costs or compensation, under the terms of this Deed in full by way of cashier's order(s) issued by a licensed bank(s) in Hong Kong or such other method as EHAL may direct in writing, in which event none of the Parties shall have any further claim or cause of action against any other Party;
- (c) if EHAL elects to terminate this Deed pursuant to Clause 7(c), HTH shall within 3 Business Days upon its receipt of the relevant written notice refund to EHAL the aggregate amount of the Call Option Price (if paid by EHAL prior to the date of the relevant written notice), without interest, costs or compensation, under the terms of this Deed in full by way of cashier's order(s) issued by a licensed bank(s) in Hong Kong or such other method as EHAL may direct in writing, and termination shall not affect or prejudice the then accrued rights of EHAL (including the right to damages for the breach, if any, giving rise to the termination and any other pre-termination breach by any Party); and
- (d) if HTH elects to terminate this Deed pursuant to Clause 7(c), then the Call Option Price shall be retained by and belong to HTH absolutely and shall not be refundable to EHAL, and termination shall not affect or prejudice the then accrued rights of HTH (including the right to damages for the breach, if any, giving rise to the termination and any other pre-termination breach by any Party) provided that, in such event, any claim by HTH for damages shall take into account the amount of the Call Option Price received and retained by HTH.

11.3 **Effect of Termination.** In the event of termination of this Deed, all rights and obligations of the Parties shall cease immediately upon termination, except that:

- (a) subject to Clause 11.2, termination shall not affect the then accrued rights and obligations of the Parties; and
- (b) termination shall be without prejudice to the continued application of Clauses 8, 9, 11 and 13 (and all provisions relevant to the interpretation and enforcement thereof), which shall remain in full force and effect.

## 12. **MISCELLANEOUS**

12.1 **Costs and Expenses.** Each of the Parties shall bear all its own legal costs and expenses incurred in the negotiation, preparation, execution of and completion of the

transactions contemplated under this Deed.

- 12.2 Transfers, Successors and Assigns. The terms and conditions of this Deed shall inure to the benefit of, and be binding upon the respective successors and assigns of the Parties. Nothing in this Deed, express or implied, is intended to confer upon any Person other than the Parties or their permitted successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Deed, *except* as expressly provided in this Deed.
- 12.3 Counterparts. This Deed may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Deed may, with the consent of Investor, also be executed and delivered by facsimile signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- 12.4 Time is of the essence. Time is of the essence of this Deed as regards any time, date or period specified for the performance of an obligation.
- 12.5 Notice. All notices hereunder shall be in writing and shall be delivered, sent by recognised overnight courier, sent by email transmission or mailed by registered or certified mail, postage and fees prepaid, to the Party to be notified at the Party's address shown below (or such other address as such Party may designate by notice to each other Party hereto). Unless otherwise provided herein, all notices and other communications hereunder shall be deemed given and received (a) if delivered in person, on the date delivered, (b) if via email, when sent, if sent by before 5:00 p.m. on a Business Day at the location of receipt and otherwise at 9:00 a.m. on the immediately following Business Day, (c) if mailed by registered or certified mail with postage prepaid and return requested on the fifth Business Day after the mailing thereof or (d) if delivered by an express courier, on the second Business Day after mailing, to the Parties in accordance with this Clause.

If to HTH or any HTH Covenantor:

Address: Rm 802, 8/F, Far East Consortium Building, 121  
Des Voeux Road, Central, Hong Kong  
Attention: Mr. Chiu Andrew Wah Wai  
Email: andrewchiu@landpacific.com  
Telephone: + 852 2910 8321

If to EHAL:

Address: 11th Floor, Lai Sun Commercial Centre, 680  
Cheung Sha Wan Road, Kowloon, Hong Kong  
Attention: Company Secretary  
Email: lscomsec@laisun.com  
Telephone: + 852 2370 5825

If to the JVCo or Rainbow Garden:

Address: Rm 802, 8/F, Far East Consortium Building, 121  
Des Voeux Road, Central, Hong Kong  
Attention: Mr. Chiu Andrew Wah Wai  
Email: andrewchiu@landpacific.com  
Telephone: + 852 2910 8321

If to PBL:

Address: Suite 06-11, 70/F, Two International Finance  
Centre, 8 Finance Street, Central, Hong Kong  
Attention: Tom Geng  
Email: tomgeng@honycapital.com  
Telephone: +852 3961 9737

with a copy (which shall not constitute notice) to:

Address: Morrison & Foerster  
Edinburgh Tower, 33/F, The Landmark, 15  
Queen's Road Central, Hong Kong  
Attention: Serena Tan  
Email : stan@mofocom  
Telephone: +852 2585 0861

- 12.6 Amendment. This Deed shall not be modified, amended, canceled or altered in any way, and may not be modified by custom, usage of trade or course of dealing, *except* by an instrument in writing signed by all the Parties. All amendments or modifications of this Deed shall be binding upon the Parties despite any lack of consideration so long as the same shall be in writing and executed by the Parties.
- 12.7 Waiver. The performance of any obligation required of a Party may be waived only by a written waiver signed by the other Parties, and such waiver shall be effective only with respect to the specific obligation described. The waiver by any Party hereto of a breach of any provision of this Deed by the other Party shall not operate or be construed as a waiver of any subsequent breach of the same provision or another provision of this Deed.
- 12.8 Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.
- 12.9 Further Assurances. At any time after the date of this Deed, 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 Applicable Laws.
- 12.10 Entire Agreement. This Deed (including any schedule attached hereto) and the agreements, documents and instruments to be executed and delivered pursuant to this Deed constitutes the full and entire understanding and agreement between the Parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between any of the Parties is expressly excluded.
- 12.11 Governing Law and Dispute Resolution.
- (a) This Deed shall be governed by and construed in accordance with the laws of Hong Kong, without giving effect to its conflicts of law principles.
- (b) Any dispute, controversy, difference or claim arising out of or relating to this Deed (including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or relating to it) shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre (“**HKIAC**”) under the HKIAC Administered Arbitration Rules in force when the Notice of

