

*The substantial shareholder is a party to an agreement to which section 317(1)(a) of the Securities and Futures Ordinance applies. Below is an extract of the document which relates to the arrangement to which section 317(1)(a) applies.*

## **14. UNDERTAKINGS OF INITIAL WARRANTHOLDERS**

- (A) The provisions of this Clause only applies to the Warrants and the Retained Shares and does not affect or apply to (1) any other securities (including the voting rights thereof and any underlying Shares of any Warrants) of the Company held by each Initial Warrantholder from time to time, (2) (if applicable) any other securities (including the voting rights thereof and any underlying Shares) of the Company held by the Initial Warrantholder that are subject to another agreement entered into by an Initial Warrantholder with Legend Holdings and (3) any transfer of the Warrants between the Initial Warrantholder to any of its subsidiaries, associates or other persons under common control with such Initial Warrantholder (the “**Initial Warrantholder Affiliate**”), provided that such transferee Warrantholder shall be deemed as an Initial Warrantholder and shall comply with all undertakings and restrictions applicable to an Initial Warrantholder under this Instrument and the Conditions.
- (B) If any Initial Warrantholder wishes to exercise the Subscription Rights in relation to any or all of its Warrants or sell or otherwise dispose of any or all of its Warrants (“**ROFR Warrants**”),
  - (1) such Initial Warrantholder may do so subject to the provisions hereof and the terms of the Instrument (including the Transfer and Exercise Limit referred to in Condition 4 (*Transfer and Exercise Limit*));
  - (2) such Initial Warrantholder shall first offer the ROFR Warrants to Legend Holdings by written notice (“**ROFR Notice**”). The ROFR Notice shall specify: (a) the number of ROFR Warrants; and (b) the transfer price of the ROFR Warrants that is determined with reference to the aggregate Fair Market Value of the Warrants. The ROFR Notice shall not be subject to any other terms and conditions relating to the transfer of ROFR Warrants;
  - (3) upon receipt of a ROFR Notice, Legend Holdings may within five (5) Business Days purchase (or designate another party to purchase) all or part of the ROFR Warrants at a price that is determined with reference to the aggregate Fair Market Value of the Warrants;
  - (4) if Legend Holdings does not purchase (or designate another party to purchase) all of the ROFR Warrants, such Initial Warrantholder may, as the case may be:
    - (a) sell or otherwise dispose of the ROFR Warrants that are not purchased by Legend Holdings on the same terms as set forth in

the ROFR Notice (other than the transfer price) and any ROFR Warrants so transferred will not be subject to any undertakings in this Clause 14 (*Undertakings of Initial Warrantholders*); or

- (b) exercise the Subscription Rights in relation to the ROFR Warrants that are not purchased by Legend Holdings *provided that* once such Subscription Rights are exercised by such Initial Warrantholder and with respect to the Shares so subscribed and retained by the Initial Warrantholder (the “**Retained Shares**”), such Initial Warrantholder undertakes to act in concert with Legend Holdings on matters relating to the Company by adopting the same voting intentions at any shareholders’ meeting of the Company as Legend Holdings with respect to the Retained Shares until such Initial Warrantholder ceases to hold any interest, whether legally and beneficially, in any Retained Shares, in which case the Initial Warrantholder shall notify Legend Holdings five (5) Business Days prior to its disposal of the Retained Shares. Notwithstanding the foregoing, the Initial Warrantholder is only acting in concert with Legend Holdings with respect to such number of Retained Shares that will not trigger any obligation on Legend Holdings and any persons acting in concert with it to make a mandatory general offer under Rule 26 of the Codes.

(C) On the date falling on the seventh (7th) Business Day immediately prior to the relevant Last Subscription Date:

- (1) each Initial Warrantholder may serve a ROFR Notice to Legend Holdings copying the Company with respect to all Unexercised Warrants (for the avoidance of doubt, without subject to the Transfer and Exercise Limit) (the “**Final ROFR Notice**”). The Final ROFR Notice shall specify: (a) the number of Unexercised Warrants, (b) the transfer price of the Unexercised Warrants that is determined with reference to the aggregate Fair Market Value of the Warrants, (c) the number of Unexercised Warrants that an Initial Warrantholder will exercise and/or transfer in the event that Legend Holdings does not accept the Final ROFR Notice;
- (2) upon receipt of a Final ROFR Notice, Legend Holdings may within five (5) Business Days and in any event no later than 4:00 p.m. (Hong Kong time) on the second (2<sup>nd</sup>) Business Day immediately prior to the Last Subscription Date purchase (or designate another party to purchase) all or part of the Unexercised Warrants on terms and conditions set forth in

the Final ROFR Notice and at a price that is determined with reference to the aggregate Fair Market Value of the Warrants;

