

DATE: 29 JUNE 2017

Jianda Value Investment Fund L.P.
(as lender)

AND

Differ Group Holding Company Limited
(as borrower)

LOAN AGREEMENT
for
Term loan of US\$9,000,000

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THIS LOAN AGREEMENT is dated 29 June 2017

BETWEEN:

- (1) **Jianda Value Investment Fund L.P.**, a limited partnership formed under the laws of the Cayman Islands of Harneys Services (Cayman) Limited of 4th Floor, Harbour Place, 103 South Church Street, Grand Cayman KY1-1002, Cayman Islands (the “**Lender**”); and
- (2) **Differ Group Holding Company Limited** (鼎豐集團控股有限公司), an exempted company incorporated under the law of the Cayman Islands, whose principal place of business in Hong Kong is at Room 1602, Euro Trade Centre, 13-14 Connaught Road Central, Central, Hong Kong (the “**Borrower**”).

WHEREAS:

- (A) The Borrower has requested the Lender to make available to the Borrower a term loan in the principal sum of US\$9,000,000 and the Lender has agreed to do so subject to and upon the terms and conditions of this Agreement.
- (B) The Loan (as defined below) is jointly and severally guaranteed by the Guarantors (as defined below) and secured by Account Charge (as defined below).

1. INTERPRETATION

- 1.1 In this Agreement (including the Schedules), the following expressions shall, except where the context otherwise requires, have the meanings attributed to them respectively below:

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| “ Account Charge ” | the charge (in the form and substance satisfactory to the Lender) to be given by the Chargor in favour of the Lender in respect of all the securities whether present and future securities and together with all warrants, options or other rights to subscribe for, purchase or otherwise acquire any shares (of any class) of or ownership interests in connection with and arising from the securities and all rights relating to any of those securities in the Designated Securities Account to secure the performance and obligations of the Borrower under this Agreement |
| “ Availability Period ” | the period commencing from the date hereof and ending 15 days thereafter |
| “ Business Day ” | a day (other than a Saturday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours |
| “ Borrower Shares ” | the issued shares of HK\$0.0025 each in the share capital of the Borrower |
| “ Chargor ” | Ever Ultimate Limited, a company incorporated under the laws of the British Virgin Islands (with British Virgin Islands company no. 1661330), a substantial shareholder of the Borrower |

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| “Consolidated Debt-Asset Ratio” | the Consolidated Total Debts / Consolidated Total Assets |
| “Consolidated Total Assets” | the aggregate amount of current and non-current assets of the Group as at the Relevant Date |
| “Consolidated Total Debts” | the aggregate amount of current and non-current liabilities of the Group as at the Relevant Date |
| “Deed of Guarantee(s)” | the deed of personal guarantee(s) to be executed by Hong and Ng respectively |
| “Designated Securities Account” | the securities account no. 12287308 with Cinda International Securities Limited in the name of the Chargor as the security to the Loan and all other obligations, liabilities and debts owing or incurred by the Borrower to the Lender whether actual, contingent or deferred and irrespective of whether or not the same is due and payable as at the date hereof |
| “Drawdown Date” | the date on which the Borrower makes the Drawing which shall fall within the Availability Period |
| “Drawing” | the drawing of loan in one lump sum of US\$9,000,000 to be made by the Borrower on the Drawdown Date |
| “Events of Default” | any one or more of the events specified in Clause 14.1 or any act or event which with the giving of notice and/or the lapse of time and/or the fulfillment of any other condition would become one or more of such events |
| “Encumbrance” | any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation or other encumbrance, priority of security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same |
| “Equivalent Amount” | an amount in any other currency as reasonably determined by the Lender on the basis of the middle spot rate for renminbi against the relevant currency as quoted by any leading bank at or around 9:15 a.m. (Beijing time) immediately prior to the relevant time for determination |
| “Financial Debt” | means as to any Person: <ul style="list-style-type: none"> (i) any indebtedness of such Person for borrowed money; (ii) the outstanding principal amount of any bonds, debentures, notes, loan stock, commercial paper, acceptance credits, bills or promissory notes drawn, accepted, endorsed or issued by such Person; |

- (iii) amounts raised by such Person under any other transaction having the financial effect of a borrowing and which would be classified as a borrowing under the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants together with its pronouncements thereon from time to time, applied on a consistent basis
- (iv) the amount of the payment obligations of such Person under derivative transactions entered into in connection with the protection against or benefit from fluctuation in any rate or price (but only the net amount owing by such Person after marking the relevant derivative transactions to market);
- (v) all indebtedness of the types described in the foregoing items secured by lien on any property owned by such Person, whether or not such indebtedness has been assumed by such Person;
- (vi) any indebtedness of such Person for the deferred purchase price of assets or services (except trade accounts incurred and payable in the ordinary course of business to trade creditors within 90 days of the date when they are incurred and which are not overdue);
- (vii) non-contingent obligations of such Person to reimburse any other Person for amounts paid by that Person under a letter of credit or similar instrument (excluding any letter of credit or similar instrument issued for the account of such Person with respect to trade accounts incurred and payable in the ordinary course of business to trade creditors of such Person within 90 days of the date when they are incurred and which are not overdue);
- (viii) the amount of any payment obligation of such Person in respect of any financial lease;
- (ix) all obligations of such Person to pay a specified purchase price for goods and services, whether or not delivered or accepted (i.e., take or pay or similar obligations);
- (x) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, any liability of such Person under any sale and leaseback transactions that do not create a liability on the balance sheet of such Person, any obligation under a "synthetic lease" or any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheet of such Person;
- (xi) any premium payable by such Person on a mandatory redemption or replacement of any of the foregoing items;

and

- (xii) the amount of any obligation in respect of any guarantee or indemnity for any of the foregoing items incurred by any other Person