Arbitration is submitted. The governing law of this arbitration clause shall be Hong Kong law. The seat of arbitration shall be Hong Kong. The number of arbitrators shall be three. The arbitration proceedings shall be conducted in the English language. The award of the arbitral tribunal shall be final and binding upon the parties to the arbitration. Judgment upon the award may be entered by any court having jurisdiction of the award or having jurisdiction over the relevant Party or its assets.

- 12.12 Process Agents. Each of HTH, EHAL, the JVCo, Rainbow Garden and PBL hereby irrevocably appoints the following designated party to act as its agent to receive and acknowledge on its behalf service of any writ, claim, summon, order, judgment, notice or other document of legal proceedings in Hong Kong. If such agent (or its successor) no longer serves as agent for this purpose, the affected Party shall promptly appoint a successor agent in Hong Kong and notify the other Parties. Each of the aforesaid Parties agrees that any legal proceedings shall be sufficiently served on it if delivered to its agent at the address mentioned herein or any other address as may have been notified by the agent to the other Parties.

Agent for HTH:

Name: Ariana Consultants Limited  
Address: Room 802, 8/F, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong

Agent for EHAL:

Name: Lai Sun Corporate Services Limited  
Address: 11th Floor, Lai Sun Commercial Centre, 680 Cheung Sha Wan Road, Kowloon, Hong Kong

Agent for the JVCo and Rainbow Garden:

Name: Ariana Consultants Limited  
Address: Room 802, 8/F, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong

Agent for PBL:

Name: Hony Capital Limited  
Address: Suite 06-11, 70/F Two International Finance Centre, 8 Finance Street, Central, Hong Kong

- 12.13 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any Party hereto under this Deed, upon any breach or default of any other Party under this Deed, shall impair any such right, power or remedy of such non-breaching or non-defaulting Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any Party of any breach or default under this Deed, or any waiver on the part of any Party of any provisions or conditions of this Deed, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Deed or under Applicable Laws or otherwise afforded to any Party hereto, shall be cumulative and not alternative.

12.14 Rights of Third Parties. Notwithstanding that a term of this Deed purports to confer a benefit on any Person who is not a Party, a Person who is not a Party shall have no rights under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce or enjoy the benefit of any provisions of this Deed.

12.15 Quarantine. The Parties hereby agree that, should: (a) mandatory quarantine or isolation or restriction be imposed on any of the Parties and their respective directors; or (b) the business of HTH's Solicitors and/or EHAL's Solicitors is suspended due to Government actions against any of the scheduled infectious diseases and the scheduled infectious agents under the Prevention and Control of Disease Ordinance (Cap.599 of the Laws of Hong Kong) or other similar legislation on the date set for Call Option Completion shall be postponed to a date (being a Business Day) falling on the 7th Business Day after such mandatory quarantine or isolation or restriction ceases or the business of the relevant solicitors is permitted by the Government to resume (whichever is the later).

### 13. ANNOUNCEMENT AND CONFIDENTIALITY

13.1 No public announcement or communication of any kind shall be made or issued in respect of the subject matter of this Deed by any Party hereto, save:

- (a) with the prior written consent of the other Parties hereto which may not be unreasonably withheld or delayed; or
- (b) to the extent required by Applicable Laws (including, for the avoidance of doubt, the Listing Rules) or required by any authority having jurisdiction over such Party (including, for the avoidance of doubt, the Stock Exchange).

13.2 Each Party shall at all times keep confidential, treat as privileged, and not directly or indirectly make or allow to be made any disclosure or use of any information relating to the other Parties (including any aspect of that Party's businesses or customers or the existence or subject matter of this Deed) ("**Confidential Information**"), except to the extent:

- (a) required by Applicable Laws (including, for the avoidance of doubt, the Listing Rules) or required by any authority having jurisdiction over such Party (including, for the avoidance of doubt, the Stock Exchange) provided that the Party (or any of its Affiliates) with an obligation to make announcement or disclosure shall (i) notify the other Parties in advance; (ii) before complying with such obligation, first consult (giving a reasonable amount of information and time) with each of the other Parties and take into account (but always subject to any Applicable Laws) the reasonable requirements of any other Party as to the content of such announcement or disclosure;
- (b) necessary to obtain the benefit of, or to carry out obligations under, this Deed, which shall include the ability to disclose Confidential Information to any employees, advisers or financiers who need to have it for purposes connected with the transactions provided for in this Deed, provided that the relevant disclosing party shall (i) advise such employees, advisers or financiers of the confidential nature of the Confidential Information and shall use its best endeavours to procure that such persons keep the relevant Confidential Information strictly confidential and (ii) be responsible for any breach of this Clause 13.2(b) by any of such employees, advisers or financiers (it being understood that any failure by any of such employees, advisers or financiers to follow the relevant disclosing party's directions or instructions hereunder shall be deemed a breach of this Deed by such employees, advisers or financiers);



or

- (c) that the information is or becomes available in the public domain without breach by a Party of its confidentiality obligations under this Clause or at law.

