

Dated 15 August 2022

VICTORY DOOR LIMITED

BRAVE VISION VENTURES LIMITED

SHEEN PEAK INVESTMENT LIMITED
順平投資有限公司

and

VICTORY LANE DEVELOPMENT LIMITED

SHARES SUBSCRIPTION AND
SHAREHOLDERS' AGREEMENT

in relation to

VICTORY LANE DEVELOPMENT LIMITED

MAYER | BROWN
好士打

HONG KONG

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THIS AGREEMENT is dated 15 August 2022 and made between:

- (1) **VICTORY DOOR LIMITED**, a BVI business company incorporated under the laws of the BVI with BVI company no.2091596 (“**ESR**”);
- (2) **BRAVE VISION VENTURES LIMITED**, a BVI business company incorporated under the laws of the BVI with BVI company no. 2103918 (“**CCG1**”);
- (3) **SHEEN PEAK INVESTMENT LIMITED 順平投資有限公司**, a company incorporated under the laws of Hong Kong with company no. 223773 (“**CCG2**”); and
- (3) **VICTORY LANE DEVELOPMENT LIMITED**, a BVI business company incorporated under the laws of the BVI with BVI company no.2091599 (“**Company**”).

BACKGROUND:

- (A) On 15 July 2022, the Project Company, being an indirect wholly-owned subsidiary of the Company, submitted a tender to the Government for the acquisition of the Lot by way of public tender. On 20 July 2022, the Project Company was notified by the Government that its tender in respect of the Lot was accepted.
- (B) ESR and CCG wish to establish a joint venture company for the purpose of undertaking the Business. At the date of this Agreement, the Company has issued 1 Share which has been fully paid up or regarded as fully paid up. The other brief particulars of the Company are set out in Schedule 1.
- (C) This Agreement is entered into amongst ESR, CCG and the Company for the purpose of recording the terms and conditions upon which ESR and CCG are investing in the Company and upon which the undertaking of the Business shall continue.

BY WHICH IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Defined Terms

In this Agreement, unless the context requires otherwise:

“**Additional Premium**” has the meaning given in paragraph 2(k) of Part 2 of Schedule 6;

“**Affiliate**” means, with respect to any legal entity, another entity that, directly or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with such entity;

“**Agreement**” means this agreement (as amended from time to time);

“**AMA**” means the asset management agreement to be entered into between ESR Manager and the Project Company in a form to be agreed between ESR Manager (as asset manager), ESR and CCG (each acting reasonably and in good faith, and ESR shall procure that ESR Manager shall act reasonably and in good faith) based on the principal terms set out in Part 1 of Schedule 6 and the other terms contemplated in this Agreement and in accordance with Clause 7.5(b);

“**AML Laws**” means Applicable Laws relating to money laundering of Hong Kong, PRC, Singapore and BVI;

“Ancillary Agreements” means the AMA, the DMA, the IMA and the PMA;

“Anti-Bribery Laws” means Applicable Laws relating to bribery or corruption of Hong Kong, PRC, Singapore and BVI;

“Applicable Laws” means, with respect to any person, any and all provisions of any law, regulation, code, rule, judgment, rule of common law, order, decree, award and injunction, and in each case as amended, applicable to such person or any of its assets or undertakings;

“Approved Replacement” has the meaning given in Clause 11.8(a);

“Arm’s length basis” means on a normal commercial basis and not taking into account any special relationship between the parties;

“Articles” means the articles of association of the Company (as amended from time to time);

“Auditors” means Ernst & Young, or such other auditors out of PricewaterhouseCoopers, Deloitte Touche Tohmatsu or KPMG as each Group Company may appoint from time to time as the auditors of that Group Company;

“Board” means the board of Directors for the time being of the Company;

“Bridge Facilities Agreement” means the facilities agreement dated 12 August 2022 between, among others, the Project Company (as borrower), United Overseas Bank Limited (incorporated in Singapore with limited liability) (as facility agent) and the financial institutions listed in part 2 of schedule 1 thereto (as original lenders);

“Budget” means the budget that is agreed in accordance with Clause 7.2 and adopted by the Board from time to time under Clause 8.1;

“Business” means the business of the Group described in Clause 3;

“Business Day” means a day, other than a Saturday or Sunday, on which banks are generally open in Hong Kong to the general public for business;

“Business Plan” means the business plan of the Group for carrying on the Business that is agreed in accordance with Clause 7.2 and adopted by the Board from time to time in accordance with Clause 8.2;

“Buy-Sell Determination Date” has the meaning given in paragraph 5 of Schedule 4;

“Buy-Sell Election Notice” has the meaning given in paragraph 3(a) of Schedule 4;

“Buy-Sell Election Period” has the meaning given in paragraph 3(a) of Schedule 4;

“Buy-Sell Exit Procedures” means the procedures set forth in Schedule 4;

“Buy-Sell Offer Notice” has the meaning given in paragraph 1(a) of Schedule 4;

“Buy-Sell Offer Period” has the meaning given in Clause 10.2;

“Buy-Sell Offer Terms” has the meaning given in paragraph 1(b) of Schedule 4

“Buy-Sell Receiving Party” has the meaning given in paragraph 1(a) of Schedule 4;

“Buy-Sell Reconsideration Notice” has the meaning given in paragraph 4(b)(i)(A) of Schedule 4;

“Buy-Sell Reconsideration Period” has the meaning given in paragraph 4(b)(i)(A) of Schedule 4;

“Buy-Sell Sale Interests” has the meaning given in paragraph 1(a) of Schedule 4;

“Buy-Sell Triggering Party” has the meaning given in paragraph 1(a) of Schedule 4;

“Buyer” has the meaning given in Clause 9.2(d);

“BVI” means the British Virgin Islands;

“Call Option” means the right of ESR under Clause 9.4(a) to require CCG2 to sell to ESR (or its nominee) all the Option Interests;

“Call Option Period” means the period of 6 months commencing on the date of this Agreement, unless extended by agreement in writing between CCG2 and ESR;

“Capital Call” means a demand by the Board for the provision of funds required for the operation of the Company or the Group by way of Shareholder Loans;

“Capital Call Notice” has the meaning given in Clause 4.1(f);

“CCG” means collectively CCG1 and CCG2, provided that after CCG2 ceases to hold any Shares, **“CCG”** means CCG1 alone;

“CCG GroupCo” means Chime Corporation Limited, a company incorporated under the laws of Hong Kong with company no.0032010;

“CCG Manager” means Chinachem Agencies Limited, a company incorporated under the laws of Hong Kong with company no.0067339;

“Change in Control” means:

- (a) in respect of CCG1 (and, at any time when CCG2 remains a Shareholder, CCG2), it ceasing to be wholly owned by CCG GroupCo;
- (b) in respect of ESR, it ceasing to be wholly owned by ESR GroupCo; and
- (c) in respect of any other Shareholder, it ceasing to be wholly owned by the person who is the ultimate beneficial owner of such Shareholder wholly owning, directly or indirectly, such Shareholder as at the date on which it becomes a Shareholder;

“Companies Ordinance” means the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (as amended from time to time);

“Complying Shareholder” has the meaning given in Clause 4.2(a);

“Conditions of Sale” means the Agreement and Conditions of Sale of the Lot to be entered into between the Project Company and the Government;

“Confidential Information” means, in respect of any person, trade secrets, technical processes, price lists, lists of customers and suppliers, knowhow, and other information which are, for the time being, confidential to that person;

“Consenting Shareholder” has the meaning given in Clause 10.3(d);

“Control”, in respect of any person, means any of the following:

- (a) the possession of power (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise) to appoint and/or remove all or such of the members of the board of directors or other governing body of an entity or partnership as are able to cast a majority of the votes capable of being cast by the members of that board or body on all, or substantially all, matters, or otherwise to control or have the power to control the policies and affairs of that person; and
- (b) the holding and/or the possession of the beneficial interest in and/or the ability to exercise the voting rights applicable to shares or other securities in that person which confer in aggregate on the holders thereof more than 50% of the total voting rights exercisable at general meetings of that person on all, or substantially all, matters;

“Deadlock” has the meaning given in Clause 7.3(a);

“Deadlock B/S Initiating Right Holder” has the meaning given in Clause 7.3(c);

“Deadlock Buy-Sell Exit” has the meaning given in Clause 7.3(c);

“Deadlock Buy-Sell Offer Period” has the meaning given in Clause 7.3(c);

“Deadlock Consultation” has the meaning given in Clause 7.3(b);

“Deadlock Consultation Notice” has the meaning given in Clause 7.3(b);

“Deadlock Consultation Period” has the meaning given in Clause 7.3(b);

“Deed of Adherence” means the deed of adherence substantially in the form set out in Schedule 3;

“Default Amount” has the meaning given in Clause 4.2(a);

“Default Fee” has the meaning given in Clause 4.2(b)(ii);

“Default Interests” has the meaning given in Clause 11.3(a);

“Default Loan” has the meaning given in Clause 4.2(a);

“Default Notice” has the meaning given in Clause 11.2;

“Default Price” has the meaning given in Clause 11.3(a);

“Defaulting Shareholder” has the meaning given in Clause 11.1;

“Development” means the messuages, erections and buildings to be erected on the Lot in accordance with the terms of this Agreement;

“Director” means a director for the time being of the Company;

“Disposal Proportion” means, in respect of the relevant Shareholder, the fraction arrived at by dividing (a) the number of Shares to be Disposed of by such Shareholder by (b) the total number of issued Shares as at the relevant time;

“Dispose” includes, in relation to any asset, 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 direct legal or beneficial ownership of such asset and **“Disposal”** shall be construed accordingly;

“Dissenting Shareholder” has the meaning given in Clause 10.3(c)(iii);

“DMA” means the development management agreement to be entered into between ESR Manager and the Project Company in a form to be agreed between ESR Manager (as development manager), ESR and CCG (each acting reasonably and in good faith, and ESR shall procure that ESR Manager shall act reasonably and in good faith) based on the principal terms set out in Part 3 of Schedule 6 and the other terms contemplated in this Agreement and in accordance with Clause 7.5(b);

“Drag Along Instruction” has the meaning given in Clause 9.2(f)(ii)(A);

“Drag Along Instruction Notice” has the meaning given in Clause 9.2(f)(ii)(B);

“Encumbrance” means any option, right to acquire, mortgage, charge, pledge, lien, assignment, hypothecation, title retention, preferential right, trust arrangement or other form of security or encumbrance and includes any agreement or commitment to give or create any of the above;

“ESR Competitor” has the meaning given in Schedule 7;

“ESR FCC Policies” means the *“Policy and Guideline re Anti-money Laundering & Counter-terrorist Financing”* and the *“Policy and Guideline re Anti-bribery & Anti-corruption and the Handling of Gifts, Travel & Entertainment”* that have been provided by ESR to each other Shareholder prior to the date hereof, as amended from time to time provided that such amendment has been received by each Shareholder;

“ESR Party” has the meaning given in Clause 9.2(f)(ii)(A)(1);

“ESR Group” means ESR GroupCo and its subsidiaries;

“ESR GroupCo” means ESR Group Limited, a company incorporated under the laws of the Cayman Islands whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code 1821);

“ESR Manager” means ESR Hong Kong Asset Management Limited, a company incorporated under the laws of Hong Kong with company no.3116152;

“Events of Default” has the meaning given in Clause 11.1;

“Exit Put Option” has the meaning given in Clause 10.3(d);

“Exit Put Option Notice” has the meaning given in Clause 10.3(e);

“Exit Put Option Receiving Parties” has the meaning given in Clause 10.3(d), and **“Exit Put Option Receiving Party”** means any of them as the context may require;

“External Financing” means the HK\$2,852,800,000 term loan facilities made available to the Project Company pursuant to the Bridge Facilities Agreement or any external refinancing of the same;

“Financial Year” means a period of 12 months commencing on 1 January of a calendar year and ending on 31 December of that calendar year, or such other period as the Board may determine;

“Government” means the Government of the Hong Kong;

“Gross Development Costs” has the meaning given in paragraph 2(b) of Part 2 of Schedule 6;

“Group” means the Company together with its subsidiary(ies) from time to time (including Victory House and the Project Company as at the date of this Agreement) and **“Group Company”** shall be construed accordingly;

“HK\$” means Hong Kong Dollars, the lawful currency of Hong Kong;

“HKIAC” means the Hong Kong International Arbitration Centre;

“Holding Fee” has the meaning given in Clause 9.4(c)(ii);

“Hong Kong” means the Hong Kong Special Administrative Region of the PRC;

“IMA” means the investment management agreement to be entered into between the ESR Manager and the Company in the agreed form and in accordance with Clause 2.5;