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| “Governmental Authority” | any national, provincial, municipal or local government, administrative or regulatory body or department, commission, agency, court, tribunal, arbitrator or anybody that exercises the function of a regulator, including, but not limited to, the Stock Exchange, the British Virgin Islands Registry of Corporate Affairs, the Company Registry in the Cayman Islands and the Companies Registry in Hong Kong |
| “Group” | the Borrower and its subsidiaries and a “Group Company” means any of them |
| “Guarantors” | collectively, Hong and Ng, each a “Guarantor” |
| “Hong” | Mr. HONG Mingxian 洪明顯, holder of Hong Kong identity card number M441551(0), whose address is at Flat 2002, Winner House, 310 King’s Road, North Point, Hong Kong, who is a director of the Borrower |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Internal Rate of Return” | in respect of the Loan, the annual rate of return based on a 365-day period used to discount each cash flow in respect of the Loan to the Drawdown Date such that the present value of the aggregate cash flows equal to zero. In connection with any payment required under this Agreement, the Internal Rate of Return will be calculated with reference to the period from the Drawdown Date up to such repayment of Loan is made in full |
| “Loan” | the loan in the total amount of US\$9,000,000 |
| “Material Adverse Effect” | a material adverse effect on (a) the assets, liabilities, financial condition, business, general affairs, results of operations or properties of the Group taken as a whole; (b) the ability of the Borrower or the Chargor to perform its/his/her obligations under any of the Transaction Documents to which it/he/she is a party; or (c) the validity or enforceability of any of the Transaction Documents; |
| “Ng” | Mr. NG Chi Chung 吳志忠, holder of Hong Kong identity card number K689983(8), whose address is at Flat 2002, Winner House, 310 King’s Road, North Point, Hong Kong, who is an executive director of the Borrower |
| “Notice of Drawing” | the notice of drawing of the Loan in the form set out in Schedule 2 |
| “Person” | any individual, firm, corporation, joint venture, enterprise, |

partnership, trust, unincorporated association, limited liability company, Governmental Authority or other entity of any kind, whether or not having separate legal personality

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| “Principal Business” | the principal business carried out by any Group Company as at this Agreement, which involves the provision of guarantee service, express loan service, financial services, finance lease services and assets management in the People’s Republic of China, and any other business carried out by any Group Company which is approved in writing by the Lender as the principal business of such Group Company from time to time |
| “Relevant Date” | (i) the Group’s latest financial year-end date (being 31 December), or (ii) the Group’s latest financial half year-end date (being 30 June), whichever is later |
| “Repayment Date” | the last day of the twelfth month from the Drawdown Date or such other date as may be agreed between the parties of this Agreement |
| “Security Parties” | collectively, the Chargor, Hong and Ng |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Transaction Documents” | this Agreement, the Account Charge, the Deed of Guarantees and such documents as may have been or may hereafter be executed by the Chargor or any other person in favour of the Lender as security for the performance of the Borrower's obligations hereunder and all documents ancillary to or derived from any of them |
| “HK\$” | Hong Kong dollars, the lawful currency for the time being of Hong Kong |
| “RMB” | Renminbi, the lawful currency for the time being of the People’s Republic of China |
| “US\$” | United States dollars, the lawful currency for the time being of United States of America |
| “%” | per cent. |

1.2 Except to the extent that the context requires otherwise, any reference in this Agreement to:

- (1) an **“agency”** of a state or government means any ministry, agency, board, bureau, commission, department, authority, statutory corporation (whether autonomous or not) or other instrumentality of or any corporation or other entity owned or controlled by such state or government;
- (2) any document shall include that document as in force for the time being and as amended in accordance with the terms thereof or with the agreement of the parties thereto and with the consent of the Lender, if required hereunder;
- (3) any enactment shall include same as from time to time re-enacted, amended, extended, consolidated or replaced;

- (4) “**control**” means in relation to a corporation, the power of a person to secure:
- (a) by means of the holding of shares or the possession of voting power in or in relation to that or any other corporation; or
 - (b) by virtue of any powers conferred by the constituent documents or other documents regulating that or any other corporation,

that the affairs of the first-mentioned corporation are conducted in accordance with the wishes of that person and “**controlled**” shall be construed accordingly;

- (5) “**laws and regulations**” shall include all constitutional provisions, treaties, conventions, statutes, acts, laws, decrees, ordinances, subsidiary and subordinate legislation, orders, rules and regulations having the force of law, rules of civil and common law and equity, directives, instructions, notifications, circulars, policy statements and guidelines (whether or not having the force of laws) and other similar authorities;
- (6) a “**person**” includes any individual, company, corporation, firm, partnership, joint venture, association, organisation, unit or trust (in each case, whether or not having separate legal personality);
- (7) “**subsidiary**” and “**holding company**” shall have the meaning attributed thereto by the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
- (8) “**tax**” includes any present or future tax, levy, impost, duty, charge, fees, deduction or withholding of any nature and whatever called, by whomsoever, on whomsoever and wherever imposed, levied, collected, withheld or assessed;
- (9) “**tax on overall net income**” of a person means the tax imposed by the jurisdiction in which its principal office is located on all or part of the net income, profits or gains of that person (whether worldwide, or only insofar as such income, profits or gains are considered to arise in or relate to a particular jurisdiction, or otherwise); and
- (10) “**years**” and “**months**” mean calendar years and months respectively, under the Gregorian Calendar. For the avoidance of doubt, a calendar month means a period beginning on one day of a calendar month and ending on the day numerically corresponding to such day in the following calendar month, provided that if the period begins on the last day of a calendar month or there is no such numerically corresponding day in the following month, the period shall end on the last day in such following calendar month.