IN WITNESS whereof the parties hereto have executed this Deed on the date first above written.

**SIGNED SEALED and DELIVERED by  
CHIU DAVID**

in the presence of :- LI TSZ YEUNG



**SIGNED SEALED and DELIVERED by  
CHIU TAT JUNG DANIEL**

in the presence of :-

**SIGNED SEALED and DELIVERED by  
CHIU ANDREW WAH WAI**

in the presence of :-

IN WITNESS whereof the Parties have executed this Deed on the date first above written.

**SIGNED SEALED and DELIVERED** by )  
**CHIU DAVID** )  
in the presence of :- )  
)  
)

**SIGNED SEALED and DELIVERED** by )  
**CHIU TAT JUNG DANIEL** )  
in the presence of :- **LI TSZ YEUNG** )  
)  
)



**SIGNED SEALED and DELIVERED** by )  
**CHIU ANDREW WAH WAI** )  
in the presence of :- )  
)  
)

*[Signature Page to the Call Option Deed]*

IN WITNESS whereof the parties hereto have executed this Deed on the date first above written.

**SIGNED SEALED and DELIVERED by** )  
**CHIU DAVID** )  
in the presence of :- )  
 )  
 )

**SIGNED SEALED and DELIVERED by** )  
**CHIU TAT JUNG DANIEL** )  
in the presence of :- )  
 )  
 )

**SIGNED SEALED and DELIVERED by** )  
**CHIU ANDREW WAH WAI** )  
in the presence of :- )  
 )  
**SHEK SZE YIN SIMON** )



Executed as a Deed by )  
CHIU ANDREW WAH WAI, director )  
For and on behalf of )  
**HAPPY TYCOON HOLDINGS** )  
**LIMITED** )  
in the presence of: )



SHEK SZE YIN SIMON



Executed as a Deed by  
Yang Yiu Chong Ronald Jeffrey  
one of its directors  
For and on behalf of  
**EARLY HARVEST ASSETS LIMITED**  
in the presence of:

)  
)  
)  
)  
)  
)  
)



**Bucky Chan**

Executed as a Deed by )  
CHIU ANDREW WAH WAI , director )  
For and on behalf of )  
RAINBOW ESTATE )  
INTERNATIONAL LIMITED )  
in the presence of: )



SHEK SZE YIN SIMON



Executed as a Deed by )  
CHIU ANDREW WAH WAI , director )  
For and on behalf of )  
RAINBOW GARDEN HOLDINGS )  
LIMITED )  
in the presence of: )



SHEK SZE YIN SIMON



Executed as a Deed by )  
John Huan Zhao )  
For and on behalf of )  
**PROSPEROUS BRIDGE LIMITED** )  
in the presence of: TOM GENG )



[Signature Page to the Call Option Deed]



## SCHEDULE 1

### Basic Information concerning the JVCo

Name of Company :	Rainbow Estate International Limited (虹置國際有限公司)
Place of Incorporation:	British Virgin Islands
Date of Incorporation:	19 October 2021
BVI Company number :	2079023
Authorised capital :	US\$50,000
Issued capital :	US\$1,000
Registered office :	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands
Financial year end :	31 March
Subsidiaries :	Rainbow Garden (direct wholly-owned subsidiary)
Directors :	Andrew Wah Wai Chiu Tsz Yeung Li John Huan Zhao Terry Sze Ying Tam Tao Geng

Shareholders as at the date of this Deed:-

<u>Name of shareholders</u>	<u>Number of Shares held</u>	<u>Amount paid-up</u>
HTH	550	US\$550
PBL	450	US\$450

Loans from Shareholders owing by the JVCo as at 31 July 2022:-

<u>Name of shareholders</u>	<u>Amount of principal and accrued interest</u>
HTH	HK\$261,059,285
PBL	HK\$213,593,282

Note: Such loans from the Shareholders owing by JVCo were unsecured.

## SCHEDULE 2

### **Pro Forma Completion Accounts and Completion Accounts**

#### **1. Preparation of Pro Forma Completion Accounts**

HTH shall procure the preparation of pro forma consolidated financial statements of the Group (comprising a pro forma consolidated statement of financial position of the Group as at the Call Option Completion Date and a pro forma consolidated statement of comprehensive income of the Group for the period from its date of incorporation to the Call Option Completion Date) ("**Pro Forma Completion Accounts**"), which shall be so prepared:

- (a) to fairly and accurately present the result of the Group taking into account the Target Company Pro Forma Completion Accounts;
- (b) by applying accounting policies consistent with the HKFRS; and
- (c) to reflect adjustments for all accounting errors and adjustments (regardless of materiality) identified during the preparation of the Pro Forma Completion Accounts.

#### **2. Delivery of Pro Forma Completion Accounts**

- (a) Following preparation of the Pro Forma Completion Accounts, HTH shall procure that such Pro Forma Completion Accounts be delivered to EHAL together with calculation of the Completion Payment based on the Pro Forma Completion Accounts as soon as reasonably practicable but in any event no later than 5 Business Days prior to the Call Option Completion Date set out in the Call Option Notice (or within such other period as HTH and EHAL may agree in writing).
- (b) HTH and EHAL shall in good faith attempt to mutually agree on the Pro Forma Completion Accounts no later than 3 Business Days before Call Option Completion Date set out in the Call Option Notice (or within such other period as HTH and EHAL may agree in writing). In the event that HTH and EHAL fail to reach a mutual agreement on the Pro Forma Completion Accounts within the said prescribed period, the calculation of Completion Payment payable at Call Option Completion shall be determined based on the Pro Forma Completion Accounts delivered to EHAL in accordance with paragraph 2(a).