- (3) if Legend Holdings does not purchase (or designate another party to purchase) all of the Unexercised Warrants, such Initial Warrantholder may, as the case may be:
  - (a) sell or otherwise dispose of the Unexercised Warrants that are not purchased by Legend Holdings and any Unexercised Warrants so transferred will not be subject to any undertakings in this Clause 14 (*Undertakings of Initial Warrantholders*); or
  - (b) exercise the Subscription Rights in relation to the Unexercised Warrants that are not purchased by Legend Holdings and undertakes to act in concert with Legend Holdings on matters relating to the Company by adopting the same voting intentions at any shareholders' meeting of the Company as Legend Holdings with respect to the Retained Shares until such Initial Warrantholder ceases to hold any interest, whether legally and beneficially, in any Retained Shares, in which case the Initial Warrantholder shall notify Legend Holdings five (5) Business Days prior to its disposal of the Retained Shares. Notwithstanding the foregoing, the Initial Warrantholder is only acting in concert with Legend Holdings with respect to such number of Retained Shares that will not trigger any obligation on Legend Holdings and any persons acting in concert with it to make a mandatory general offer under Rule 26 of the Codes;
- (4) if and only to the extent that any Initial Warrantholder is unable to serve a Final ROFR Notice on the date falling on the seventh (7th) Business Day immediately prior to the relevant Last Subscription Date due to any restrictions imposed upon such Initial Warrantholder by the Applicable Regulations, such Initial Warrantholder shall first serve the Final ROFR Notice to Legend Holdings on a date which is earlier than the seventh (7th) Business Day immediately prior to the relevant Last Subscription Date but not earlier than three (3) months before the Last Subscription Date;
- (5) if any Initial Warrantholder fails to serve a Final ROFR Notice to Legend Holdings by 4:00 p.m. (Hong Kong time) on the seventh (7th) Business Day immediately prior to the Last Subscription Date, Legend Holdings may, from 4:00 p.m. (Hong Kong time) on the seventh (7th) Business Day immediately prior to the Last Subscription Date until 4:00 p.m. (Hong Kong time) on the second (2<sup>nd</sup>) Business Day immediately prior to the Last Subscription Date, purchase the Unexercised Warrants of such Initial Warrantholder at the aggregate Fair Market Value by serving a written notice (the “**Final Call Notice**”) on such Initial

Warrantholder copying the Company with respect to all Unexercised Warrants held by such Initial Warrantholder (for the avoidance of doubt, without subject to the Transfer and Exercise Limit). Once the Final Call Notice is served, such Initial Warrantholder shall be obliged to sell to Legend Holdings, and Legend Holdings shall be obliged to purchase from such Initial Warrantholder, the relevant Unexercised Warrants pursuant to the Final Call Notice as soon as practicable and in any event before 4:00 p.m. (Hong Kong time) on the second (2<sup>nd</sup>) Business Day immediately prior to the Last Subscription Date in compliance with Condition 3(F).

- (D) No later than one month before the Last Subscription Date, the Initial Warrantholders and Legend Holdings shall communicate in good faith to agree on the closing logistics in relation to the Final ROFR Notice, including but not limited to list and form of closing deliverables and details of designated bank account(s) of the Initial Warrantholders.
- (E) After expiry of the Final ROFR Notice and at any time after 4:00 p.m. (Hong Kong time) on the Business Day immediately prior to the Last Subscription Date and before 4:00 p.m. (Hong Kong time) on the Last Subscription Date when any unexercised Subscription Rights will lapse, Legend shall have the right to purchase, and each Initial Warrantholder shall sell to Legend or any person designated by Legend, any Unexercised Warrants as at such date at the price of HK\$0.01 per Warrant.
- (F) The provisions of this Clause 14 (*Undertakings of Initial Warrantholders*) will automatically cease to have effect under the following circumstances:
  - (1) when Legend Holdings Group ceases to treat the Company as a subsidiary in accordance with the applicable accounting standards (other than a result of an Initial Warrantholder breaching this Clause);
  - (2) with respect to the relevant Initial Warrantholder, when such Initial Warrantholder no longer holds any of the Warrants and Retained Shares;
  - (3) when a Fundamental Change Event has occurred; or
  - (4) Legend Holdings has given written notice to the Company to unilaterally request for the termination of all the provisions of this Clause 14 (*Undertakings of Initial Warrantholders*).
- (G) Each Initial Warrantholder shall use its best endeavour to provide details of the Shares and voting rights of the Company held by it and all parties acting in concert with it (the “**AIC Information**”) to the Company within 3 Business Days of receipt of a written request of the Company requesting the AIC Information. Each Initial Warrantholder also undertakes to provide such AIC Information in any ROFR Notice and/or Final ROFR Notice.

(H) Each Initial Warrantholder acknowledges that the Company may from time to time provide information in relation to the Initial Warrantholders (including information provided by the Initial Warrantholders) to the other Initial Warrantholders and/or Legend Holdings for the purpose of facilitating Legend Holdings' enforcement of this Clause 14 (*Undertakings of Warrantholders*) and Conditions 4 (*Transfer and Exercise Limit*) and 5 (*Cash Settlement*) of the Conditions provided that the Company shall serve a prior written notice to the relevant Initial Warrantholder(s) in this regard.