1.3 The headings in this Agreement are inserted for convenience only and shall be ignored in construing this Agreement. Unless the context otherwise requires, references in this Agreement to the singular shall be deemed to include references to the plural and *vice versa* and references to one gender shall include all genders and references to “it” shall include reference to human beings.

1.4 References in this Agreement to clauses, schedules and exhibits are references to clauses, schedules and exhibits to this Agreement and references to sub-clauses and paragraphs are, unless otherwise stated, reference to sub-clauses and paragraphs of the clause, sub-clause or, as appropriate, the schedule to which the reference appears.

2. THE LOAN

- 2.1 Subject to the terms and conditions of this Agreement, the Lender hereby agrees to make available to the Borrower the Loan of US\$9,000,000, which shall be drawn down once in whole on the Drawdown Date on non-recourse basis. The Loan shall only be used for the general working capital of the Borrower.

3. SECURITY FOR THE LOAN

- 3.1 The Loan is jointly and severally guaranteed by the Guarantors and secured by Account Charge.
- 3.2 The Lender shall have the right from time to time to demand the Borrower to provide additional collaterals to secure the Borrower's repayment obligation under the Loan.

4. DRAWING

- 4.1 Subject to Clause 4.2 and the other terms and conditions of this Agreement, the Borrower may on any Business Day during the Availability Period make the Drawing in accordance with the terms and conditions of this Agreement on the Drawdown Date(s).
- 4.2 The making of the Drawing by the Borrower is also subject to the Lender having received not later than 12:00 noon (Hong Kong time) on the Business Day on which the Drawing is to be made a duly completed and signed original Notice of Drawing.
- 4.3 The Notice of Drawing once given under Clause 4.2 shall not be revocable and shall oblige the Borrower to make the Drawing stated in the Notice of Drawing.

5. INTEREST AND INTERNAL RATE OF RETURN

- 5.1 The Borrower shall pay interest on the Loan in accordance with the provisions of this Clause 5.
- 5.2 Interest on the Loan shall accrue at the rate which is seven per cent. (7%) per annum. Interest shall be calculated on the actual number of days elapsed and on the basis of a 365-day year and payable bi-annually. The interest shall be payable on 22 December 2017 (the "**First Interest Payment Date**") (for the interest accrued from the Drawdown Date up to 31 December 2017, both days inclusive) and on the Repayment Date (for the interest accrued from 1 January 2018 up to the Repayment Date, both days inclusive) respectively.
- 5.3 If the Borrower defaults in repayment of the interest on the First Interest Payment Date or defaults in repayment on the Repayment Date of any part of the Loan, interest or other amounts payable hereunder, the Borrower shall pay interest on such overdue sums from the due date until payment in full (before and after judgment) at the rate of twenty per cent. (20%) per annum. Such interest shall be calculated on the actual number of days elapsed and on the basis of a 365-day year.
- 5.4 The Borrower shall pay the Lender such amount as would result in an Internal Rate of Return of no less than 4% per annum on the outstanding principal amount of the Loan, from the Drawdown Date up to (and including) the Repayment Date, excluding all accrued and paid interest, and default interest (if any), and calculated on the basis of the actual number of days elapsed in a year of 365 days, and all other outstanding amounts payable by the Borrower to

the Lender.

6. **INTENTIONALLY DELETED**

7. **REPAYMENT**

7.1 The Borrower shall repay the Loan in full in one lump sum together with all outstanding interest accrued thereon and all other monies payable under this Agreement in one lump sum on the Repayment Date.

8. **PREPAYMENT**

8.1 The Borrower shall have no right to prepay the whole or any part of the Loan.

9. **CHANGES IN CIRCUMSTANCES**

9.1 If at any time the Lender determines that any law or regulation or application or interpretation thereof by any governmental agency or judicial authority shall make it (or make it apparent to the Lender that it is or will be) unlawful or otherwise not feasible for the Lender to give effect to or maintain its obligations hereunder (which shall include the funding of the Loan by the Lender), upon the Lender notifying the Borrower:

- (1) if the Loan shall not have been drawn, the Lender's commitment hereunder shall be cancelled; and
- (2) if the Loan shall have been drawn, the Borrower shall, upon the Lender's demand, repay the Lender the whole (but not part only) of the Loan together with interest accrued thereon and any other amounts payable to the Lender hereunder.