#### **3. Preparation of Completion Accounts and Call Option Exercise Price**

HTH shall procure the preparation of the draft consolidated unaudited financial statements of the Group (comprising a consolidated statement of financial position of the Group as at the Call Option Completion Date and a consolidated statement of comprehensive income of the Group for the period from its date of incorporation to the Call Option Completion Date) ("**Draft Completion Accounts**"), which shall be so prepared:

- (a) to fairly and accurately present the result of the Group taking into account the Target Company Completion Accounts;
- (b) by applying accounting policies consistent with the HKFRS; and
- (c) to reflect adjustments for all accounting errors and adjustments (regardless of

materiality) identified during the preparation of the Completion Accounts.

HTH shall deliver the Draft Completion Accounts to EHAL together with calculation of the Call Option Exercise Price (based on the Draft Completion Accounts), the Target Company Completion Accounts and all books and records reasonably requested by EHAL within 21 Business Days after (i) the Call Option Completion Date or (ii) the Target Company Completion Accounts having been agreed or determined in accordance with the Deed of Undertaking or the Acquisition Documents (as the case may be), whichever is the later.

#### 4. **Service of Dispute Notice**

EHAL shall review the Draft Completion Accounts and the calculation of the Call Option Exercise Price as soon as practicable after the aforesaid documents have been provided by HTH. If, following review by EHAL, EHAL disagrees with the Draft Completion Accounts and the Call Option Exercise Price, it may serve a notice in writing to that effect on HTH (a “**Dispute Notice**”) within 14 days after receipt by EHAL of the Draft Completion Accounts and the calculation of the Call Option Exercise Price. The Dispute Notice shall specify:

- (a) which items are disputed; and
- (b) the detailed reasons for such dispute.

Any items which are not disputed in the manner aforesaid shall be deemed accepted.

#### 5. **Acceptance or Deemed Acceptance of Draft Completion Accounts and the Call Option Exercise Price**

##### 5.1 **No Dispute Notice or Acceptance**

If within the 14-day period described in paragraph 4, (or within such other period as HTH and EHAL may agree in writing):

- (a) EHAL does not serve a Dispute Notice; or
- (b) EHAL notifies HTH in writing that it accepts the Draft Completion Accounts and the Call Option Exercise Price,

the Draft Completion Accounts shall, in either such case, constitute the Completion Accounts, and the Call Option Exercise Price shall be determined by reference thereto.

##### 5.2 **Service of a Dispute Notice**

If EHAL serves a Dispute Notice within the said 14-day period, then EHAL and HTH shall meet and discuss in good faith in order to reach agreement as to the items in dispute or on such adjustments (if any) to the Draft Completion Accounts and/or the Call Option Exercise Price in order to put such accounts and amount respectively in their final form; and

- (a) if HTH and EHAL reach agreement on the items in dispute within 14 days of the date on which the Dispute Notice is served (or such longer period as HTH and EHAL may agree in writing), the Draft Completion Accounts shall be amended to reflect such agreement and shall constitute the Completion Accounts, and the Call Option Exercise Price shall be determined by reference

thereto; or

- (b) if HTH and EHAL are unable to resolve the items in dispute within 14 days following the Dispute Notice in accordance with paragraph 5.2(a), this matter shall be referred to an independent and reputable firm of certified public accountants in Hong Kong jointly appointed or agreed by HTH and EHAL, or failing such agreement within the said 14 days period, an independent and reputable firm of certified public accountant in Hong Kong as the President for the time being of the Hong Kong Institute of Certified Public Accountants may, on application of either HTH or EHAL, nominate (each of the aforesaid firms of certified public accountants, an "**Expert**"), on the basis that the Expert is to be instructed to make a decision on the dispute and notify HTH and EHAL of its decision within 20 days after such referral or such longer reasonable period as the Expert may determine.

6. **Expert**

For the purposes of paragraph 5.2(b):

- (a) the Expert shall act as an expert and not an arbitrator;
- (b) HTH and/or HTH's auditors (on the one hand) and EHAL and/or EHAL's auditors (on the other hand) shall each promptly prepare a written statement solely on the items in dispute which, together with all relevant documents, shall be submitted to the Expert and to each other, and HTH and EHAL shall each bear their own costs in respect of the preparation of such submissions;
- (c) in giving his decision, the Expert shall state what adjustments (if any) are necessary to be made to the Draft Completion Accounts in respect of the items in dispute in order to comply with the requirements contained in this Deed;
- (d) the decision made by the Expert shall, in the absence of manifest error, be final and binding on HTH and EHAL; and the Completion Accounts shall be the Draft Completion Accounts amended as necessary to reflect the decision of the Expert and, as amended, signed by the Expert;
- (e) the costs of the Expert shall be borne in equal shares by HTH on the one part and EHAL on the other part;
- (f) except when the Expert is nominated by the President of the Hong Kong Institute of Certified Public Accountants as provided for in paragraph 5.2(b), HTH and EHAL shall obtain a fee quote from the Expert which should be reasonably acceptable by HTH and EHAL; and
- (g) each of HTH and EHAL shall respectively provide or procure the provision to, or access by, the Expert of all such information as the Expert may reasonably require.