“Key Man Event” shall be deemed to occur if Mr. Shen Jinchu or an Approved Replacement:

- (a) dies;
- (b) becomes incapable of performing the obligations and duties required of the position which he, as at the date of this Agreement, holds with the ESR Group (or, in the case of an Approved Replacement, the position which he is appointed under Clause 11.8 to take) for a period of at least 60 consecutive days; or
- (c) ceases to be employed by the ESR Group or to devote sufficient business time to the management and oversight of the Project;

“Key Reserved Matter” means any of the Reserved Matters set out in paragraphs 3(b), 3(c) and 4 of Part 1 of Schedule 2;

“Listing Rules” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);

“Lock Up Period” has the meaning given in Clause 9.1;

“Lot” means ALL THAT piece or parcel of ground registered in the Land Registry as KWAI CHUNG TOWN LOT NO.531;

“LTV Ratio” means the ratio of A to B, where: “A” represents the aggregate amount of any proposed loan or borrowing and all outstanding loans and borrowings incurred or to be incurred by the Group (other than any Shareholder Loan); and “B” represents the aggregate value that is attributed to: (a) the Property (to be based on a valuation of the Property made by the proposed lending bank(s) and/or financial institution(s) from time to time at the time that the relevant external borrowing or financing is proposed to be entered into by the relevant Group Company) and (b) any acceptable additional security (having the meaning given to that term or similar terms in the relevant financing documents) provided to and accepted by the relevant lending bank(s) and/or financial institution(s) for the purpose of lowering the LTV Ratio;

“Management Committee” means the committee to be set up by the Group for the purpose of the implementation and management of the Project;

“Non-Defaulting Shareholder” means the Shareholder who is not a Defaulting Shareholder;

“Non-Selling Shareholder” has the meaning given in Clause 9.2(a);

“Occupancy Rate” with respect to the Project, with respect to a specific day, means the ratio of A to B, where: “A” represents the net lettable floor area of such part(s) of the Property leased out under all tenancies, leases and licences which commence or continue on that day (for the avoidance of doubt, including any leasing area that is subject to a rent-free or rent-reduction period); and “B” represents the net lettable floor area of the whole of the Property;

“Offer Notice” has the meaning given in Clause 9.2(c);

“Operating Company” has the meaning given in Schedule 7;

“Operating Expenses” has the meaning given in paragraph 2(a)(i) of Part 1 of Schedule 6;

“Option Completion Date” means, in relation to the exercise of either the Call Option or the Put Option, the date on which the sale and purchase of the Option Interests is to be completed under Clause 9.4(d);

“Option Interests” means all Shares registered in the name of CCG2 (representing 19% of all issued Shares) and all Shareholder Loan(s) owing by the Company to CCG2 (representing 19% of all Shareholder Loans owing by the Company to all Shareholders);

“Option Notice” means the notice of the exercise of the Put Option or the Call Option, as the context may require, substantially in the form set out in Schedule 8;

“Option Price” means the total amount of funding by way of subscription of Shares and provision of Shareholder Loan(s) provided or deemed provided by CCG2 to the Company as at the Option Completion Date;

“Parties” means the parties to this Agreement and a **“Party”** means any one of them;

“Payment Default” has the meaning given in Clause 4.2(a);

“Permitted Transferee” means:

- (a) in respect of CCG, an entity which is a subsidiary of CCG GroupCo; and
- (b) in respect of ESR, (i) an entity which is a member of the ESR Group or (ii) any investment fund and/or platform managed by the ESR Group (or a subsidiary of any such investment fund or platform);

“PMA” means the project management agreement to be entered into between CCG Manager and the Project Company in a form to be agreed between CCG Manager (as project manager), ESR and CCG (each acting reasonably and in good faith, and CCG shall procure that CCG Manager shall act reasonably and in good faith) based on the principal terms set out in Part 2 of Schedule 6 and the other terms contemplated in this Agreement and in accordance with Clause 7.5(b). The Parties acknowledge that the “construction manager” referred to in the Bridge Facilities Agreement means the project manager appointed under the PMA;

“PRC” means the People’s Republic of China;

“Project” means:

- (a) the acquisition of the Lot;
- (b) the design, development, construction, improvement, holding, leasing, sales, marketing, management, operation, maintenance of the Property or the Development or any part(s) thereof solely for logistics, freight forwarding and cold storage businesses and/or other businesses as may be permitted or required under the Conditions of Sale;
- (c) the financing and refinancing relating to any of the above;
- (d) the disposition of the Property; and
- (e) all other activities relating or incidental to any of the above (which shall comply with the terms of the Conditions of Sale),

in each case, whether directly by the Company or indirectly through the other Group Companies;

“Project Company” means Sunrise Victory Limited, a company incorporated under the laws of Hong Kong with company no.3128173;

“Property” means the Lot together with the Development;

“Property Value” has the meaning given in Clause 11.4(a)(v)(A);

“Proposed Transfer” has the meaning given in Clause 9.2(d);

“Purchase Option” has the meaning given in paragraph 1(a)(ii) of Schedule 4;

“Put Option” means the right of CCG2 under Clause 9.4(b) to require ESR to purchase (or procure its nominee to purchase) all the Option Interests from CCG2;

“Put Option Period” means:

- (a) subject to paragraph (b), the period of 1 month commencing on the date immediately following the last day of the Call Option Period, unless extended by agreement in writing between CCG2 and ESR; or
- (b) if a Deadlock occurs or is deemed to have occurred in accordance with Clause 7.3(a) and a Deadlock Buy-Sell Offer Period commences in accordance with Clause 7.3(c) prior to the commencement of the period referred to in paragraph (a) above, the period commencing on the date on which such Deadlock Buy-Sell Offer Period commences and expiring on the last day of the period referred to in paragraph (a) above;

“Relevant Accounting Standards” means the International Financial Reporting Standards (including the interpretations thereof) as promulgated or amended from time to time;

“Relevant Proportion” means, in respect of each Shareholder, the fraction arrived at by dividing (a) the number of Shares held by that Shareholder by (b) the total number of issued Shares as at the relevant time;

“Reserved Matters” has the meaning given in Clause 7.2;

“Right of First Offer” has the meaning given in Clause 9.2(a);

“Sale Interests” has the meaning given in Clause 9.2(a);

“Sale Notice” has the meaning given in Clause 9.2(b);

“Sanctions Laws” means any law, regulation or executive orders relating to any economic sanctions measures of the PRC, Singapore and the United Nations Security Council;

“Secretary” means the company secretary of the Company as the Board may approve and the Company may appoint from time to time;

“Sell Option” has the meaning given in paragraph 1(a)(ii) of Schedule 4

“Selling Shareholder” has the meaning given in Clause 9.2(a);

“Senior Management” has the meaning given in Clause 7.3(b);

“Share” means an ordinary share in the capital of the Company from time to time in issue;

“Shareholder” means a holder of Shares, whose name is entered in the register of members of the Company from time to time;

“Shareholder Loan(s)” means any loan(s) made to the Company by any Shareholder(s) whether pursuant to Clause 2.4, 4.1 or otherwise and, where the context shall so require, the outstanding amount thereof;

“Stabilization” means, with respect to the Project on a specific day, the average Occupancy Rate thereof for the 3 months ending on such day is at or higher than 90%, and **“Stabilized”** shall be construed accordingly;

“Stabilization Date” means the date on which Stabilization occurs;

“Strategic Asset Review Notice” has the meaning given in Clause 10.1;

“Strategic Asset Review Process” has the meaning given in Clause 10.1;

“Surplus Cash” has the meaning given in Clause 12;

“Tag Along Offer” has the meaning given in Clause 9.2(f)(i)(A);

“Tag Along Offer Notice” has the meaning given in Clause 9.2(f)(i)(B);

“Third Party Exit Sale Interests” has the meaning given in Clause 10.3(d);

“Third Party Sale Initiation Notice” has the meaning given in paragraph 2 of Schedule 4;

“Total Capital Commitment” has the meaning given in Clause 4.1(d);

“Total Annual Sum” has the meaning given in Clause 5.13(b)(ii)(E)(1);

“Transaction Documents” means, collectively, this Agreement and the Ancillary Agreements and **“Transaction Document”** means any of them as the context may require;

“Valuer” means such firm of independent valuers from any of Jones Lang LaSalle, Cushman & Wakefield, Colliers, Knight Frank, Savills and CBRE as the Shareholders may agree (or, failing such agreement within 10 Business Days, one of the aforementioned firms of independent valuers as the President of the Hong Kong Institute of Surveyors may, on the application of either Shareholder, nominate); and

“Victory House” means Victory House Development Limited, a BVI business company incorporated under the laws of the BVI with BVI company no.2091600.

1.2 Construction of References

In this Agreement, unless the context requires otherwise, any reference:

- (a) to a Clause or Schedule is a reference to the Clause of or the Schedule to this Agreement;
- (b) to this Agreement, any other document or any provision of this Agreement or that document is a reference to this Agreement, that document or that provision as in force for the time being or from time to time amended in accordance with the terms of this Agreement or that document;
- (c) to a person includes an individual, a body corporate, a partnership, any other unincorporated body or association of persons and any state or state agency;
- (d) to any document expressed to be **“in the agreed form”** means a document approved by the parties hereto and, if not entered into contemporaneously with this Agreement, initialled by or on behalf of the Parties for the purposes of identification;
- (e) to a time of day is a reference to the time in Hong Kong, unless expressly indicated otherwise;
- (f) to an enactment includes that enactment as it may be amended, replaced or re-enacted at any time, whether before or after the date of this Agreement, and any subordinate legislation made under it;
- (g) to an **“agreement”** includes any document or deed, an arrangement and any other kind of commitment;
- (h) to a **“holding company”** shall have the same meaning as defined in section 13 of the Companies Ordinance;
- (i) to a **“Party”** shall include any permitted assignees of the Party;
- (j) to a **“right”** includes a power, a remedy and discretion; and
- (k) to a **“subsidiary”** shall have the same meaning as defined in section 15 of the Companies Ordinance.

1.3 Interpretation

In this Agreement, unless the context requires otherwise:

- (a) words importing the plural include the singular and vice versa;
- (b) words importing a gender include every gender; and
- (c) 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.

1.4 Headings and Contents

The headings and the table of contents in this Agreement do not affect its interpretation.

1.5 Schedule

The Schedules form part of this Agreement.

2. ESTABLISHMENT OF THE JOINT VENTURE

ESR undertakes to satisfy (or procure the satisfaction of) all the conditions precedent to the advance, on 17 August 2022, of a loan in the amount of HK\$2,101,800,000 under the Tranche A1 Facility (as defined in the Bridge Facilities Agreement) other than the condition under clause 4.3(c) of the Bridge Facilities Agreement as to the making and deposit of the Initial Equity Contribution (as defined in the Bridge Facilities Agreement) by CCG, provided that ESR shall not be liable for any failure to satisfy any such condition(s) precedent if and to the extent that such failure is attributable to any act or omission of CCG.

Completion of the issue of Shares under this Clause 2 shall take place immediately upon the execution of this Agreement, when all (but not some only) of the following business shall be transacted on the same day:

2.1 Application for Shares

- (a) ESR shall make an unconditional written application to the Company to subscribe for a total of 509 Shares at an issue price of US\$1.00 per Share and deliver to the Company a cashier's order for, or wire transfer to the Company, the amount of HK\$3,996 (being the agreed HK\$ equivalent of US\$509) for the subscription of such Shares;
- (b) CCG1 shall make an unconditional written application to the Company to subscribe for a total of 300 Shares at an issue price of US\$1.00 per Share and deliver to the Company a cashier's order for, or wire transfer to the Company, the amount of HK\$2,355 (being the HK\$ equivalent of US\$300) for the subscription of such Shares; and
- (c) CCG2 shall make an unconditional written application to the Company to subscribe for a total of 190 Shares at an issue price of US\$1.00 per Share and deliver to the Company a cashier's order for, or wire transfer to the Company, the amount of HK\$1,492 (being the HK\$ equivalent of US\$190) for the subscription of such Shares,

provided that CCG1 and CCG2 may collectively deliver one or more cashier's order(s) (in respect of such portion attributable to the balance of the premium payable on 17 August 2022 for the acquisition of the Lot) and make one or more tranche(s) of wire transfer (in respect of the remainder) for the amounts payable by them under Clauses 2.1(b), 2.1(c), 2.4(b)(i) and 2.4(b)(ii).