9.2 If at any time the Lender determines that, as a result of any law or regulation or any application or interpretation by any governmental agency or judicial authority:

- (1) the Lender is subjected or will be subjected to tax or the Lender's basis of taxation is changed or will be changed (other than tax on overall net income of the Lender and/or a change of the rate of such tax) in respect of repayment of the Loan or the payment of interest thereon or any amounts payable hereunder; or
- (2) any reserve requirement against any assets, deposits with or for the account of, or loans by the Lender is imposed, modified or deemed applicable or will be imposed, modified or deemed applicable; or
- (3) the basis of tax on the Lender in respect of any principal or interest paid by the Lender on, or otherwise in respect of, deposits from third parties acquired or utilised to effect or maintain the Loan or any part of it; or
- (4) any other condition affecting this Agreement or the Loan is imposed or will be imposed;

and the result of the foregoing is:

- (a) to increase the cost to the Lender of making or funding the Loan; or

- (b) to reduce any amount payable to the Lender or to reduce its effective return hereunder; or
- (c) that the Lender is required to make any payment or forego any interest or other return on or calculated by reference to the gross amount of any sum receivable by it from the Borrower hereunder,

by or of an amount which the Lender deems material, then and in any such case the Borrower shall pay to the Lender from time to time on demand such amount as will compensate the Lender for such additional cost, reduction, payment or foregone interest or other amount.

- 9.3 A certificate of the Lender as to the amount payable by the Borrower under Clause 11.2 and the basis therefor shall, in the absence of manifest error, be conclusive and binding on the Borrower.

10. PAYMENTS

- 10.1 All payments to be made by the Borrower to the Lender pursuant to this Agreement shall be made in United States dollars in immediately available funds without deduction or withholding and, unless expressly provided in this Agreement to the contrary, shall be made to the Lender not later than 4:00p.m. (Hong Kong time) on the due day to such account as the Lender may from time to time stipulate in writing.

11. TAXES

- 11.1 All amounts payable by the Borrower hereunder shall be made without set-off, counterclaim or other deductions and free and clear of and without deduction for or on account of any taxes (other than tax on overall net income of the Lender) now or hereafter imposed, levied, collected, withheld or assessed by any country, state or any political sub-division or taxing authority thereof or therein or any federation or organisation of which any such country, state or any political sub-division thereof may at the time of payment be a member.
- 11.2 If the Borrower is prohibited by law from making payments without deduction or withholding as provided in Clause 11.1 then:
- (1) the Borrower shall ensure that such deduction and/or withholding does not exceed the minimum legal requirement;
 - (2) the Borrower shall pay to the Lender such additional amounts as necessary in order that the net amounts received by the Lender, after such deduction or withholding shall equal the amount which it would have received had no such deduction or withholding been required to be made;
 - (3) the Borrower shall immediately and in any event no later than the date after which penalties would attach cause to be paid over to the relevant authority the full amount of the deduction or withholding which it is required to deduct or withhold including the whole amount of any deduction or withholding from any additional amount paid pursuant to paragraph (2) above; and
 - (4) the Borrower shall deliver to the Lender within thirty (30) days of payment or the due date or on demand satisfactory evidence of payment of such deduction or withholding to the relevant authority.

- 11.3 Without prejudice and in addition to Clauses 11.1 and 11.2, the Borrower shall fully indemnify and keep the Lender fully indemnified against all tax (other than tax on the overall net income of the Lender) now or hereafter imposed, levied, collected or assessed by the taxing authority of Hong Kong or other jurisdiction in respect of interest, front-end fees, and other sums of a similar nature paid or payable by the Borrower to the Lender under this Agreement. For the purpose aforesaid, the Borrower shall, on each occasion on which payment is made by the Borrower to the Lender in respect of interest, front-end fees and other sums of a similar nature under this Agreement, pay to the Lender such additional amount as the Lender may require to discharge the tax imposed by the taxing authority of Hong Kong or other jurisdiction on such payment.

12. REPRESENTATIONS AND WARRANTIES

- 12.1 The Borrower hereby represents and warrants to the Lender as follows:

- (1) the Borrower has been duly incorporated and is validly existing under the laws of its place of incorporation or establishment, has the requisite power, right and authority to own, use, lease and operate its respective assets and to conduct its respective business and is duly qualified to transact business in each jurisdiction in which the conduct of its business or its ownership, use or leasing of property requires such qualification; no order has been made, petition filed or resolution passed for its winding up, no scheme of arrangement has been proposed by it with its creditors or shareholders and no notice of appointment of a liquidator, receiver, administrative receiver or administrator has been served on it and there is no step or legal proceeding threatened against any of them for bankruptcy, insolvency, liquidation, winding-up, administration, dissolution or reorganization or for the appointment of a receiver, administrative receiver, trustee or similar officer of their or any or all of their assets or revenues; and the Borrower is not insolvent;
- (2) the Borrower has full power and authority to (a) own its assets, (b) carry on its business as it is now being conducted; (c) make borrowings hereunder upon the terms and conditions of this Agreement; and (d) enter into and perform its obligations under this Agreement;
- (3) all necessary actions and authorisations for the Borrower to enter into this Agreement and to perform its obligations hereunder or thereunder have been taken and obtained;
- (4) the execution, delivery and performance by the Borrower of this Agreement will not exceed any power granted to him, or violate in any material respect any provision of (a) any law or regulation or any order or decree of any governmental agency or court to which it is subject; or (b) any mortgage, charge, deed, contract or other undertaking or instrument to which it is a party or which is binding upon it or its assets, and will not result in the creation or imposition of, or any obligation to create or impose, any Encumbrance on any of its assets;
- (5) this Agreement constitutes or will, when executed, constitute the legal, valid and binding obligations of the Borrower, enforceable in accordance with its respective terms;
- (6) all governmental or other authorisations, approvals and consents required for or in connection with the execution, delivery, performance, legality, validity, enforceability and admissibility in evidence of this Agreement have been obtained

and all such authorisations, approvals and consents are in full force and effect;