7. **Determination of Call Option Exercise Price**

Following agreement or determination of the Completion Accounts pursuant to paragraphs 3 to 6 of this Schedule, the Call Option Exercise Price shall be determined by reference to the Completion Accounts.

### SCHEDULE 3

#### Call Option Notice

[date]

To: **HAPPY TYCOON HOLDINGS LIMITED**

Dear Sirs,

We refer to the Call Option Deed dated [\*] August 2022 (the “**Deed**”) entered into between your company, Early Harvest Assets Limited, Rainbow Estate International Limited, Rainbow Garden Holdings Limited, Chiu David, Chiu Tat Jung Daniel, Chiu Andrew Wah Wai and Prosperous Bridge Limited. Save as the context otherwise requires, terms and expressions used in this Call Option Notice shall have the same meanings as defined in the Deed.

By delivering this Call Option Notice to you, we hereby exercise the Call Option referred to in the Deed to require you to sell to us the Call Option Shares at the Call Option Completion in accordance with the Deed.

Yours faithfully,  
For and on behalf of  
**EARLY HARVEST ASSETS LIMITED**

---

Name: [\*]

Title: [\*]

## SCHEDULE 4

### HTH Warranties

#### 1. Call Option Shares and HTH Shareholder Loan

- (a) The basic information concerning the JVCo contained in Schedule 1 is true and accurate in all material respects.
- (b) The Call Option Shares represent 15% of all issued shares of the JVCo, and have been validly issued to HTH and are fully paid up.
- (c) Subject to the Call Option, HTH is the sole beneficial owner of the Call Option Shares and is the legal owner of all such Call Option Shares.
- (d) HTH has not granted any option, rights or interest in relation to the Call Option Shares to any other Person, other than as contemplated under or in accordance with the Financing Documents.
- (e) There are no Encumbrances on, over or affecting the Call Option Shares, other than as contemplated under or in accordance with the Financing Documents. There is no agreement or commitment to give or create any such Encumbrance, other than as contemplated under or in accordance with the Financing Documents.
- (f) Save and except for the Call Option, the PM Share Options and the Finder Share Options, there is no agreement or commitment outstanding which calls for the transfer, allotment or issue of or accords to any Person the right to call for the transfer, allotment or issue of any shares or debentures in the JVCo (including any option or right of pre-emption or conversion). No claim has been made by any Person to be entitled to any such agreement or commitment.
- (g) Save and except for the shares of Rainbow Garden, the JVCo has no shareholding or other interest in any other company, partnership, firm or other entity. Save and except for the shares of the Target Company to be acquired on the Acquisition Completion Date, Rainbow Garden has no shareholding or other interest in any other company, partnership, firm or other entity.
- (h) The JVCo has not repaid, redeemed or purchased any of its share capital or issued any share capital as paid up otherwise than by receipt of consideration therefor.
- (i) The JVCo has not been directly or indirectly engaged or involved in any scheme of reconstruction or amalgamation or any reorganisation or reduction of share capital or conversion of securities nor has the JVCo transferred any business carried on by it.
- (j) As at 31 July 2022, HTH is the legal and beneficial owner of the HTH Shareholder Loan in the amount of HK\$261,059,285. The HTH Shareholder Loan is valid and existing and is not subject to any Encumbrances of any kind.

#### 2. Accuracy and Adequacy of Information

- (a) The copy of the memorandum and articles of association (or equivalent

document) of the Group Companies provided to EHAL by HTH is complete and accurate in all material respects.

- (b) All the accounts, books, ledgers and financial and other records of the Group Companies have been properly kept in accordance with normal business practice in all material respects and are in the possession of the Group Companies or under their control and there are no material inaccuracies or discrepancies of any kind contained or reflected in such accounts, books, ledgers and financial and other records.
- (c) The statutory books (including all registers and minute books) of the Group Companies have been properly kept and contain (in respect of matters up to but not including Call Option Completion) an accurate and true record of the matters in all material respects which should be dealt with in those books and contain no material inaccuracies or discrepancies of any kind and no notice or allegation that any of them is incorrect or should be rectified has been received.

3. **Compliance with Legal Requirements**

- (a) Compliance has been made with the legal and procedural requirements and other formalities in connection with each of the Group Companies in all material respects concerning:
  - (i) its memorandum and articles of association or other constitutional documents (including all resolutions passed or purported to have been passed);
  - (ii) the filing of all documents required by the Companies Ordinance or equivalent legislation or other appropriate legislation to be filed with the Registrar of Companies of Hong Kong or other appropriate regulatory bodies;
  - (iii) issue of shares, debentures or other securities;
  - (iv) payments of interest and dividends and making of other distributions; and
  - (v) directors and other officers of the Group Companies.
- (b) Each of the Group Companies is empowered and duly qualified to carry on its business in such countries in which it operates.
- (c) There has been no material breach by the Group Companies of any legislation or regulations affecting the Group or its business.

4. **Rainbow Garden Management Accounts, Management Accounts, Pro Forma Completion Accounts and Completion Accounts**

- (a) The Rainbow Garden Management Accounts show with reasonable accuracy the state of affairs and the assets and liabilities of Rainbow Garden as at the date thereof and for the period in respect of which they were prepared, and the Management Accounts will show with reasonable accuracy the state of affairs and the assets and liabilities of the Group as at the date thereof and for the period in respect of which they were prepared.
- (b) As of the date of this Deed, the Group Companies have no material liabilities (actual or contingent) save and except, in respect of the JVCo, the HTH

Shareholder Loan and the PBL Shareholder Loan and, in respect of Rainbow Garden, such liabilities of Rainbow Garden as shown in the Rainbow Garden Management Accounts.