2.2 Board Approval

- (a) ESR shall procure that resolutions be passed by the Board approving:
 - (i) the allotment and issue of Shares to each of ESR, CCG1 and CCG2 pursuant to Clause 2.3, the entry of their respective names into the register of members of the Company for such Shares and the issue of the share certificates for such Shares to each of them;
 - (ii) the resignation of Stuart Gibson, Wee Peng Cho and Kin Sing Richard Lee as Directors (if not already resigned);
 - (iii) the appointment of the persons specified in Clause 5.1(d) as Directors (if not already appointed); and
 - (iv) the entering into by the Company of the IMA.
- (b) ESR shall also procure that resolutions be passed by the board of directors of each Group Company (other than the Company) approving:
 - (i) the resignation of Stuart Gibson, Wee Peng Cho and Kin Sing Richard Lee as directors (if not already resigned); and
 - (ii) the appointment of the directors pursuant to Clause 5 (if not already appointed).

2.3 Allotment and Issue of Shares

ESR shall procure that the Company shall:

- (a) against payment of the subscription price in accordance with Clause 2.1(a), allot and issue to ESR 509 Shares credited as fully paid;
- (b) against payment of the subscription price in accordance with Clause 2.1(b), allot and issue to CCG1 300 Shares credited as fully paid; and
- (c) against payment of the subscription price in accordance with Clause 2.1(c), allot and issue to CCG2 190 Shares credited as fully paid.

2.4 Advance of Shareholder Loans

- (a) The Parties acknowledge and confirm that, as at the date of this Agreement, ESR advanced an aggregate amount of HK\$1,633,463,907 to the Company as Shareholder Loans, the entire amount of which the Company on-lent, through Victory House, to the Project Company for payment of the initial deposit, further deposit, registration fee and balance of premium to the Government in respect of the acquisition of the Lot.

- (b) Upon the execution of this Agreement:
 - (i) CCG1 shall lend a Shareholder Loan of HK\$960,861,122 to the Company, payable by cashier's order or wire transfer; and
 - (ii) CCG2 shall lend a Shareholders Loan of HK\$608,545,378 to the Company, payable by cashier's order or wire transfer.

2.5 Execution of IMA

The Shareholders shall procure that the Company shall execute the IMA.

2.6 Bank Accounts

The board of directors of the Project Company shall resolve to approve the bank account arrangements (including the appointment of the authorised signatories) contemplated in Clause 8.6. The Project Company shall submit to each bank with which it has opened an account all the documents required for the appointment of such authorised signatories as soon as reasonably practicable (but in any event no later than 5 Business Days after the date of this Agreement).

3. BUSINESS OF THE GROUP

Unless otherwise unanimously agreed in writing between the Shareholders, the sole business of the Group shall be the implementation of the Project through the Group Companies. The Business shall be conducted in the best interests of the Company and on sound commercial profit making principles.

4. FINANCING

4.1 Shareholder Loans and Capital Calls

- (a) Subject to Clauses 4.1(d) and 4.1(e), in the event that any Group Company requires further funding in settling any other costs and expenses in the implementation of the Project or the service of External Financing, to the extent that the funding required for the Project is not satisfied by external borrowings in accordance with Clause 4.1(b)(i) and the remaining amount of Shareholder Loans advanced in accordance with Clause 2.4, upon a Capital Call in accordance with Clause 4.1(f), each Shareholder shall advance to the Company such further Shareholder Loan to satisfy the Capital Call in the Relevant Proportion in accordance with the terms of the Capital Call Notice, for on-lending by the Company to the relevant Group Company.
- (b) Unless otherwise agreed in accordance with Clause 7.2, all funding requirements of the Group shall be met:
 - (i) firstly, by raising funds by way of external borrowings from banks or other financial institutions on such terms as may be agreed in accordance with Clause 7.2; and
 - (ii) secondly, if and to the extent that such external borrowings are not available or the terms of which are not agreed in accordance with Clause 7.2, subject to Clause 4.1(e), by Shareholder Loans advanced by the Shareholders in their respective Relevant Proportions.
- (c) Unless otherwise agreed in accordance with Clause 7.2, all external borrowings (whether for financing or refinancing) shall be obtained on the following terms:

- (i) on a non-recourse basis (save for the provision of any funding and completion undertaking in respect of the development of the Lot by the Shareholders (and/or their respective Affiliate(s)) in their respective Relevant Proportions on a several (and not joint) basis);
 - (ii) the amount of external borrowings for funding the acquisition of the Lot shall not exceed the lower of 40% of the land premium of the Lot and 40% of the market value of the Lot on an “as-is” basis;
 - (iii) the amount of external borrowings for funding construction costs and related professional fees of the Project (each having the meaning given to it or similar term in the relevant financing documents) shall not exceed 80% of such costs and fees (provided that the relevant professional fees to be financed or refinanced shall not be more than 5% of the total amount of the external borrowings for the funding of such costs and fees); and
 - (iv) the LTV Ratio shall not exceed 50%.
- (d) Notwithstanding any other provisions of the Transaction Documents to the contrary, the total amount of funding (whether by way of subscription of Shares, provision of Shareholder Loan(s) (excluding, for the avoidance of doubt, any Default Loan(s)), any and all guarantee(s), security(ies) and undertaking(s) provided to banks and/or financial institutions for external borrowings in relation to the Project or otherwise, and inclusive of the initial Shareholder Loans referred to in Clause 2.4) which each Shareholder is obliged to provide to the Group shall not be more than that Shareholder’s Relevant Proportion of HK\$14,000,000,000 (the total amount of HK\$14,000,000,000 being the **“Total Capital Commitment”**).
- (e) For so long as an Event of Default (as defined in the Bridge Facilities Agreement or in the agreement for any other External Financing) is continuing, any funding which a Shareholder is obliged to provide to the Group shall only be made by way of subscription of Shares.
- (f) In the event that:
 - (i) the ESR Manager (as investment manager) or any other investment manager appointed under the IMA (as the case may be) recommends that any Group Company requires further funding which is:
 - (A) necessary for enabling the Project Company to complete the acquisition of the Lot; or
 - (B) in the current Budget approved in accordance with Clause 7.2 (with a 1% buffer (in relation to the approved Gross Development Costs) or 5% buffer (in relation to approved Operating Expenses) above the relevant amount(s));
 - (ii) the Project Company requires further funding to repay any principal loan amount or pay interest or any other outstanding amounts under any External Financing; or
 - (iii) a Capital Call has been approved in accordance with Clause 7.2 (whether recommended by the investment manager under the IMA or otherwise),

the Company shall issue (and any Director may sign on behalf of the Company) a written notice (“**Capital Call Notice**”) to each Shareholder, such notice shall set out:

- (1) the amount of funding requested to be provided by each Shareholder by way of a Shareholder Loan (provided that the Total Capital Commitment (or such higher amount as may from time to time be agreed by all the Shareholders) is not exceeded);
 - (2) a description of the purpose for which the funding is needed, including reasonable details about the underlying investment or expense;
 - (3) the due date for the provision of the funding (which shall not be less than 10 Business Days after the date of the relevant Capital Call Notice); and
 - (4) the Group Company to which the funding is to be provided, and the details of the bank account of the relevant Group Company to which each requested amount of funding is to be paid.
- (g) Unless the Company and all Shareholders otherwise agree in writing, but subject to Clauses 4.2(b) and 12, all Shareholder Loans shall be lent to the Company on the following terms:
- (i) the Project Company shall use the proceeds of all Shareholder Loans firstly to pay the consideration for the Lot in full on or before 17 August 2022 and secondly for the other purposes of the implementation of the Project;
 - (ii) Shareholder Loans shall be unsecured and interest-free;
 - (iii) without prejudice to Clause 4.1(g)(v), the Shareholder Loans advanced by CCG1 and CCG2, respectively, under Clause 2.4 shall be immediately repayable, if the Project Company does not pay the consideration for the Lot in full on or before 17 August 2022. If this Clause 4.1(g)(iii) applies:
 - (A) none of the Shareholders (other than CCG) shall receive (and each of the Shareholders (other than CCG) shall ensure that none of their respective Affiliates shall receive) any money or other assets from any Group Company until the Shareholder Loans advanced by CCG1 and CCG2 under Clause 2.4 have been repaid in full; and
 - (B) if any Shareholder (other than CCG) or any of its Affiliates receives any money or other assets from any Group Company in breach of Clause 4.1(g)(iii)(A), such Shareholder shall hold (or, as the case may be, shall procure such Affiliate to hold) such receipt on trust for the benefit of CCG;
 - (iv) Shareholder Loans shall only be repayable:
 - (A) in accordance with Clause 4.1(g)(iii);
 - (B) following an approval given in accordance with Clause 7.2;
 - (C) upon termination of this Agreement under Clause 15; or
 - (D) upon the commencement of the winding-up of the Company,

and, unless the Shareholders unanimously agree otherwise, subject to Clauses 4.2(b)(iv), 4.1(g)(iii) and 12, to different Shareholders simultaneously on a pro rata basis in proportion to the respective outstanding amounts of such Shareholder Loans;

- (v) Shareholder Loans shall be subordinated to all secured and unsecured obligations owed by the Company to banks or financial institutions which are not Shareholders (if so required by those banks or financial institutions). Without limiting the generality of the foregoing:
 - (A) no Shareholder Loan may be repaid before all of the amounts due to the finance parties under External Financing have been discharged in full; and
 - (B) in the event of insolvency of the Company:
 - (1) each Shareholder shall direct any person paying any amounts outstanding on its Shareholder Loan to apply the proceeds of such payment to repay all or any part of the External Financing; and
 - (2) each Shareholder may, if required by the facility agent appointed under the External Financing, make an unconditional written application to the Company to subscribe for such number of Shares at an issue price of US\$1.00 per Share at the consideration of the principal amount of its Shareholder Loan, which shall be satisfied by setting off against its Shareholder Loan of the same principal amount; and
- (vi) Shareholder Loans shall rank *pari passu* in all respects with all other Shareholder Loans advanced or to be advanced by the Shareholders under this Clause 4, save for the Default Loan(s) and save as provided for in Clause 4.1(g)(iii).

4.2 **Payment Default**

- (a) In the event that any Shareholder (“**Non-Funding Shareholder**”) fails to pay all or part of its Relevant Proportion of the Shareholder Loans on the relevant due date in accordance with any Capital Call Notice given in accordance with Clause 4.1(f) (a “**Payment Default**”), any other Shareholder(s) (each a “**Complying Shareholder**”) which has/have complied with its/their obligations to pay its/their Relevant Proportion(s) of the Shareholder Loan(s) in accordance with the relevant Capital Call Notice shall have the right within 10 Business Days at its/their sole discretion to elect (but is not obliged) to advance to the Company by way of Shareholder Loan(s) (and, if there are more than one Complying Shareholders so electing, then on a pro rata basis in proportion to their respective Relevant Proportions) (each a “**Default Loan**”) in the aggregate amount which should have been advanced but has not been advanced by the Non-Funding Shareholder (“**Default Amount**”).
- (b) If any Default Loan has been advanced by any Complying Shareholder in accordance with Clause 4.2(a):
 - (i) each Default Loan shall constitute part of the Shareholder Loans advanced by the relevant Complying Shareholder to the Company;

- (ii) the Non-Funding Shareholder shall pay a fee (“**Default Fee**”) to the relevant Complying Shareholder(s) (and, if there are more than one Complying Shareholders having advanced a Default Loan, then on a pro rata basis in proportion to their respective Relevant Proportions). The Default Fee shall be calculated on (A) the outstanding principal of the Default Loan(s) advanced by such Complying Shareholder(s) and (B) any Default Fee which has become due and is not paid, at the rate of 8% p.a. accruing daily and being calculated on the basis of the actual number of days elapsed and a 365-day year from and including the date of the relevant Complying Shareholder advancing the relevant Default Loan (or, in the case of the Default Fee, its due date) to and including the date on which the relevant Default Loan and Default Fee have been repaid. All Default Fee accruing under this Clause 4.2(b) in a calendar month shall be payable on the first Business Day of the next calendar month; and
- (iii) the Non-Funding Shareholder shall, as soon as reasonably practicable (but in any event no later than 180 days (if ESR is the Non-Funding Shareholder) or 90 days (if any other Shareholder is the Non-Funding Shareholder) (as the case may be) following the date of any Complying Shareholder advancing any Default Loan):
 - (A) advance such amount of Shareholder Loan(s) to the Company as is required to enable the Company to repay each relevant Default Loan; and
 - (B) pay to each Complying Shareholder the unpaid accrued Default Fee in respect of the Default Loan advanced by that Complying Shareholder;
- (iv) in the event that the Non-Funding Shareholder fails to pay to any Complying Shareholder(s) which advanced any Default Loan any accrued Default Fee in accordance with Clause 4.2(b)(ii), an amount equal to such accrued but unpaid Default Fee shall be deducted from any monies to be paid or distributed to the Non-Funding Shareholder (or, in the case of an Ancillary Agreement in respect of which an Affiliate of the Non-Funding Shareholder is the relevant manager, any monies to be paid to such Affiliate of the Non-Funding Shareholder under the relevant Ancillary Agreement) by the Company under Clause 12 (which, for the avoidance of doubt, include any repayment of Shareholder Loan(s) and any payment of interest thereon (if any)) or an Ancillary Agreement, and be paid directly to such Complying Shareholder(s) and, for this purpose, the Shareholders acknowledge and agree that:
 - (A) the Company is hereby irrevocably authorised and instructed to apply the amount so deducted in settling all of such accrued but unpaid Default Fee owing by the Non-Funding Shareholder to such Complying Shareholder(s) in full (in which case the Company is irrevocably authorised and instructed to pay on behalf of the Non-Funding Shareholder (or, as the case may be, its relevant Affiliate) to such Complying Shareholder(s) such accrued but unpaid Default Fee) before paying the remaining balance (if any) of such monies to the Non-Funding Shareholder (or, as the case may be, its relevant Affiliate); and

- (B) by effecting such payment to such Complying Shareholder on behalf of the Non-Funding Shareholder as contemplated in Clause 4.2(b)(iv)(A), the Company shall be deemed to have paid to the Non-Funding Shareholder (or, as the case may be, its relevant Affiliate) all or part of such monies to be paid or distributed to the Non-Funding Shareholder by the Company under Clause 12 (or, as the case may be, the relevant Ancillary Agreement); and
- (v) during the period where any Default Loan is subsisting, all Shareholder Loans advanced by the Non-Funding Shareholder shall be subordinated to such other Shareholder Loans (including the Default Loan(s)) advanced by any Complying Shareholder.