- (7) no action, suit or proceeding is pending or threatened against the Borrower before any court, board of arbitration or administrative agency or tribunal which the Lender may at its absolute discretion consider to be material on the business, assets or condition (financial or otherwise) of the Borrower on the ability of the Borrower to perform its obligations under this Agreement or other documents to which it is a party;
- (8) no winding-up proceeding(s) has/have been started or is threatened to be taken against and pending against the Borrower or for the appointment of a receiver, trustee or similar officer of the Borrower;
- (9) the Borrower is not in default or has committed any breach of or under any agreement to which it is a party or by which it may be bound and as at the date of this Agreement, no condition, event or act exists or has occurred, which, with the lapse of time or the giving of notice or both or the fulfillment of any other condition would constitute such a default or breach;
- (10) the obligations of the Borrower under this Agreement rank and will continue to rank in priority to its existing and future unsecured and unsubordinated obligations except as otherwise provided by the relevant insolvency legislation affecting the rights of creditors generally;
- (11) the Borrower is not required to make any deduction or withholding from amounts payable under this Agreement for or on account of any taxes now or hereafter imposed by any taxing authority;
- (12) no Event of Default has occurred or will occur as a result of the entry into this Agreement by the Borrower;
- (13) the Loan will be used solely and exclusively for the purposes, if any, as set out herein;
- (14) the financial statements of the Borrower provided to the Lender is true and accurate and there is no material adverse change in the financial position of the Borrower since the date of those financial statements;
- (15) it is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of this Agreement that it or any other instrument be notarised, filed, recorded, registered or enrolled in any court, public office or elsewhere or that any stamp, registration or similar tax or charge be paid in Hong Kong or elsewhere on or in relation to this Agreement and this Agreement is in proper form for its enforcement in the courts of Hong Kong;
- (16) the Borrower has not made any loan or advanced any money or granted any credit to any person (save as permitted under this Agreement or in the ordinary course of business);

12.2 The Borrower hereby further represents, warrants and agrees that each of the representations and warranties contained in Clause 12.1 shall be correct and complied with in all respects for so long as any part of the Loan or interest thereon or any other amounts payable hereunder or any of them remain outstanding and shall without prejudice to the foregoing be deemed to be repeated on the Drawdown Date.

12.3 The Borrower hereby acknowledges that the Lender has agreed to make the Loan available to the Borrower in reliance upon the representations and warranties contained in Clause 12.1.

13. COVENANTS

13.1 The Borrower hereby further covenants and agrees with the Lender that so long as any part of the Loan or interest thereon or any other amounts payable hereunder or any of them remain outstanding, it shall (where applicable):

- (1) promptly advise the Lender in writing of details of any litigation, arbitration or administrative proceeding which would have rendered the representation and warranty contained in Clause 12.1 incorrect had the same been current or threatened as at the date hereof immediately upon occurrence of the same;
- (2) deliver to the Lender within the period specified in any notice from the Lender, all such other information relating to the condition (financial or otherwise) of the Borrower as the Lender may request;
- (3) in all respects observe and comply with the covenants and obligations under this Agreement and other documents to which it is a party;
- (4) promptly advise the Lender upon becoming aware of (i) any Event of Default; or (ii) any material adverse factor which may inhibit the Borrower in the performance of its obligations under this Agreement to which it is a party;
- (5) ensure there is no material adverse change to the financial position of the Borrower;
- (6) ensure that the issued shares of the Borrowers shall remain so listed on the Stock Exchange throughout the term of this Agreement; and
- (7) ensure that the ratio of the outstanding Loan amount to value (the "LTV") of charged equity securities or underlying securities or assets in the Designated Securities Account (with referencing to the closing price of the charged equity securities as quoted on the Stock Exchange) shall be not more than 50%. In the event that the LTV exceeds 50%, the Borrower will procure the Chargor to deposit additional Borrower Shares or cash to the Designated Securities Account within two (2) trading days of the Stock Exchange, provided that the number of the Borrower Shares in the Designated Securities Account shall at all times not exceed 850,000,000.

13.2 The Borrower hereby covenants and agrees with the Lender that so long as any part of the Loan or interest thereon or any other amounts payable or any of them remain outstanding, it will not, without the prior written consent of the Lender:

- (1) dispose of the whole or any significant part of its business assets;
- (2) except pursuant to or permitted by this Agreement or liens arising solely by operation of law, create or permit to exist any Encumbrance over the whole or any part of its assets;
- (3) acquire beneficial or legal ownership of any shares, rights, or securities of or in any other company or any assets or undertakings or undertake any trade or business constituting a very substantial acquisition on the part of the Borrower; and

- (4) pass any directors' resolutions or shareholders' resolutions to voluntarily wind up, liquidate or dissolve the Borrower.