- (c) The Group Companies have no liability (actual or contingent) which is not or will not be shown or otherwise specifically provided for in the Completion Accounts.
- (d) Since the date of its incorporation, the JVCo has not declared, paid or made and is not proposing to declare, pay or make any dividend or other distribution.

5. **Information**

All information contained in any written document supplied to EHAL or any of its advisers by or on behalf of HTH in connection with this Deed was, when given, and is at the date hereof, true and accurate in all material respects.

6. **Insolvency**

- (a) No receiver, manager or the like, has been appointed of the whole or any part of the assets or undertaking of any Group Company.
- (b) No petition has been presented, no order has been made and no resolution has been passed for the winding-up or dissolution of any of the Group Companies or for a provisional liquidator to be appointed in respect of any of the Group Companies or any part of the assets of any Group Company.
- (c) None of the Group Companies has stopped a series of payments nor is it insolvent or unable to pay its debts within the meaning of section 178 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32).
- (d) No distress, execution or other process has been levied in respect of the Group Companies.
- (e) No unsatisfied judgment, order, decree, award or decision is outstanding against any Group Company or for any Person whose acts or defaults it may be vicariously liable.

7. **Litigation**

None of the Group Companies is engaged (whether as plaintiff, defendant or otherwise) in any litigation or arbitration, administrative or criminal or other proceeding and, to the best of the knowledge of HTH and the HTH Guarantors, no litigation or arbitration, administrative or criminal or other proceedings against any of the Group Companies is pending, threatened or expected and, to the best of the knowledge of HTH and the HTH Guarantors, there is no fact or circumstance likely to give rise to any such litigation or arbitration, administrative or criminal or other proceedings or to any proceedings against any director, officer or employee (past or present) of the Group Companies in respect of any act or default for which a Group Company might be vicariously liable.

8. **The New Lot**

As at Call Option Completion:

- (a) the New Lot will comprise all the property owned, occupied or otherwise used by the Group Companies;



- (b) the Target Company will be the sole legal and beneficial owner of the New Lot, have good and marketable title to the New Lot, and will have vacant possession of, the New Lot subject to Special Condition (3)(a)(ii) of the New Grant but otherwise free from all Encumbrances;
- (c) the New Grant will be good, valid and subsisting and in no way void or voidable and the premium, rent and other moneys reserved by or payable under the New Grant and the terms covenants and conditions contained in the New Grant will have been duly paid performed and observed;
- (d) no subsisting tenancy, lease or licence will have been granted to any Person in respect of the New Lot or any part thereof;
- (e) save and except the Financing Documents, the Group Companies will not have contracted to sell or part with the possession of or let or grant any option over or otherwise dispose of its interest in the New Lot and will not have mortgaged, charged or otherwise Encumbered such interest or agreed to do so;
- (f) nothing will have been done or knowingly omitted on the New Lot, which is a contravention of any applicable laws, regulations, orders or official directions; and
- (g) there will not be any outstanding notice, complaint or requirement issued by any Government body, authority or department in respect of the New Lot.

9. **Employment**

- (a) There is no scheme or fund in respect of any benefit to any director, or secretary or any other party to which any Group Company is a party or in respect of which any Group Company has any obligations or liabilities, present or future, actual or contingent.

10. **Execution of this Deed**

- (a) HTH is a company duly incorporated and validly existing under the laws of the British Virgin Islands.
- (b) HTH and each of the HTH Guarantors has (or will have upon Call Option Completion) the legal right and full capacity, power and authority, and has taken (or will take prior to Call Option Completion) all action necessary, to execute, deliver and exercise its rights, and perform its obligations, under this Deed and each document to be executed at or before Call Option Completion in relation to this Deed.
- (c) The execution, delivery and performance of this Deed and the transaction documents to which HTH is or will be a party has been (or will be upon Call Option Completion) duly authorised and approved by all necessary corporate action and no other corporate approval is required by it.
- (d) The obligations of each of HTH and the HTH Guarantors under this Deed and each document to be executed by HTH and/or the HTH Guarantors at or before Completion are, or when the relevant document is executed, or will be binding in accordance with their terms.
- (e) Save and except for the PBL Waiver and Consent and the execution of the New Facility Agreement, no consent of any third party (other than the board of

directors of HTH) is required to be obtained in respect of the grant of the Call Option and the sale of the Call Option Shares.

- (f) The execution, delivery and performance of this Deed, and the consummation of the transactions contemplated hereby will not (i) conflict with the organizational documents of HTH or the JVCo, (ii) violate any law or approval applicable to any of them, (iii) save and except for the Facility Agreement, conflict with, result in a breach of, or constitute a default under any material contract to which it is a party which would reasonably be expected to result in a Material Adverse Effect on it; or (iv) require any approval to be obtained by HTH except for the PBL Waiver and Consent and the execution of the New Facility Agreement.