5. **DIRECTORS AND DIRECTORS MEETINGS**

5.1 **Number and Appointment of Directors**

- (a) The number of Directors shall not be more than 9 and the Directors shall be appointed in accordance with the terms of this Agreement. The initial number of Directors shall be 4.
- (b) For so long as CCG and ESR remain the only Shareholders and their respective Relevant Proportions remain 49% and 51% respectively, each Shareholder shall be entitled to nominate 2 Directors (and 2 directors on the board of each Group Company) and shall procure that, and shall cast its votes and exercise its powers to cause and ensure that, the Board shall comprise 2 Directors nominated by each Shareholder.
- (c) If and when: (i) the respective Relevant Proportions of CCG and ESR are no longer 49% and 51% respectively; or (ii) there is any other Shareholder in addition to CCG and ESR, each Shareholder which:
 - (A) owns at least 10% but less than 30% of all Shares shall be entitled to nominate 1 Director (and 1 director on the board of each Group Company);
 - (B) owns at least 30% but not more than 50% of all Shares shall be entitled to nominate 2 Directors (and 2 directors on the board of each Group Company); and
 - (C) owns more than 50% of all Shares shall be entitled to nominate such minimum number of Directors as is equal to a simple majority (and such minimum number of the directors on the board of each Group Company as is equal to a simple majority).

Each Shareholder shall procure that, and shall cast its votes and exercise its powers to cause and ensure that, the Board shall comprise such number of Directors nominated by each Shareholder in accordance with this Clause 5.1(c).

- (d) The initial Directors as at the date of this Agreement shall comprise the following persons:

Nominee	Nominated by
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Mr. <u>Choi</u> Wun Hing Donald	CCG
Mr. <u>Chan</u> Kam Por	CCG
Mr. Jinchu <u>Shen</u>	ESR
Ms. Rui Hua <u>Chang</u>	ESR

- (e) Any Shareholder shall be entitled to remove any Director nominated by it and nominate another Director in his stead. Any Director may only be removed by the Shareholder who nominated him. Any Shareholder removing a Director shall be responsible for and agrees to indemnify the other Shareholder and the Company on demand against all losses which the other Shareholder or the Company may suffer or incur arising out of, or in connection with, any claim by the Director for wrongful or unfair dismissal or redundancy or other compensation arising out of Director's removal or loss of office.
- (f) In the event that the shareholding in the Company of any Shareholder decreases, whether as a result of Disposal or otherwise, such Shareholder shall remove or procure the resignation of such number of directors of each Group Company nominated by it so as to bring the number of director(s) of each Group Company nominated by it in line with its entitlement in accordance with Clause 5.1(c).
- (g) A Shareholder making a nomination or removal under this Clause 5.1 must do so by giving written notice of nomination or removal to the Company and by sending a copy of the same to the other Shareholder(s). Such nomination or removal shall take effect from the time stated in the notice (which shall not be earlier than the date and time of delivery of such notice) or, if no such time is stated, immediately on delivery of the relevant notice to the Company.

5.2 Chairman of the Board

For so long as ESR is entitled to nominate at least 1 Director in accordance with Clause 5.1(b) or 5.1(c) (as the case may be), the chairman of the Board shall be a Director nominated by ESR. The first chairman of the Board shall be Mr. Jinchu Shen.

5.3 Board Meeting

- (a) Any Director or the Secretary may, at any time, summon a Directors meeting. Subject to Clause 5.10, all Board meetings shall be held at such place as may be determined by the Board from time to time.
- (b) Each Director is entitled to bring his own external adviser(s) to attend any meeting of the Board. Any such external adviser shall be entitled to speak at the meeting, but shall not have any voting rights.

5.4 Quorum for Board Meeting

- (a) Subject to Clause 11.6, the quorum for a Board meeting shall be 1 Director nominated by each Shareholder, in each case present in person or by alternate throughout the meeting.
- (b) A Board meeting shall be adjourned to a date, time and place as set out in the notice under Clause 5.5(c) if a quorum is not present at that Board meeting in accordance with Clause 5.4(a). Subject to Clause 11.6, if at such adjourned meeting a quorum is still not present within 45 minutes from the time appointed for the meeting, any Director(s)

present shall constitute a quorum. Except for the business as outlined in the notice of the adjourned Board meeting given in accordance with Clause 5.5(c), no other business shall be transacted at the meeting.

5.5 Notice of Meetings

- (a) Notwithstanding Clause 16.4, each Director and each alternate Director shall be entitled to receive, in the case of a first convened Board meeting, at least 10 Business Days' notice, and in the case of an adjourned Board meeting, at least 15 Business Days' notice, of a Board meeting by way of e-mail unless all Directors agree to waive or shorten the relevant notice period.
- (b) The Board can only pass a resolution on a matter if the notice of meeting has identified specifically the matters to be discussed at the meeting and has been accompanied by copies of any papers which are relevant to the matters to be discussed at the meeting, unless each of the Shareholders represented on the Board is represented at such meeting and such matter is unanimously approved by those Directors present.
- (c) Where a meeting of the Board is adjourned pursuant to Clause 5.4(b), at least 15 Business Days' notice of the adjourned Board meeting shall be given specifying the date, time and place of such adjourned meeting, and identifying specifically the matters to be discussed at the adjourned meeting (which shall only be business as outlined in the notice of the original Board meeting) and shall be accompanied by copies of any papers which are relevant to the matters to be discussed at the meeting.
- (d) Notwithstanding Clause 16.4, any notice of Board meeting (whether first convened or adjourned) shall be regarded as duly served to a Director or an alternate Director only if the intended recipient has expressly in writing (for the avoidance of doubt, excluding any system-generated reply e-mail) acknowledged the receipt of that notice.
- (e) Failure to comply with any of the requirements under Clauses 5.3(a), 5.4 and 5.5 will invalidate the Board meeting concerned and any resolutions purported to be passed at that Board meeting (or at any adjourned meeting).

5.6 Voting

Subject to Clause 11.6, on a vote, each Director shall have 1 vote. The chairman of the Board shall not have a casting vote in the event of an equality of voting.

5.7 Expenses

Each Director will be reimbursed for direct out-of-pocket expenses properly and reasonably incurred by him in performing duties related to the Group.

5.8 Alternate Directors

Each Director may by written notice to the Company nominate any other person to act as alternate Director in his place and at his discretion in similar manner remove such alternate Director. The alternate Director shall (except as regards the power to appoint an alternate Director pursuant to this Clause 5.8) be subject in all respects to the terms and conditions existing with reference to the other Directors of the Company and each alternate Director, whilst acting as such, shall exercise and discharge all the functions, powers and duties of the Director he represents, but shall look to such Director solely for his remuneration as alternate Director. Subject to Clause 11.6, every person acting as alternate Director shall have 1 vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director) and

be counted in determining whether a quorum is present. Any person appointed as an alternate Director shall vacate his office as such alternate Director if and when the Director by whom he has been appointed removes him or vacates office as Director. A Director shall not be liable for the acts or defaults of any alternate Director appointed by him.

5.9 Written Resolutions

Subject to Clause 11.6, a resolution in writing signed by all the Directors entitled to receive notice of a meeting of Directors (or their respective alternates) shall be as valid and effective for all purposes as a resolution of Directors duly passed at a meeting of the Board duly convened, held and constituted provided that when a Director has signed a resolution by fax or e-mail, the original of the signed copy shall be deposited with the Company in its registered office. Any such resolution may consist of several documents, provided that each such document is signed by one or more Directors.

5.10 Teleconferencing

A meeting of the Directors may be held by way of a conference between directors some or all of whom are in different places provided that each Director who participates in the meeting is able:

- (a) to hear each of the other participating Directors addressing the meeting; and
- (b) if he so wishes, to address each of the other participating Directors simultaneously,

whether directly by conference telephone or by any other form of communication equipment (whether in use at the date of this Agreement or developed subsequently) or by a combination of such methods. A quorum as required under Clause 5.4 shall be deemed to be present if those conditions are satisfied in respect of the number and designation of Directors required to form a quorum. A meeting held in this way shall be deemed to take place at such place as determined by the Board (which shall be where at least one Director sits). Any Director may by prior notice to the Secretary indicate that he wishes to attend by tele-conference facilities, in which event the Shareholders shall procure that the Board provides, so long as practicable, the appropriate tele-conference facilities.

5.11 Compulsory Removal of Directors

Each Shareholder undertakes to the other Shareholders that notwithstanding any other provisions herein it will remove or agree to remove the person or persons nominated by it as Director, if such nominee shall become liable to be removed or disqualified as Director of the Company in accordance with the provisions of the Articles and/or this Agreement and, subject to any agreement made between the Company and the person so removed to the contrary, it will, in addition to the above, simultaneously remove or agree to remove such person from the other office held by him in the Company.

5.12 Group Companies

The Shareholders agree and shall procure that, and shall cast its votes and exercise its powers to cause and ensure that, the provisions of Clause 5 shall also apply to the board of directors of each Group Company.

5.13 Management Committee

- (a) As soon as practicable after the execution of this Agreement, the Group Companies shall jointly establish the Management Committee in accordance with Clauses 5.13(b) to 5.13(d).
- (b) The board of directors of each Group Company shall delegate to the Management Committee the powers to manage the day-to-day operations of the Company and to implement the Project and such others powers as it thinks fit. Subject to Clause 7.2, the powers of the Management Committee shall be as follows:
 - (i) to supervise and give directions to the relevant managers under the Ancillary Agreements;
 - (ii) to examine and, if considered appropriate, approve (subject to further agreement under Clause 7.2 if and to the extent that such further agreement is required under Clause 7.2):
 - (A) any proposed Budget or budgeted item and development plan in respect of the Project as submitted by the ESR Manager and the CCG Manager in accordance with the terms of the DMA and PMA respectively, and any proposed Budget or budgeted item in respect of the Development as submitted by the ESR Manager in accordance with the terms of the AMA;
 - (B) the approval or ratification of any departure from the current Business Plan, if such Business Plan was approved by Management Committee. For the avoidance of doubt, Management Committee shall not be entitled to approve or ratify any departure from the current Business Plan if it was approved by the Board;
 - (C) the appointment or engagement and dismissal by any Group Company of any professional adviser(s) and/or consultant(s) in connection with the Project;
 - (D) the award of all nominated sub-contracts, nominated supply contracts and direct contracts for the Project and the list of tenderers for such contracts;
 - (E) the entry into any lease or licence:
 - (1) the amount of which is or exceeds 10% of the budgeted annual revenue in the latest approved Budget. For the purpose of this Clause 5.13(b)(ii)(E)(1), the budgeted annual revenue in an approved Budget shall be the aggregate of the Total Annual Sums of all the leases and licences subsisting or expected to subsist during the period covered by the Budget and the **“Total Annual Sum”** of a lease or licence shall be the aggregate of the rent, licence fees, car parking fees, service charges, management fees, air-conditioning charges, promotional levy and other fees or charges or sums of money payable during the entire term of that lease or licence divided by the number of years comprised in such term. For this purpose, if the amount of any rent or licence fee under a lease or licence is to be determined by reference to any event which

has not yet happened, a reasonable estimate of such rent or licence fee shall be used. For the avoidance of doubt, the Total Annual Sum of a lease or licence shall exclude any security deposit; or

- (2) for net lettable floor area (excluding the area of any parking spaces) which is 10% or more of the net lettable floor area (excluding the area of any parking spaces) of the Development or for a term (including any renewal option) of 6 years or more; and

- (F) the entry into any contract with annual expense representing more than 10% of the total annual approved expense budget in the current Budget; and

(iii) to do all other things as may be assigned by the Board.