14. EVENTS OF DEFAULT

14.1 There shall be an Event of Default if any one of the following events shall have occurred or is continuing:

- (a) the Borrower fails to pay any amount of the Loan and interest accrued thereon which becomes due in accordance with the terms of this Agreement;
- (b) the audited consolidated net asset value of the Borrower falls below RMB600,000,000;
- (c) none of the Group Company will (i) incur any Financial Debt, or (ii) sell or otherwise dispose of or create any Encumbrance over any of its present or future assets (including its shareholdings in other companies) to any third party (which are not Group Companies) or contract to do so, or (iii) provide any guarantees or indemnity in respect of Financial Debt of third parties; save and except when any of the acts referred to in (i), (ii) and (iii) above is (a) created pursuant to the Transaction Documents, or (b) created in the ordinary course of business consistent with past practice, or (c) which, individually or in the aggregate, will not result in the Consolidated Debt-Asset Ratio exceeding 70%;
- (d) the amount of default payment payable but unpaid by Differ Guarantee Company Limited (鼎豐擔保股份有限公司), a Group Company established in the People's Republic of China, in each financial year exceeds RMB50,000,000 or its Equivalent Amount, or the aggregate amount of default payment paid and the amount of default payment payable but unpaid by Differ Guarantee Company Limited in each financial year exceeds RMB100,000,000 or its Equivalent Amount;
- (e) the Borrower or any of the Security Parties fails to perform or comply with any one or more of its/his/her obligations under the Transaction Documents;
- (f) any representation or warranty given by any of the Borrower and the Security Parties in any of the Transaction Documents or in any other documents delivered by or on behalf of any Chargor under or in connection with any of the Transaction Document is inaccurate, misleading or untrue in the material respect;
- (g) if the trading of the issued shares of the Borrower on the Main Board of the Stock Exchange is suspended, and such suspension continues for five (5) consecutive trading days, without the consent from the Lender;
- (h) the Borrower or any of the Security Parties fails to perform or comply with any of its/his/her respective covenants, undertakings or obligations under any agreement or instrument executed by the Borrower or any of the Security Parties which will materially affect the Borrower's ability to perform its obligations under the Transaction Documents;
- (i) any occurrence of event which may have a Material Adverse Effect to the Borrower or any of the Security Parties;
- (j) the Borrower or any of the Security Parties (i) is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as and when they become due; (ii) stops, suspends or threatens to stop or suspend payment of all or a material part

of its debts as and when they become due; (iii) proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of its debts (or of any part which it will or might otherwise be unable to pay when due) or (iv) proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed to or declared in respect of or affecting all or any part of the debts of the Borrower or any of its subsidiaries;

- (k) a distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any part of the property, assets or turnover of the Borrower or any of the Security Parties;
- (l) an encumbrancer takes possession of, or a receiver, manager, administrator, liquidator or other similar officer is appointed for, the whole or any material part of the property, assets or turnover of any of the Guarantors or the Borrower or any of its subsidiaries (as the case may be);
- (m) an order is made, petition is filed or an effective resolution passed for the winding-up or dissolution or administration or liquidation of any Group Company (except for a members' voluntary solvent winding-up) or any of the Security Parties, and is not discharged or stayed within two (2) calendar months, whereby the undertaking and assets of such Group Company are transferred to or otherwise vested in the Borrower or another Group Company;
- (n) it is unlawful for the Borrower or any of the Security Parties to perform or comply with any one or more of its obligations under the Transaction Documents;
- (o) any of the Transaction Documents ceases, is caused to or is anticipate to cease to have effect, or become ineffective;
- (p) the Borrower or any of the Security Parties does not comply with the terms of the Transaction Documents after the Drawing of the Loan which causes financial loss to the Lender;
- (q) the failure to obtain, termination or amendment of any approval, registration or measure will have a Material Adverse Effect on the financial position or operation of the Borrower or any of the Security Parties;
- (r) any agreement or instrument executed by the Borrower or any of the Security Parties under any laws, regulations, judgment or order (if any) will have a Material Adverse Effect on the Borrower or any of the Guarantors to repay the Loan;
- (s) any event caused by any laws, regulations judgment or order occurs to change, terminate or have an impact on the Borrower or any of the Security Parties to perform its/his obligations under the Transaction Documents; and
- (t) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

14.2 Upon the occurrence of an Event of Default and at any time thereafter, the Lender may by notice in writing to the Borrower declare the Loan, all interest accrued thereon and all other monies payable under this Agreement to be forthwith due and payable whereupon the same shall be forthwith due and payable.

15. INDEMNITIES

15.1 Without prejudice to any other right or remedy of the Lender, upon:

- (1) the occurrence of an Event of Default; and/or
- (2) the declaration of the Loan to be immediately due and payable pursuant to Clause 14.1 or otherwise in accordance with the terms of this Agreement; and/or
- (3) the Borrower failing to borrow the Loan or satisfy conditions precedent after having delivered the Notice of Drawing; and/or
- (4) any repayment or prepayment being made otherwise than on the Repayment Date or the intended date of prepayment; and/or
- (5) any sums payable by the Borrower under this Agreement not being paid when due, and at any time thereafter,

the Borrower shall pay to the Lender on demand such amount or amounts as shall fully indemnify the Lender against all losses, expenses and liabilities which the Lender may sustain or incur by reason of the occurrence of any of the foregoing including but not limited to any loss, expense, premium or penalties suffered or incurred by the Lender in liquidating or re-employing deposits from third parties acquired to effect or maintain the Loan or any part thereof. A certificate of the Lender setting forth the amount of such losses, expenses and liabilities and specifying the basis therefor shall, in the absence of manifest error, be conclusive and binding on the Borrower.