## 11. **Corporate Status and Business**

- (a) Each of the JVCo and Rainbow Garden is duly incorporated and constituted, and is legally subsisting under the laws of the British Virgin Islands.
- (b) There are no events which would result in the constitution, subsistence or corporate status of either the JVCo or Rainbow Garden having been or being likely to be adversely affected.
- (c) The principal business activity of the JVCo and Rainbow Garden since their respective incorporation is acting as an investment holding company. Save as the aforesaid, the JVCo and Rainbow Garden have not carried out any other business or activity since its incorporation.
- (d) The JVCo has no branch or place of business outside the British Virgin Islands.
- (e) The JVA, the Deed of Undertaking, the Acquisition Documents, the Financing Documents, such other contracts and agreements in connection with the Project to the extent disclosed in Schedule 6, any agreements, instruments or arrangements contemplated in any of the foregoing documents and those others to be entered into by any Group Company following the date of this Deed at the request of or with the consent of EHAL are all the written agreements, instruments and arrangements to which any Group Company is a party and which are material to the Group and its business, relationships and financial position and prospects. No Group Company is a party to any oral agreement or arrangement which may materially and adversely affect the Group and its business, relationships, financial position and prospects.
- (f) No Group Company is in default under any of the agreements, instruments and arrangements referred to in sub-paragraph (e) above in any material respect.
- (g) As at the date of this Deed, no threat or claim of default, has been made under the agreements, instruments and arrangements referred to in sub-paragraph (e) above and, as at the date of this Deed, to the best of the knowledge of HTH and the HTH Guarantors, and save as disclosed in writing, there is no circumstance whereby any such agreement, instrument or arrangement is invalid or may be prematurely terminated, rescinded, repudiated or disclaimed by any other party and no notice has been received of any such party's intention, and no such party has sought, to terminate, rescind, repudiate or disclaim any such agreement, instrument or arrangement.

## SCHEDULE 5

### Conduct of Business Pending Call Option Completion

1. HTH shall not directly or indirectly, sell, transfer, assign, create a trust or option over, or alienate the right to exercise the vote attached to, pledge, hypothecate, or otherwise Encumber, the legal or beneficial ownership of any Shares.
2. The JVCo shall not create, allot or issue any shares, loan capital, securities convertible into shares or any option or right to subscribe in respect of any shares, loan capital or securities convertible into Shares.
3. The JVCo and Rainbow Garden shall duly and timely observe and perform all of their obligations under the Acquisition Documents.
4. Each of the Group Companies will not undertake any of the following activities:
  - (a) reduce its share capital;
  - (b) create, extend, grant or issue any security interest over any of its assets;
  - (c) create, extend or grant any guarantee, indemnity, performance bond or other contingent obligation in the nature of a financial obligation including letters of comfort or support;
  - (d) other than the Partial Repayment, declare, pay or make any dividend or distribution;
  - (e) other than as contemplated under Clause 5.1(a), incur any liability in the nature of a borrowing (other than shareholder loans); and
  - (f) take any action in respect of any JV Partners Reserved Matters (as defined in the JVA) save and except with the prior written approval of EHAL.

## SCHEDULE 6

### List of Documents Disclosed

1. **An email sent by Mr. Johnson Li (on behalf of HTH) to Mr. Ronald Yang (on behalf of EHAL) on 17 May 2022 at around 16:25 (GMT+8), enclosing the following:-**
  - a. Letter from the District Lands Office (“DLO”) dated 21 March 2022 in relation to the Proposed Non-in-situ Land Exchange and Surrender of Various Lots in Demarcation District No.31 at Sha Lo Tung in exchange for the Shuen Wan Landfill Site, with reference number (47) in DLO/TP 367/TLT/93 XIII;
  - b. Basic Information and Assumptions relating to the proposed golf course at Shuen Wan Landfill Site updated as at 29 April 2022;
  - c. Deed of Undertaking dated 14 April 2022 entered into between (1) the Vendor Covenantors; (2) Rainbow Garden as purchaser; and (3) Mr. Chiu David and Mr. Chiu Andrew Wah Wai as purchaser’s guarantors;
  - d. Joint Venture Agreement dated 14 April 2022 entered into between HTH, PBL, the JVCo, Rainbow Garden, Hony Partners Group, L.P., Mr. Chiu David, Mr. Chiu Tat Jung Daniel and Mr. Chiu Andrew Wah Wai;
  - e. A group chart setting out the holding structure for Tai Po Golf Club Limited as at April 2022;
  - f. A spreadsheet setting out the funding requirement and the land payment timetable for the Project; and
  - g. An indicative term sheet from the United Overseas Bank Limited (“UOB”) dated 28 April 2022 in relation to the proposed term loan facilities of up to HK\$668,000,000 to be advanced to Rainbow Garden Holdings Limited as borrower.
  
2. **An email sent by Mr. Johnson Li (on behalf of HTH) to Mr. Ronald Yang (on behalf of EHAL) on 19 May 2022 at around 10:52 (GMT+8), enclosing a web link (<https://www.dropbox.com/scl/fo/nhit6k9cnepaxzpzuds0n/h?dl=0&rlkey=y6vl4yoybh3dz9wl6ccf2pu1l>) to designated folders via the file hosting service provided by Dropbox on its cloud-based storage platform containing the following documents related to the Project:-**
  - a. Tai Po Golf Course Development – Technical Paper on Source of Water Supply for Irrigation (REP-003-00), draft dated August 2017 and prepared by Ove Arup & Partners Hong Kong Ltd (“ARUP”);
  - b. Combined Figure from an Environmental Impact Assessment Report 2019 prepared by ADI Limited (“ADI”);
  - c. Cross Sections from an Environmental Impact Assessment Report 2019 prepared by ADI;
  - d. Plans showing proposed accommodation facilities;