- (c) Unless agreed unanimously by the Shareholders otherwise, each of CCG and ESR shall be entitled to nominate 2 members of the Management Committee and shall procure that, and shall cast its votes and exercise its powers to cause and ensure that, the Management Committee shall comprise 2 members nominated by each of CCG and ESR.

- (d) The initial members of the Management Committee shall comprise the following persons:

Nominee	Nominated by
Mr. Edmond <u>Lo</u>	CCG
Mr. Ray <u>Zee</u>	CCG
Mr. <u>Chen</u> Ming	ESR
Mr. Edison <u>Pan</u>	ESR

- (e) Any Shareholder shall be entitled to remove any member of the Management Committee nominated by it and nominate another member in his stead. A member of the Management Committee may only be removed by the Shareholder who nominated him.
- (f) A Shareholder making a nomination or removal under this Clause 5.13 must do so by giving written notice of nomination or removal to the Company and by sending a copy of the same to the other Shareholder. Such nomination or removal shall take effect from the time stated in the notice or, if no such time is stated, immediately on delivery of the relevant notice to the Company.
- (g) For so long as ESR is entitled to nominate at least 1 Director in accordance with Clause 5.1(b) or 5.1(c) (as the case may be), the chairman of the Management Committee shall be a member nominated by ESR. The first chairman of the Management Committee shall be Mr. Chen Ming.
- (h) Subject to Clause 11.6, at each meeting of the Management Committee and in respect of each resolution proposed to such meeting, on a vote, each member of the Management Committee shall have 1 vote. The chairman of the Management Committee shall not have a casting vote in the event of an equality of voting.

- (i) Subject to Clause 11.6, the quorum for a Management Committee meeting shall be 1 member nominated by each of CCG and ESR, in each case present in person or by alternate (including participation by conference telephone or any form of communication equipment (whether in use at the date of this Agreement or developed subsequently) or a combination of such methods) throughout the meeting.
- (j) Each member of the Management Committee may by written notice to the Company nominate any other person to act as his alternate member in his place and at his discretion in similar manner remove such alternate member. The alternate member shall (except as regards the power to appoint an alternate pursuant to this Clause 5.13(j)) be subject in all respects to the terms and conditions existing with reference to the other members of the Management Committee and each alternate member, whilst acting as such, shall exercise and discharge all the functions, powers and duties of such member he represents, but shall look to such member solely for his remuneration as an alternate. Subject to Clause 11.6, every person acting as alternate member shall have 1 vote for each member for whom he acts as alternate (in addition to his own vote if he is also a member). Any person appointed as an alternate member shall vacate his office as such alternate member if and when the member by whom he has been appointed removes him or vacates office as member of the Management Committee. A member of the Management Committee shall not be liable for the acts or defaults of any alternate member appointed by him.

6. SHAREHOLDERS MEETINGS

6.1 Location of Shareholders Meetings

Meetings of the Shareholders shall be held in Hong Kong, unless otherwise unanimously agreed by the Shareholders.

6.2 Quorum for Shareholders Meetings

Subject to Clause 11.6, the quorum for a general meeting of the Company shall be constituted by the presence of one representative or proxy of each Shareholder.

6.3 Written Resolutions

Subject to Clause 11.6, a resolution in writing signed by or on behalf of each of the Shareholders entitled to receive notice of a meeting of Shareholders shall be as valid and effective for all purposes as a resolution of Shareholders duly passed at a general meeting of the Company duly convened, held and constituted provided that when a Shareholder has signed a resolution by fax or e-mail, the original of the signed copy shall be deposited with the Company in its registered office. Any such resolution may consist of several documents, provided that each such document is signed by one or more Shareholders.

6.4 Teleconferencing

A meeting of the Shareholders may be held by way of a conference between the representatives or proxies of Shareholders some or all of whom are in different places provided that each such representative or proxy who participates in the meeting is able:

- (a) to hear each of the other participating representative or proxy addressing the meeting; and
- (b) if he so wishes, to address each of the other participating representative or proxy simultaneously,

whether directly by conference telephone or by any other form of communication equipment (whether in use at the date of this Agreement or developed subsequently) or by a combination of such methods. A quorum as required under Clause 6.2 shall be deemed to be present if those conditions are satisfied in respect of the number and designation of such representatives or proxies required to form a quorum. A meeting held in this way shall be deemed to take place at such place as determined by the Chairman of the Board (which shall be where at least one representative or proxy sits). Any representative or proxy of a Shareholder may by prior notice to the Secretary indicate that he wishes to attend by tele-conference facilities, in which event the Shareholders shall procure that the Board provides, so long as practicable, the appropriate tele-conference facilities.

7. MANAGEMENT OF THE GROUP

7.1 Decision Making

- (a) The board of directors of each Group Company shall, subject to the provisions contained in Clause 7.2, be responsible for making decisions relating to the business of the relevant Group Company.
- (b) All matters to be determined by: (i) the board of directors of each Group Company and/or (ii) by the Management Committee, other than those specified in Clause 7.2 and except as otherwise expressly provided in this Agreement, subject to Clause 5.9, shall be by simple majority decision of such directors or members of the Management Committee attending the relevant meeting.

7.2 Reserved Matters

Subject to Clause 11.6, the Shareholders shall procure that no action is taken or resolution is passed by any Group Company and its board of directors or the Management Committee in respect of any of the acts, matters or things ("**Reserved Matters**") specified in:

- (a) Part 1 of Schedule 2, without the unanimous prior agreement in writing or at a meeting of either (i) all Shareholders or (ii) (where each Shareholder is entitled to nominate in accordance with Clause 5, and has nominated, one or more director(s) on the board of the relevant Group Company) all directors of the relevant Group Company; and
- (b) Part 2 of Schedule 2, without the unanimous prior agreement in writing or at a meeting of each Shareholder that owns 10% or more of all Shares,

provided that (i) the agreement by a Shareholder (or any Director or director of the relevant Group Company nominated by a Shareholder) is not required for the purposes of this Clause 7.2 in respect of any litigation, arbitration, legal proceedings, claim or dispute if such Shareholder or any of its Affiliates and Permitted Transferees is involved in such litigation, arbitration, legal proceedings, claim or dispute and to the extent any conflict of interests arises between the relevant Group Company (on the one hand) and such Shareholder, Affiliate or Permitted Transferee (on the other hand); and (ii) for the avoidance of doubt, this Clause 7.2 shall cease to be enforceable by or to benefit any Party upon its ceasing to be a Shareholder.

7.3 Deadlock

- (a) A deadlock ("**Deadlock**") shall be deemed to have occurred if:

- (i) ESR and CCG fail to agree the first Budget or the first Business Plan within 12 months after the date of this Agreement (or such longer period as ESR and CCG may agree);
- (ii) a resolution proposed for the approval of any Reserved Matter is not passed in accordance with Clause 7.2 on at least 2 occasions; or
- (iii) there has been a failure to convene 3 successive meetings of the Shareholders and/or the Board to agree on any Reserved Matter,

in which event the provisions in Schedule 4 shall apply.

- (b) In the case of a Deadlock, any Shareholder may send a written notice to the other Shareholder(s) (“**Deadlock Consultation Notice**”) requiring the Deadlock to be considered and resolved in physical meeting(s) and/or telephone conference(s) (“**Deadlock Consultation**”) between the chief executive officer (or, if there is no position of the chief executive officer, such senior person in a similar position) of the ultimate Controlling beneficial owner of each Shareholder (other than any Non-Funding Shareholder or Defaulting Shareholder (as the case may be)) (“**Senior Management**”) within 30 days of the date of the Deadlock Consultation Notice (“**Deadlock Consultation Period**”). If the Deadlock is resolved in the Deadlock Consultation, the Shareholders shall jointly execute a statement setting forth the terms of such resolution and each Shareholder shall exercise the voting rights and other powers of control available to it in relation to the Company and each other Group Company to procure that such terms of resolution is fully and promptly carried into effect.
- (c) If the Deadlock concerned is not resolved as contemplated in Clause 7.3(b) within the Deadlock Consultation Period, and if such Deadlock is under Clause 7.3(a)(i) or relates to a Key Reserved Matter, notwithstanding Clauses 9.1(a) and 9.1(b), then at any time within 120 days after expiry of the Deadlock Consultation Period or confirmation by the Senior Management that the Deadlock concerned is not resolved as contemplated in Clause 7.3(b) (“**Deadlock Buy-Sell Offer Period**”), as long as the matter relating to such Deadlock has not been resolved by the relevant Shareholders, any Shareholder (other than any Non-Funding Shareholder or Defaulting Shareholder (as the case may be)) who has been acting in good faith and in a reasonable manner in the dealings relating to the Deadlock in question (each a “**Deadlock B/S Initiating Right Holder**”) shall have the option to initiate the Buy-Sell Exit Procedures set forth in Schedule 4 with respect to which such Deadlock occurs (“**Deadlock Buy-Sell Exit**”).
- (d) The Parties agree and acknowledge that no action shall be taken by any of the Group Companies, and the *status quo* shall be maintained, in relation to any Reserved Matter that is the subject of a Deadlock, save that each Shareholder shall continue to take all necessary steps to ensure statutory and regulatory compliance to the extent required by the Applicable Laws by each of the Group Companies.

7.4 Arm’s Length Basis

Notwithstanding any other provision in this Agreement, the Shareholders agree that any agreements, arrangements, transactions and dealings between any Group Company and any counterparty which is a Shareholder, any of its Affiliates or any of its related or connected parties shall be entered into or carried out on Arm’s length basis.

7.5 Ancillary Agreements

- (a) As soon as reasonably practicable (and in any event within 30 Business Days (or such other period as the Shareholders may agree)) following the date of this Agreement, the Shareholders shall procure that the Project Company shall, and ESR and CCG shall procure that ESR Manager and CCG Manager respectively shall, negotiate (each acting reasonably and in good faith) and agree on the terms and forms of each Ancillary Agreement (other than the IMA) based on the principal terms set out in Part 1, Part 2 and Part 3 of Schedule 6 respectively.
- (b) Following agreement of the terms and forms of each Ancillary Agreement (other than the IMA) in accordance with Clause 7.5(a), as and when the Shareholders consider appropriate, the Shareholders shall procure that the Project Company shall, and ESR and CCG shall procure that ESR Manager and CCG Manager respectively shall, duly execute and enter into the relevant Ancillary Agreements (other than the IMA).
- (c) Each Party acknowledges and agrees that, unless the Shareholders unanimously agree otherwise, the Group shall not engage any person other than:
 - (i) subject to Clause 7.5(d), ESR Manager or another member of the ESR Group for the provision of asset management, development management and investment management services in relation to the Project to any Group Company; and
 - (ii) CCG Manager or another subsidiary of CCG GroupCo for the provision of project management services in relation to the Project to any Group Company.
- (d) The Parties agree that in the event ESR and/or its Permitted Transferee(s) cease(s) to own at least 10% of all Shares, the Ancillary Agreements to which ESR Manager or another member of the ESR Group is a party shall be terminated at the Company's election (with any decision by the Company in this regard to be made by the other Shareholder(s) and directors or Management Committee members appointed by the other Shareholder(s) solely, notwithstanding Clause 7.2), provided that, if ESR and/or its Permitted Transferee(s) owns at least 10% of all Shares, unless the AMA, DMA and/or IMA is/are terminated unilaterally by the relevant Group Company in accordance with its/their terms or the relevant Group Company has the right under the terms of any such Ancillary Agreement to terminate it, each Shareholder shall procure that the relevant Group Company shall continue to appoint ESR Manager or another member of the ESR Group to be the asset manager, development manager and the investment manager under the AMA, DMA and IMA respectively.