15.2 Any payment made to the Lender by or on behalf of the Borrower in a currency (the “**Currency of Payment**”) other than the currency in which the payment should have been made pursuant to this Agreement (the “**Currency of Obligation**”) in whatever circumstances including without limitation the payment of damages for breach of this Agreement shall only constitute a discharge to the Borrower to the extent of the amount of the Currency of Obligation which the Lender is able, on the Business Day following the date of receipt by it of such payment in the Currency of Payment, to purchase in the foreign exchange market of its choice with the amount so received. If the amount of the Currency of Obligation which the Lender is so able to purchase falls short of the amount originally due to the Lender hereunder, the Borrower shall fully indemnify and hold the Lender harmless against any loss or damage arising as a result. This indemnity shall constitute a separate and independent obligation from the other obligations herein and shall give rise to a separate and independent cause of action.

16. FEES AND EXPENSES

16.1 The Borrower shall pay to the Lender on demand on a full indemnity basis:

- (1) all costs, charges and expenses (including legal fees on a full indemnity basis) incurred by the Lender in connection with the negotiation, preparation and execution of this Agreement and all other documents ancillary to or derived from any of them; and
- (2) all costs, charges and expenses (including legal fees on a full indemnity basis) incurred by the Lender in connection with the perfection and enforcement of the

security created by this Agreement or the preservation, enforcement, exercise or intended or attempted exercise of any of the rights, powers or remedies of the Lender hereunder or thereunder or otherwise in connection with the Loan or the admissibility in evidence of this Agreement.

17. RIGHT OF SET-OFF

17.1 Without prejudice to any other right or remedy of the Lender, the Borrower hereby authorises the Lender without notice notwithstanding any settlement of account or other matter whatsoever combine or consolidate all or any then existing accounts (whether current, deposit, loan or of any other nature whatsoever) and whether in Hong Kong dollars or in any other currency of the Borrower whether alone or jointly with others and to apply (to the extent of the available credit balance) any credit balance (whether or not then due) to which the Borrower is entitled on any one or more of such accounts in or towards satisfaction of any liabilities of the Borrower to the Lender under this Agreement to which the Borrower is a party whether such liabilities be present, future, actual, contingent, primary, collateral, several or joint. For the purposes aforesaid, the Lender may use all or any part of such credit balance to buy such other currencies as may be necessary to effect such application or set-off.

17.2 If all monies payable under this Agreement become due and payable pursuant to a declaration under Clause 14.1, all monies received or recovered by the Lender under this Agreement shall be applied, subject to any prior ranking claims, and subject to the right of the Lender to credit any such monies to a suspense account as follows:

- (1) in or towards the discharge of, on a full indemnity basis, all costs, expenses and charges (including legal fees) incurred by the Lender in connection with the perfection and enforcement of this Agreement and the preservation or exercise or intended or attempted exercise of any rights, powers and remedies hereunder or thereunder or otherwise in connection with the Loan or the admissibility in evidence of this Agreement;
- (2) in or towards the discharge of front-end fees and all other amounts (other than the Loan and interest payable by the Borrower under this Agreement) payable by the Borrower pursuant to, under or in connection with this Agreement;
- (3) in or towards the discharge of interest (including default interest) payable by the Borrower pursuant to, under or in connection with this Agreement;
- (4) in or towards the discharge of the Loan; and
- (5) as to the balance, subject to the rights of any third parties of which the Lender has actual notice, to the Borrower.

18. CONFIDENTIALITY

18.1 No public announcement or communication of any kind shall be made in respect of the subject matter of this Agreement unless specifically agreed between the parties or unless an announcement is required pursuant to the applicable law and the regulations or the requirements of the Stock Exchange or any other regulatory body or authority. Any announcement by any party required to be made pursuant to any relevant law or regulation or the requirements of the Stock Exchange or any other regulatory body or authority shall be issued only after such prior consultation with the other party as is reasonably practicable in

the circumstances.

- 18.2 Each of the parties undertakes to the other of them that it will not, at any time after the date of this Agreement, divulge or communicate to any person other than to its professional advisers, or when required by law, or to its respective officers or employees whose province it is to know the same any confidential information concerning the business, accounts, finance or contractual arrangements or other dealings, transactions or affairs of the other party which may be within or may come to its knowledge and it shall use its best endeavours to prevent the publication or disclosure of any such confidential information concerning such matters.

19. NOTICES

19.1 All notices or communications required to be served or given pursuant to this Agreement:

- (1) shall be in writing and may be sent by prepaid postage, mail (by airmail if to another country) or facsimile, by email or personal delivery;
- (2) shall be sent to the parties at the facsimile number, email address or address from time to time designated in writing by that party to the other; the initial facsimile number, email address and address so designated by each party being set out in Schedule 1;
- (3) if sent by the Borrower shall be irrevocable and shall not be effective until actually received by the Lender;
- (4) if sent to the Borrower shall be deemed to have been given and received by the Borrower (a) within three (3) days after the date of posting, if sent by mail; (b) when delivered, if delivered by hand; and (c) on despatch, if sent by facsimile or by email; and
- (5) shall be in the English language.

20. MISCELLANEOUS

- 20.1 A certificate issued by the Lender as to any sum payable by the Borrower under this Agreement and any other certificate, determination, notification or opinion of the Lender provided for in this Agreement shall, in the absence of manifest error, be conclusive evidence against the Borrower.
- 20.2 If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.
- 20.3 Save as may be expressly otherwise provided herein, time is of the essence of this Agreement but no failure or delay on the part of the Lender to exercise any power, right or remedy hereunder shall operate as a waiver thereof nor shall a waiver by the Lender of any particular default by the Borrower affect or prejudice the right, power or remedy of the Lender in respect of any other default or any subsequent default of the same or a different kind nor shall any single or partial exercise by the Lender of any power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any power, right or remedy.