- e. Plan showing Tai Po Gas Production Plant;
  - f. Preliminary Constraints Drawing prepared by ARUP;
  - g. Plan No. TP75684-D1 from Lands Department dated 31 August 2021;
  - h. Shuen Wan Golf Course Environmental Monitoring and Audit Manual (256383-REP-007-02) by ARUP;
  - i. Shuen Wan Golf Course Environmental Monitoring and Audit Manual (Combined Figures) by ARUP;
  - j. Shuen Wan Golf Course Environmental Monitoring and Audit Manual (Combined Appendices) by ARUP;
  - k. Shuen Wan Golf Course Environmental Impact Assessment Report (256383-REP-006-02) by ARUP;
  - l. Shuen Wan Golf Course Environmental Impact Assessment Report (Figures) by ARUP;
  - m. Shuen Wan Golf Course Environmental Impact Assessment Report (Appendices) by ARUP;
  - n. Shuen Wan Landfill Site Sewerage Impact Assessment Report (REP-011-01) by ARUP;
  - o. Shuen Wan Landfill Site Drainage Impact Assessment Report (REP-012-02) by ARUP;
  - p. Shuen Wan Golf Course – ARUP Presentation on 22 December 2021;
  - q. Schedule of Area for Golf Course Project;
  - r. A zip file containing block plans for each floor of the proposed golf club, including a club house, golfers overnight accommodation & manager quarters, carpark and ancillary facilities; and
  - s. A drone video of the Tai Po Town Lot No.246 titled “DJI\_0428.MP4”.
3. **An email sent by Mr. Johnson Li (on behalf of HTH) to Mr. Ronald Yang (on behalf of EHAL) on 8 June 2022 at around 15:42 (GMT+8), enclosing the following:-**
- a. Particulars and Conditions of Exchange for Tai Po Town Lot No.246; and
  - b. Letter from the Legal Advisory And Conveyancing Office (“LACO”) to Sha Lo Tung Development Company Limited dated 7 June 2022 enclosing, *inter alia*, a demand note for the payment of HK\$693,000,000 being the balance of premium.
4. **An email from Mr. Johnson Li (on behalf of HTH) to Mr. Ronald Yang (on behalf of EHAL) on 23 June 2022 at around 19:56 (GMT+8), enclosing a valuation report of the golf course site prepared by Knight Frank on 28 February 2022 and addressed to UOB on 23 June 2022.**

5. **An email from Mr. Johnson Li (on behalf of HTH) to Mr. Bucky Chan (on behalf of EHAL) on 28 June 2022 at around 08:38 (GMT+8), enclosing the following:-**
- a. Execution version of the proposed Sale and Purchase Agreement to be entered into between (1) Rainbow Garden as purchaser; (2) Sha Lo Tung Development Company Limited as vendor; and (3) Fong Biu Bill and Fong Kam Chuen James as guarantors.
  - b. Loan Agreement dated 13 April 2022 entered into between (1) Rainbow Garden as lender, (2) Tai Po Golf Club Limited as borrower, and (3) Sha Lo Tung Development Company Limited.
6. **An email sent by Mr. Johnson Li (on behalf of HTH) to Mr. Bucky Chan (on behalf of EHAL) on 11 July 2022 at around 09:50 (GMT+8), enclosing the following:-**
- a. Deed of confirmation dated 24 Jun 2022 supplementing the deed of undertaking with the seller to facilitate the drawdown of the bank loan signed by (1) the Vendor Covenantors; (2) Rainbow Garden as purchaser; and (3) Mr. Chiu Andrew Wah Wai as purchaser's representative;
  - b. Tai Po Golf Club Limited's acknowledgement receipt of 10% of the land premium addressed to Rainbow Garden dated 14 April 2022;
  - c. Tai Po Golf Club Limited's acknowledgement receipt of 90% of the land premium addressed to Rainbow Garden dated 30 June 2022;
  - d. Letter of acceptance dated 19 April 2022 issued by Lawson David & Sung Surveyors Limited (on behalf of Sha Lo Tung Development Company Limited) to DLO enclosing, *inter alia*, a demand note in respect of 10% of the land premium; and
  - e. Letter from Lawson David & Sung Surveyors Limited (on behalf of Sha Lo Tung Development Company Limited) to LACO dated 30 June 2022, enclosing a demand note in respect of 90% of the land premium.
7. **An email sent by Mr. Johnson Li (on behalf of HTH) to Mr. Bucky Chan (on behalf of EHAL) on 20 July 2022 at around 13:38 (GMT+8), enclosing the following:-**
- a. Facility Agreement;
  - b. Stamped Memorandum and Articles of Association of Rainbow Garden;
  - c. Stamped Memorandum and Articles of Association of the JVCo;
  - d. Stamped Register of Members of Rainbow Garden;
  - e. Certificate of Registration of Charge for Rainbow Garden in respect of the debenture dated 28 June 2022;
  - f. Certificate of Registration of Charge for the JVCo in respect of the share charge over the shares in Rainbow Garden dated 28 June 2022; and
  - g. Certificate of Registration of Charge for the JVCo in respect of the subordination deed relating to the Facility Agreement.

8. An email sent by Mr. Johnson Li (on behalf of HTH) to Mr. Bucky Chan (on behalf of EHAL) on 3 August 2022 at around 17:20 (GMT+8), enclosing the Rainbow Garden Management Accounts.