8. BUDGET, BUSINESS PLAN AND OTHER FINANCIAL MATTERS

8.1 Budget

The Company shall use reasonable endeavours to (and each Shareholder shall use all its reasonable endeavours as far as it is within its powers of control to) ensure that the Board adopts the first Budget within 12 months after the date of this Agreement (or such longer period as ESR and CCG may agree) and each subsequent Budget for the Group 2 months before the beginning of each Financial Year, in each case in a form and with such content approved by the Board. Each Budget shall be in a form and contain the details and breakdown to be agreed between the Shareholders within 12 months after the date of this Agreement (or such longer period as ESR and CCG may agree).

8.2 **Business Plan**

- (a) The Company shall use reasonable endeavours to (and each Shareholder shall use all its reasonable endeavours as far as it is within its powers of control to) ensure that the Board adopt the first Business Plan within 12 months after the date of this Agreement (or such longer period as ESR and CCG may agree) and the subsequent Business Plan for each Financial Year for the Group 2 months before the beginning of the Financial Year concerned, in each case, in a form and with such content approved by the Board.
- (b) The Business Plan shall include, amongst other information to be agreed between the Shareholders within 12 months after the date of this Agreement (or such longer period as ESR and CCG may agree), the following information:
 - (i) the Project shall involve the construction of a one-building state-of-the-art modern logistics facility with majority cold storage purposes;
 - (ii) the Project shall comply with the conditions under the Conditions of Sale, including the provision of required public vehicle park;
 - (iii) the completed logistics facility shall be leased to high quality tenants to foster strong partnerships and provide a wide range of services to facilitate innovative, integrated and optimized solutions;
 - (iv) the Project shall include environmental, social and governance (ESG) features into the logistics facility to enable the Development to obtain LEED, BEAM PLUS or equivalent ESG-related ratings;
 - (v) part of the required financing shall be obtained from external bank(s) and financial institution(s); and
 - (vi) any other business areas which are discussed and agreed among Shareholders including branding of the logistic property, type of services and targeted tenants, global connectivity, clientele database, transportation hub infrastructure connecting to highways.

8.3 **Books and Records**

The Company shall ensure that each Group Company shall:

- (a) keep true, proper and accurate books and records in accordance with the provisions of applicable law in their respective place of incorporation and, in the case of books of accounts, also in accordance with the Relevant Accounting Standards and shall procure such books of accounts and financial records to be audited by the Auditors as soon as practicable after the end of each Financial Year; and
- (b) allow the Shareholders and their authorised representatives during normal business hours to inspect the books, accounting records and any other documents of the each Group Company and to make any extract and copy therefrom at their own expense.

8.4 **Delivery of Financial Statements to Shareholders**

The Company shall deliver to each Shareholder:

- (a) within 10 Business Days after the end of each calendar month, an unaudited income statement, statements of cash flow and shareholders' equity, and a balance sheet in respect of each Group Company as of the end of such month;
- (b) as soon as practicable, but in any event within 15 Business Days after the end of each calendar quarter: (i) such unaudited income statement, statements of cash flow and shareholders' equity for each Group Company for such quarter and balance sheet for each Group Company as of the end of such quarter; and (ii) such unaudited consolidated income statement, consolidated statements of cash flow and shareholders' equity for the Group for such quarter and consolidated balance sheet for the Group as of the end of such quarter;
- (c) as soon as practicable, but in any event within 30 Business Days after the end of each Financial Year: (i) such unaudited income statement, statements of cash flow and shareholders' equity for each Group Company for such Financial Year and balance sheet for each Group Company as of the end of such Financial Year; and (ii) such unaudited consolidated income statement, consolidated statements of cash flow and shareholders' equity for the Group for such Financial Year and consolidated balance sheet for the Group as of the end of such Financial Year, in each case, prepared in accordance with the Relevant Accounting Standards;
- (d) as soon as practicable, but in any event within 3 months after the end of each Financial Year: (i) such income statement, statements of cash flow and shareholders' equity for each Group Company for such Financial Year and balance sheet for each Group Company as of the end of such Financial Year; and (ii) such consolidated income statement, consolidated statements of cash flow and shareholders' equity for the Group for such Financial Year and consolidated balance sheet for the Group as of the end of such Financial Year, in each case, prepared in accordance with the Relevant Accounting Standards and audited and certified by the Auditors;
- (e) as soon as practicable, but in any event within 1 month prior to the end of each Financial Year, the Business Plan for the next Financial Year, prepared on a monthly basis;
- (f) as soon as practicable, but in any event within 1 month prior to the end of each Financial Year, the Budget for the next Financial Year; and
- (g) such other information relating to the financial condition, business prospects or corporate affairs of each Group Company as any Shareholder may from time to time reasonably request.

8.5 **Taxation**

The Parties agree that the establishment of the Company, the implementation of the transactions contemplated herein and the arrangements between them from time to time will be structured and may be varied in such a way so as to maximise the tax efficiencies available to each of the Parties and the Group.

8.6 **Bank Accounts**

- (a) The Shareholders shall exercise their powers in relation to each Group Company so as to ensure that each bank account of each Group Company shall be operated, and any cheque or instruction to bank shall be issued in such manner as the Shareholders may unanimously agree from time to time.

- (b) The initial manner of operation of the bank accounts shall be decided by the Board in the resolutions to be passed on the date of this Agreement.

9. **TRANSFER AND ISSUANCE OF SHARES AND SHAREHOLDER LOANS**

9.1 **Lock Up Period**

- (a) Subject to Clauses 9.4, 9.5, 10 and 11.3 and Schedule 4, during the period of 5 years from the date of this Agreement (both dates inclusive) ("**Lock Up Period**"), no Disposal of Shares and/or Shareholder Loans (other than those held by ESR) shall occur unless the prior written consent of all other Shareholder(s) has been given.
- (b) In respect of ESR:
 - (i) during the period of 7 months from the date of this Agreement, without being required to comply with the provisions of Clause 9.2, ESR may Dispose of any part of its Shares and Shareholder Loans to any bona fide third party purchaser;
 - (ii) after the last day of the period of 7 months from the date of this Agreement up to the first anniversary of the date of this Agreement, without being required to comply with the provisions of Clause 9.2, ESR may Dispose of any part of its Shares and Shareholder Loans to any bona fide third party purchaser, provided that the price for such Shares and Shareholder Loans shall not be less than the Disposal Proportion of the fair market value of the Group determined in accordance with Clause 11.4; and
 - (iii) during the remainder of the Lock Up Period, if ESR wishes to sell any of its Shares and Shareholder Loans, the provisions of Clause 9.2 shall apply *mutatis mutandis*,

provided that the Relevant Proportion of ESR shall not fall below 10% at any time during the Lock Up Period without the prior written consent of all other Shareholder(s).

During the period of 12 months from the date of this Agreement (or such longer period as the Shareholders may agree), the Shareholders (each acting reasonably and in good faith) shall negotiate and agree on any amendments to this Agreement reasonably requested by the relevant bona fide third party purchaser of the Shares and the Shareholder Loans held by a Shareholder (including any reasonable amendments to facilitate such third party purchaser's exit from the Project if and to the extent that such exit is required by Applicable Laws) provided that such Shareholder has notified the other Shareholders of the identity of such bona fide third party purchaser and, provided that such proposed amendments are no less favourable as a whole to the then existing Shareholders than the corresponding terms hereof as currently enjoyed by them, such Shareholders shall not unreasonably withhold their agreement to such proposed amendments. For the avoidance of doubt, after the end of the period of 12 months from the date of this Agreement (or such longer period as the Shareholders may agree), no Shareholder shall be under any obligation to negotiate or agree (and any Shareholder may, whether reasonably or not, withhold its agreement to) any proposed amendments to this Agreement, whether they are requested by a purchaser or any other person and whether they are less favourable to that Shareholder or not.

- (c) After the expiry of the Lock Up Period, no Disposal of Shares and/or Shareholder Loans shall occur except in accordance with Clause 9.2, 9.4, 9.5, 10 or 11.3 or Schedule 4.

- (d) Notwithstanding any other provisions herein, no Disposal of Shares and/or Shareholder Loans to any ESR Competitor set out in Part 1 of Schedule 7 shall occur, without prior written consent of ESR, provided that the restrictions provided in this Clause 9.1(d) shall not apply to any Disposal in accordance with Clause 10.
- (e) Any Disposal of any Share(s) or Shareholder Loan(s) not made in conformity with this Agreement shall be null and void and shall not be recorded on the register of members or other books of the Company.

9.2 **Right of First Offer, Tag Along and Drag Along**

- (a) Each Shareholder (**“Selling Shareholder”**) grants to the other Shareholders (each a **“Non-Selling Shareholder”**) a right of first offer (**“Right of First Offer”**), exercisable after the expiry of the Lock Up Period, with respect to the Shares held by such Selling Shareholder and the Shareholder Loans owing to such Selling Shareholder (collectively **“Sale Interests”**) on the terms of this Clause 9.2.
- (b) After the expiry of the Lock Up Period (or, in the case of a Selling Shareholder which is ESR or any of its Affiliates or Permitted Transferees, at any time from the first anniversary of the date of this Agreement), each time when a Selling Shareholder or Selling Shareholders wish(es) to Dispose of all (or any part of) its/their Sale Interests, the Selling Shareholder(s) shall first indicate to each Non-Selling Shareholder its/their intention to Dispose of such Sale Interests by serving on each Non-Selling Shareholder a written notice (**“Sale Notice”**).
- (c) Each Non-Selling Shareholder shall, after receiving the Sale Notice, have the right (but not an obligation) to offer to purchase such Sale Interests by serving a written offer notice on the Selling Shareholder(s) offering to purchase such Sale Interests (**“Offer Notice”**). For the avoidance of doubt, the Non-Selling Shareholder could only offer to purchase all (but not part only) of the Sale Interests as set out in the Sale Notice, notwithstanding that such Sale Interests may only represent part of the Shares and Shareholder Loans owned by the Selling Shareholder in the Company. The Offer Notice shall be served within 20 Business Days from (and exclusive of) the date of the receipt of the Sale Notice by the relevant Non-Selling Shareholder. The Offer Notice shall set out the price and any other material terms on which the relevant Non-Selling Shareholder offers to acquire the relevant Sale Interests. Within 10 Business Days after an Offer Notice is received by the Selling Shareholder(s), the Selling Shareholder(s) shall inform the relevant Non-Selling Shareholder by notice in writing whether it accepts or rejects the offer as stated in the Offer Notice. If more than one Non-Selling Shareholders serve Offer Notices during the relevant 20-Business Day period, such Offer Notice with the highest price shall prevail and, if the prices set out in the Offer Notices are the same, then each relevant Non-Selling Shareholder shall be deemed to have offered to purchase the Sale Interests on a pro rata basis in proportion to its Relevant Proportion.
- (d) If, after issuing a Sale Notice, the Selling Shareholder:
 - (i) is notified by all Non-Selling Shareholders in writing that they decline to offer to purchase all of the Sale Interests;
 - (ii) does not receive any Offer Notice from any Non-Selling Shareholder within 20 Business Days from (and exclusive of) the date of the receipt of the Sale Notice; or

- (iii) the Selling Shareholder receives Offer Notice(s) from one or more Non-Selling Shareholder(s), but the offer(s) as stated in the Offer Notice(s) is/are not accepted by the Selling Shareholder within 10 Business Days of the date of the last of such Offer Notice(s),

subject to Clause 9.2(e), the Selling Shareholder shall be entitled (but is not obliged) to enter into an agreement to sell and assign (“**Proposed Transfer**”) such Sale Interests to any bona fide third party purchaser (“**Buyer**”) during the 40-Business Day period following the notification by the Non-Selling Shareholders referred to in Clause 9.2(d)(i), the expiration of the 20-Business Day period referred to in Clause 9.2(d)(ii) or the 10-Business Day period referred to in Clause 9.2(d)(iii) (as the case may be).