- 20.4 No power, right or remedy conferred under this Agreement upon the Lender is intended to be exclusive of any other power, right or remedy but shall be cumulative and shall be in addition to every other power and remedy now or hereafter existing at law, in equity, by statute or contract or otherwise.
- 20.5 No waiver of any Event of Default shall be effective unless in writing signed by the Lender.
- 20.6 This Agreement may not be amended save in writing duly signed by all parties hereto and thereto.
- 20.7 The Lender may grant waivers, consents or indulgence in respect of any one or more obligations of or conditions or requirements imposed on or applied to the Borrower under or in connection with this Agreement including without limitation any condition or requirement applicable to the making of a drawing under the Loan, or prepayment of the Loan and any such waiver, consents or indulgence may be given subject to such terms and conditions as may be imposed by the Lender.
- 20.8 This Agreement can be executed in any number of counterparts, but all counterparts shall constitute only one agreement.

21. ASSIGNMENT

- 21.1 This Agreement shall enure to the benefit of the parties hereto and their respective successors, assignees and transferees.
- 21.2 The Borrower may not assign any of its rights or obligations under this Agreement.
- 21.3 The Lender may at any time without the consent of or notice of the Borrower assign its rights and benefits hereunder or any part thereof to any one or more persons on such terms and conditions as it may deem fit. The assignee lender(s) shall have the same rights and benefits and/or obligations against the Borrower under this Agreement as if it/they were an original party thereto in respect of the rights and benefits and/or obligations assigned to it/them. The Lender may disclose to a potential assignee or any other person proposing to enter into contractual arrangements with it in relation to this Agreement such information about the Borrower as it may think fit.

22. LAW AND JURISDICTION

- 22.1 This Agreement shall be governed by and construed in accordance with the laws of Hong Kong.
- 22.2 The Borrower hereby irrevocably submits to the jurisdiction of the courts of Hong Kong and of any country in which it has assets and hereby irrevocably waives any objection to any proceedings in any such courts on the basis of forum non conveniens. The Borrower agrees that a judgment in any proceedings brought in any such courts may be enforced in any other jurisdiction by suit on the judgment or in any other manner permitted by law.
- 22.3 The submission in Clause 22 is non-exclusive and the Lender reserves the right to proceed in any other jurisdiction having or claiming or accepting jurisdiction in respect thereto.
- 22.4 Notwithstanding any other provisions of this Agreement, a person who is not a party to this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce any provisions of this Agreement.

Schedule 1

Address and Facsimile Number for Notification

| <u>Party</u> | <u>Address</u> | <u>Facsimile number</u> | <u>Email address</u> |
|---------------------|--|-------------------------|--|
| <u>The Borrower</u> | Room 1602, Euro Trade Centre, 13-14 Connaught Road Central, Central, Hong Kong | (852) 2592 7777 | rcheng@dfh.cn tanwd@dfh.cn |
| <u>The Lender</u> | 45/F, COSCO Tower, 183 Queen's Road Central, Hong Kong | (852) 2235 7878 | amy.liu@cinda.com.hk/ shana.wu@cinda.com.hk |

Schedule 2

NOTICE OF DRAWING

Date:

To: **Jianda Value Investment Fund L.P.**

We refer to the loan agreement dated [•] 2017 (the “**Loan Agreement**”) pursuant to which you have agreed to make the loan in the principal amount of US\$9,000,000 to us.

We hereby:

- (1) give you notice that we intend to make a drawing of US\$9,000,000 on the date hereof;
- (2) certify that no Event of Default or condition, act or event which, with the giving of notice or lapse of time or both or the fulfillment of any other condition would constitute an Event of Default has occurred, is continuing or would result from the drawing requested hereunder; and
- (3) represent and warrant that the representations and warranties set out in Clause 12 of the Loan Agreement are true and correct on the date hereof with reference to the facts and circumstances now existing.

You may either issue a cheque in the sum of US\$9,000,000 and payable to “[•]” in respect of the drawdown of the loan or by way of CHATS to transfer the loan to the following bank account:

Bank name: [•]
Account holder name: [•]
Account number: [•]
Swift code: [•]

Expressions capitalised and not defined in this Notice of Drawing shall have the meanings attributed thereto in the Loan Agreement.

Yours faithfully
For and on behalf of
Differ Group Holding Company Limited

[•]
Director

IN WITNESS hereof the parties hereto have duly executed this Agreement as a deed the day and year first above written.

THE LENDER

SIGNED by Cinda Resources Investment)
Limited in its capacity as the General Partner)
for and on behalf of)

Jianda Value Investment Fund L.P.)

in the presence of:)



THE BORROWER

SIGNED by)
for and on behalf of)

Differ Group Holding Company Limited)

in the presence of:)

IN WITNESS hereof the parties hereto have duly executed this Agreement as a deed the day and year first above written.

THE LENDER

SIGNED by Cinda Resources Investment)
Limited in its capacity as the General Partner)
for and on behalf of)

Jianda Value Investment Fund L.P.)

in the presence of:)

THE BORROWER

SIGNED by HONG MINGXIAN)
for and on behalf of)

Differ Group Holding Company Limited)

in the presence of:)