- (e) Subject to Clause 9.2(f), if the Selling Shareholder proposes to sell and assign such Sale Interests to a Buyer in accordance with Clause 9.2(d), then:
 - (i) where Clause 9.2(d)(i) or 9.2(d)(ii) is applicable, the Proposed Transfer shall be on any terms as may be agreed between the Selling Shareholder and the Buyer, provided that the price for the Sale Interests shall not be less than the Disposal Proportion of the fair market value of the Group determined in accordance with Clause 11.4; and
 - (ii) where Clause 9.2(d)(iii) is applicable, the Proposed Transfer shall only be made at such price which is higher than the greater of (A) the price set out in the only Offer Notice or the highest price set out in the Offer Notices (as the case may be) and (B) the Disposal Proportion of the fair market value of the Group determined in accordance with Clause 11.4 and on terms that are more favourable to the Selling Shareholder than those offered by the Non-Selling Shareholder(s).
- (f) As conditions precedent to such Proposed Transfer under Clause 9.2(d), if the Shares in the Sale Interests amount to 70% or more of all issued Shares:
 - (i) firstly:
 - (A) the Selling Shareholder(s) shall procure that the Buyer makes an offer (“**Tag Along Offer**”) to each Non-Selling Shareholder to purchase all (but not part only) of each Non-Selling Shareholder’s Shares and Shareholder Loans on the same price per Share and per dollar of Shareholder Loans and otherwise on the same terms as offered to the Selling Shareholder(s) under the Proposed Transfer;
 - (B) the Tag Along Offer shall be made by written notice (“**Tag Along Offer Notice**”) to each Non-Selling Shareholder on the same day of the agreement for the Proposed Transfer. The Tag Along Offer Notice shall set out:
 - (1) the principal terms of the agreement of the Proposed Transfer entered or to be entered into between the Buyer and the Selling Shareholder;
 - (2) the identity of the Buyer;
 - (3) the price and the proposed completion date of the sale and purchase under the Tag Along Offer (which shall be the same as the price per Share and per dollar of Shareholder Loans and

the proposed completion date for the Proposed Transfer, which shall be at least 30 Business days after the date of the Tag Along Offer Notice); and

- (4) the amount of Shares and Shareholder Loans proposed to be purchased from each Non-Selling Shareholder by the Buyer (which shall represent all (but not part only) of that Non-Selling Shareholder's Shares and Shareholder Loans);
 - (C) if the Buyer fails to make the Tag Along Offer to all Non-Selling Shareholder(s) in accordance with this Clause 9.2(f), then the Selling Shareholder(s) shall not complete the Proposed Transfer;
 - (D) if the Tag Along Offer is accepted by any Non-Selling Shareholder in writing within 15 Business Days of the receipt of the Tag Along Offer Notice, the completion of the Proposed Transfer shall be conditional on completion of the Buyer's purchase of all the Shares and Shareholder Loans held by each Non-Selling Shareholder which has accepted the Tag Along Offer. For the avoidance of doubt, if the Tag Along Offer is not accepted by any Non-Selling Shareholder within 15 Business Days following the receipt of the Tag-Along Notice, the Tag Along Offer shall lapse and the Selling Shareholder(s) shall be entitled to complete the Proposed Transfer; and
 - (E) the sale of the Shares and the Shareholder Loans by the relevant Non-Selling Shareholder(s) to the Buyer under the Tag Along Offer will be at the same time and on the same terms and conditions (with only the necessary changes) as those applicable to the sale of the Sale Interests by the Selling Shareholder(s) to the Buyer; and
- (ii) secondly:
- (A) if within 15 Business Days after the Tag Along Offer is made, all Non-Selling Shareholder(s) has/have either confirmed that it/they will not accept the Tag Along Offer or if the Tag Along Offer has not been accepted by all Non-Selling Shareholder(s), the Selling Shareholder(s) may, at its option, require all Non-Selling Shareholder(s) to transfer and assign to the Buyer all (but not part only) of each Non-Selling Shareholder's Shares and Shareholder Loans on the same price per Share and per dollar of Shareholder Loans and otherwise on the same terms as offered to the Selling Shareholder(s) under the Proposed Transfer ("**Drag Along Instruction**"), provided that, if:
 - (1) if the sole Selling Shareholder is ESR, any of its Affiliates or any investment fund or platform managed by the ESR Group (or a subsidiary of any such investment fund or platform) (each, an "**ESR Party**") or, where there are two or more Selling Shareholders, each of them is an ESR Party; and
 - (2) the Buyer is another ESR Party,
- no such Selling Shareholder shall have the right to issue any Drag Along Instruction;

- (B) the Drag Along Instruction shall be made by written notice (“**Drag Along Instruction Notice**”), at least 10 Business Days before the proposed date for the completion of the Proposed Transfer. To the extent not described in any accompanying documents, the Drag Along Instruction Notice shall specify:
 - (1) the principal terms of the agreement of the Proposed Transfer entered or to be entered into between the Buyer and the Selling Shareholder;
 - (2) the identity of the Buyer;
 - (3) the price and the proposed completion date of the sale and purchase under the Drag Along Instruction (which shall be the same as the price per Share and per dollar of Shareholder Loans and the proposed completion date for the Proposed Transfer), provided that such price shall not be less than the relevant Non-Selling Shareholder’s Relevant Proportion of the fair market value of the Group determined in accordance with Clause 11.4; and
 - (4) the amount of Shares and Shareholder Loans proposed to be purchased from each Non-Selling Shareholder by the Buyer (which shall represent all (but not part only) of the relevant Non-Selling Shareholder’s Shares and Shareholder Loans); and
- (C) after the issue of the Drag Along Instruction Notice, subject to Clause 9.2(f)(ii)(B)(3), each Non-Selling Shareholder shall transfer all its Shares and Shareholder Loan to the Buyer at the price and on the terms set out in the Drag Along Instruction Notice, and the sale of the Shares and the Shareholder Loans by the relevant Non-Selling Shareholder to the Buyer under the Drag Along Instruction will be at the same time and on the same terms and conditions (with only the necessary changes) as those applicable to the sale of the Sale Interests by the Selling Shareholder(s) to the Buyer.
- (g) The Selling Shareholder(s) must give a copy of any agreement relating to the Sale Interests to each Non-Selling Shareholder within 3 Business Days after execution of the agreement. If any Selling Shareholder does not enter into an agreement for the sale of the Sale Interests within the 40-Business Day period referred to in Clause 9.2(d), or if such sale is not completed within 40 Business Days of the execution of the agreement, then the right of the relevant Selling Shareholder(s) to sell the Sale Interests to the Buyer shall terminate. If the relevant Selling Shareholder(s) subsequently wish(es) to sell the Sale Interests, it/they shall be required to first invite each Non-Selling Shareholder to re-offer in accordance with this Clause 9.2.
- (h) Each Shareholder shall procure all Directors nominated by it to approve each share transfer that is effected in compliance with the provisions of this Clause 9.2.

9.3 Completion

- (a) The closing of the relevant sale and purchase of Sale Interests shall take place as follows:

- (i) if the Selling Shareholder(s) accept(s) any Non-Selling Shareholder's offer as stated in the relevant Offer Notice, at the principal office of the Project Company or any other place in Hong Kong as agreed between the Selling Shareholder(s) and that Non-Selling Shareholder at 11:00 a.m. local time on the day which is 20 Business Days after the Selling Shareholder(s) informing that Non-Selling Shareholder of its/their acceptance of that Non-Selling Shareholder's offer in accordance with Clause 9.2(c); or
 - (ii) if the Sale Interests are to be sold to the Buyer as contemplated under Clause 9.2(e), in accordance with the agreement with the Buyer referred to in Clause 9.2(g).
- (b) If the purchaser is a Non-Selling Shareholder, at such closing, each Selling Shareholder shall:
 - (i) upon receipt of the purchase price by cashier's order(s) or wire transfer deliver to the relevant Non-Selling Shareholder the share certificates of the relevant Shares, a duly executed instrument of transfer of such Shares and duly executed an assignment of such Shareholder Loans; and
 - (ii) be deemed to represent and warrant to the relevant Non-Selling Shareholder that the relevant Sale Interests are free and clear of any Encumbrance and that it is the legal and beneficial owner of the relevant Sale Interests or otherwise has full authority to sell, transfer and assign such Sale Interests as provided herein.

9.4 **Call and Put Options**

(a) Call Option

- (i) In consideration of the grant by ESR to CCG2 of the Put Option (the adequacy and sufficiency of which CCG2 acknowledges), CCG2 irrevocably grants to ESR the Call Option to require CCG2 to sell to ESR (or its nominee) all (but not some only) of the Option Interests.
- (ii) The Call Option may be exercised by ESR in respect of all the Option Interests by serving on CCG2 a duly completed Option Notice of the exercise of the Call Option during the Call Option Period. Once served, the Option Notice shall be irrevocable.
- (iii) Subject to Clause 9.4(d), on the exercise of the Call Option, ESR shall become bound to purchase (or procure that its nominee purchases) from CCG2, and CCG2 shall become bound, upon service of the Option Notice by ESR, to sell to ESR (or its nominee), all the Option Interests free from any Encumbrance and with all rights attaching to them at the Option Completion Date, including the right to receive all dividends distributions or return of capital declared, paid or made in respect of the relevant Shares on or after the Option Completion Date.

(b) Put Option

- (i) In consideration of the grant by CCG2 to ESR of the Call Option (the adequacy and sufficiency of which ESR acknowledges), ESR irrevocably grants to CCG2, if the Call Option has not been exercised in accordance with Clause

9.4(a)(ii) the Put Option to require ESR to purchase (or to procure that its nominee purchases) from CCG2 all (but not some only) of the Option Interests.

- (ii) The Put Option may be exercised by CCG2 in respect of all the Option Interests by serving on ESR a duly completed Option Notice of the exercise of the Put Option during the Put Option Period. Once served, the Option Notice shall be irrevocable.
- (iii) Subject to Clause 9.4(d), on the exercise of the Put Option, CCG2 shall become bound to sell to ESR (or its nominee), and ESR shall become bound, upon service of the Option Notice by CCG2, to purchase (or procure that its nominee purchases), all the Option Interests free from any Encumbrance and with all rights attaching to them at the Option Completion Date, including the right to receive all dividends, distributions or return of capital declared, paid or made in respect of the relevant Shares on or after the Option Completion Date.

(c) Option Price and Holding Fee

- (i) ESR shall pay (or procure the payment of) the Option Price and the Holding Fee to CCG2 at completion of the sale and purchase of the Option Interests in accordance with Clause 9.4(d).
- (ii) The **“Holding Fee”** shall be an amount accruing at the following rate:
 - (A) if the Put Option is exercised, 6% p.a.; or
 - (B) if the Call Option is exercised, 10% p.a.,

in each case, on the Option Price from the date of this Agreement up to the date on which completion of the sale and purchase of the Option Interests takes place (both dates inclusive).

(d) Completion

Completion of the sale and purchase of the Option Interests pursuant to an exercise in accordance with Clause 9.4(a)(ii) or 9.4(b)(ii) (as the case may be) shall take place at the principal office of the Project Company or any other place in Hong Kong as agreed between CCG2 and ESR at 11:00 a.m. local time on the day which is 20 Business Days after the date on which the Option Notice is served (or deemed to be served in accordance with Clause 16), whereupon:

- (i) CCG2 shall, upon receipt of the Option Price and Holding Fee by cashier's order(s) or wire transfer, deliver to ESR (or its nominee) the share certificates of the relevant Shares, a duly executed instrument of transfer of such Shares and duly executed an assignment of such Shareholder Loans; and
- (ii) CCG2 shall represent and warrant to ESR (or, as the case may be, its nominee) that the relevant Option Interests are free and clear of any Encumbrance and that it is the legal and beneficial owner of the relevant Option Interests or otherwise has full authority to sell, transfer and assign such Option Interests as provided herein. If so requested by ESR, CCG2 shall represent and warrant directly to such nominee on such terms set out in this Clause 9.4(d)(ii).

9.5 Permitted Transfers

Without being required to comply with the provisions of Clauses 9.1 and 9.2, any Shareholder may transfer and assign, with or without consideration, all (but not some only) of its Shares and Shareholder Loans to its Permitted Transferee, provided that: (a) it shall be a condition precedent to such transfer and assignment that such transferee executes a Deed of Adherence as provided under Clause 9.6(a) and (b) the transferring and assigning Shareholder shall procure that such transferee and/or assignee shall, immediately prior to it ceasing to be a Permitted Transferee of the relevant transferring and assigning Shareholder, re-transfer such Shares and re-assign such Shareholder Loans back to the transferring and assigning Shareholder.

9.6 Obligations Binding on Subscribers and Transferees

- (a) It shall be a condition precedent to the right of (i) the Company to issue any new Shares and (ii) any Shareholder to transfer and assign any Shares and Shareholder Loans to any person who is not already a Shareholder, that the subscriber, transferee or assignee (as the case may be) shall execute a Deed of Adherence under which the subscriber, transferee or assignee (as the case may be) shall agree to be bound by the terms of this Agreement whereupon that subscriber, transferee and/or assignee shall become a Shareholder on the date on which the Deed of Adherence takes effect. Upon the execution of a Deed of Adherence in accordance with this Agreement, each Party shall be obliged to any such subscriber, transferee and/or assignee to perform its obligations under this Agreement so far as they remain to be performed.
- (b) Any Shareholder that transfers or assigns its entire legal and beneficial interest (including any interest held by its Permitted Transferees) in Shares and Shareholder Loans in accordance with the provisions of this Agreement shall cease to have any benefits or rights and be released from all obligations under this Agreement with effect from the date of such transfer, except for (i) liability for antecedent breaches of any such obligations and (ii) any obligations under Clause 13.
- (c) Any transferee or assignee that becomes a Shareholder in accordance with the terms of this Agreement shall be entitled to all of the benefits of this Agreement applicable to the Shareholder who transferred or assigned the interest in the Shares and Shareholder Loans to the transferee or assignee (with only the necessary changes) from the date of the relevant transfer or assignment.
- (d) Any subscriber that becomes a Shareholder in accordance with the terms of this Agreement shall be entitled to all of the benefits of this Agreement as a Shareholder other than rights solely applicable to CCG and/or ESR, plus such other rights as the Parties may agree.

10. PROJECT EXIT

10.1 Sale Initiation

At any time following the later of:

- (a) the Stabilization Date; and
- (b) the date falling 6 months prior to the projected date for the sale of the Project as set forth in the Budget,

any Shareholder may (but is not obligated to) serve a notice (“**Strategic Asset Review Notice**”) in writing to the other Shareholder(s) for their consideration as to whether (A) to commence a sale of the Project; or (B) to have the Company continue to hold the Project (“**Strategic Asset Review Process**”).

10.2 Buy-Sell Exit

- (a) If any Shareholder issues a Strategic Asset Review Notice pursuant to Clause 10.1, then within 120 days (“**Buy-Sell Offer Period**”, which may be shortened if unanimously agreed by all Shareholders) following the date of receipt of the Auditors’ certificate on the fair market value of the Group in accordance with Clause 11.4(a), each Shareholder shall have a one-time and non-recurring option (but not an obligation) during that Buy-Sell Offer Period to initiate the Buy-Sell Exit Procedures.
- (b) For the avoidance of doubt, after a Buy-Sell Offer Notice is given in accordance with the Buy-Sell Exit Procedures, no Shareholder may Dispose of its Shares and Shareholder Loans or procure the relevant Group Company to Dispose the Project otherwise than pursuant to this Clause 10.2 and the Buy-Sell Exit Procedures, until Clause 10.3(c)(ii) or 10.3(e)(i) applies.

10.3 Third Party Sale

- (a) A third party sale process of the Project (“**Third Party Sale Process**”) pursuant to this Clause 10.3 may be initiated pursuant to paragraph 2 of Schedule 4.
- (b) The Third Party Sale Process shall be conducted by the ESR Manager as investment manager, provided that:
 - (i) the Shareholders shall have full discretion to determine the parameters of such Third Party Sale Process, the terms and conditions of such sale, and choose their preferred bidder(s); and
 - (ii) any sale pursuant to such Third Party Sale Process shall be a Reserved Matter subject to agreement in accordance with Clause 7.2.

The Project shall not be sold to any person at a consideration less than the fair market value of the Group as stated in the Auditors’ certificate obtained in accordance with Clause 11.4(a).

- (c) In resolving whether to accept any offer from any Buyer pursuant to the Third Party Sale Process in accordance with Clause 7.2:
 - (i) if all Shareholders (other than the ESR Parties) vote for a particular sale to a particular Buyer pursuant to the Third Party Sale Process, all Shareholders shall, or shall procure the relevant Group Company shall, enter into an agreement to sell and assign the relevant subject matter arising from the Third Party Sale Process to the relevant Buyer;
 - (ii) if all Shareholders (other than the ESR Parties) vote against each sale to a Buyer pursuant to the Third Party Sale Process, this Clause 10.3(c)(ii) applies. In that case, the Project will continue to be held by the Group for another 6 months from the date of the relevant resolution. The Shareholders and ESR Manager as investment manager may restart the Buy-Sell Exit Procedures from the Strategic Asset Review Process in accordance with Clause 10.3(a) at any time after the expiry of such 6-month period; or

- (iii) if any (but not all) Shareholder(s) (other than the ESR Parties) vote(s) against each sale to a Buyer pursuant to the Third Party Sale Process (each such Shareholder a **“Dissenting Shareholder”**), the provisions of Clause 10.3(d) shall apply.
- (d) For the purpose of Clause 10.3(c)(iii), any Shareholder voting in favour of such sale (each such Shareholder a **“Consenting Shareholder”**, and each ESR Party shall be deemed to be a Consenting Shareholder) shall be entitled to a put option (**“Exit Put Option”**) to sell, or require the relevant Group Company to sell (as the case may be), and to require the Dissenting Shareholder(s) to buy (and any Consenting Shareholder(s) which do(es) not exercise the Exit Put Option shall be deemed to have elected to buy) (such Consenting Shareholders together with the Dissenting Shareholder(s), collectively **“Exit Put Option Receiving Parties”**):
 - (i) where there is only one Exit Put Option Receiving Party, at the option of the Exit Put Option Receiving Party:
 - (A) all (but not part only) of the Property;
 - (B) all issued shares in and all shareholder loan(s) owing by a Group Company (other than the Company); or
 - (C) all the Shares and Shareholder Loans of the Consenting Shareholder(s) which exercise(s) the Exit Put Option; or
 - (ii) where there are more than one Exit Put Option Receiving Parties, and:
 - (A) if there is unanimous agreement of all Exit Put Option Receiving Parties on the relevant subject matter:
 - (1) all (but not part only) of the Property;
 - (2) all issued shares in and all shareholder loan(s) owing by a Group Company (other than the Company); or
 - (3) all the Shares and Shareholder Loans of the Consenting Shareholder(s) which exercise(s) the Exit Put Option; or
 - (B) if there is no unanimous agreement of all Exit Put Option Receiving Parties, the Shares and Shareholder Loans of the Consenting Shareholder(s) which exercise(s) the Exit Put Option,

in each case, on a pro rata basis in proportion to the respective Relevant Proportions of the Exit Put Option Receiving Parties

(the Shares and Shareholder Loans of each Exit Put Option Receiving Party, the relevant **“Third Party Exit Sale Interests”**) in each case, on the same terms and conditions as set forth in the rejected most favourable offer made by the relevant Buyer during the Third Party Sale Process, in accordance with Clause 10.3(e).
- (e) The Exit Put Option shall be exercised by any Consenting Shareholder(s) by serving a written notice (**“Exit Put Option Notice”**) to each Dissenting Shareholder within 10 Business Days of the dissenting vote by the Dissenting Shareholder referred to in Clause 10.3(c)(iii) and:

- (i) if no Consenting Shareholder elects to exercise the Exit Put Option, then this Clause 10.3(e)(i) applies. In that case, the Project will continue to be held by the Group for another 12 months from the expiry of the 10-Business Day period. The Shareholders and ESR Manager (as investment manager) may restart the Buy-Sell Exit Procedures from the Strategic Asset Review Process at any time after the expiry of such 12-month period; or
 - (ii) if one or more Consenting Shareholders elect(s) to exercise the Exit Put Option, upon receiving the Exit Put Option Notice, the Exit Put Option Receiving Party(ies) (and, if there are more than one Exit Put Option Receiving Parties, on a pro rata basis in proportion to their respective Relevant Proportions) shall purchase the relevant Third Party Exit Sale Interests as set out in Clause 10.3(d)(i) or 10.3(d)(ii) from the relevant Consenting Shareholder(s) or Group Company (as the case may be) as soon as reasonably practicable but in any event within 6 months from the date of the Exit Put Option Notice.
- (f) Any third party sale under this Clause 10.3 or sale of Disposal of Third Party Exit Sale Interests pursuant to the Exit Put Option in this Clause 10.3 shall, unless unanimously approved by all Shareholders:
- (i) be a Disposal of the Project or the Third Party Exit Sale Interests (as the case may be) as a whole and at the same time, but not a partial Disposal thereof; and
 - (ii) be for cash consideration only but not any other form of consideration.

11. **DEFAULT**

11.1 **Events of Default**

The provisions of Clause 11.3 shall apply if any of the following events (“**Events of Default**”) shall occur with respect to any Shareholder (“**Defaulting Shareholder**”):

- (a) the Shareholder commits any material breach of or omits to observe any of its undertakings or obligations under this Agreement (other than any breach or omission in respect of Clause 9.4) and, if any such breach or omission (other than any breach or omission in respect of Clause 2.4) is capable of remedy, the same shall not have been fully remedied within 30 days of the Shareholder being notified of such breach or omission;
- (b) in the case of ESR or CCG2, it commits any breach of or omits to observe any of its undertakings or obligations under Clause 9.4(d), and the same shall not have been fully remedied within 30 days of it being notified of such breach or omission (in which case, for the purpose of this Clause 11, the Non-Defaulting Shareholder may only be ESR or CCG2 (as the case may be) but not any other Shareholder(s));
- (c) the Shareholder is a Non-Funding Shareholder and fails to advance the relevant amount of Shareholder Loan(s) to repay the Default Loan advanced by a Complying Shareholder in accordance with Clause 4.2(b)(iii);
- (d) a creditor attaches, arrests, seizes or takes possession of, or a distress, execution, sequestration or other process is levied, executed or enforced upon or sued out against, the whole or any substantial part of the business, undertaking, properties, assets, rights or revenues of the Shareholder and such attachment, arrest, seizure, possession,

distress, execution, sequestration or process is not contested on valid grounds, released, lifted, discharged or discontinued within 30 days;

- (e) the Shareholder stops or suspends payment of its just and uncontested debts or is unable or admits inability to pay its debts as they fall due and the same has not been fully remedied within 30 days after the due date or begins negotiations with one or more of its creditors with a view to a general or partial reconstruction, readjustment or rescheduling of all or substantial part of its debts or proposes or enters into any compromise, composition or other arrangement for the benefit of its creditors generally or any class of its creditors or any proceedings are commenced in relation to the Shareholder under any law, enactment, regulation or procedure relating to reconstruction, readjustment or rescheduling of debts;
- (f) (i) the Shareholder is adjudicated or found insolvent, or (ii) an order is made by the court for the winding-up, liquidation or dissolution of the Shareholder, or (iii) a liquidator, trustee, receiver, receiver manager, administrator, administrative receiver or similar officer is appointed in respect of the Shareholder or of the whole or any substantial part of the Shareholder's business, undertaking, properties, assets, rights or revenues;
- (g) the Shareholder Disposes of or proposes or threatens to Dispose of any of its Shares and/or Shareholder Loan otherwise than pursuant to the terms of this Agreement;
- (h) the Shareholder attempts to assign any of its rights under this Agreement save as permitted hereunder;
- (i) a Change in Control has occurred with respect to such Shareholder;
- (j) if such Shareholder is ESR, a Key Man Event has occurred and is not cured in accordance with Clause 11.8; or
- (k) such other events as agreed by the Parties in writing as Event of Default.

11.2 **Default Notice**

If an Event of Default in respect of any Shareholder has occurred or is reasonably expected to occur, that Shareholder shall immediately notify the Company. The Company shall give written notice ("**Default Notice**") to the Shareholders (including the Shareholder to which the Event of Default relates) of the occurrence, or prospective occurrence, of an Event of Default within 10 Business Days following: (a) the date on which the Company is notified thereof; or (b) subject to Clause 11.6, the Company by Board resolution and acting bona fide determines that such Event of Default has occurred or is reasonably expected to occur.

11.3 **Consequence of Event of Default**

- (a) The Defaulting Shareholder shall be deemed to have irrevocably offered to sell its Shares and Shareholder Loan(s) (collectively "**Default Interests**") to all Non-Defaulting Shareholder(s) (without prejudice to each Non-Defaulting Shareholder's other rights and remedies) on the day immediately preceding the date upon which such Event of Default occurred, at a price ("**Default Price**") equivalent to:
 - (i) 80% (if ESR and CCG (and their respective Permitted Transferees) are the only Shareholders); or

- (ii) 92.5% (if ESR and CCG (and their respective Permitted Transferees) are not the only Shareholders),

of the Defaulting Shareholder's Relevant Proportion of the fair market value of the Group as at such date to be certified on the basis set out in Clause 11.4.

- (b) By a written notice to the Company within 5 Business Days after receipt of a Default Notice, subject to Clause 11.3(c), each Non-Defaulting Shareholder may elect to purchase all (but not some only) of the Default Interests at the Default Price. Such election may be conditional only upon:
 - (i) any requirements under the Listing Rules to which the relevant Non-Defaulting Shareholder or any company which directly or indirectly Controls that Non-Defaulting Shareholder is subject; and
 - (ii) the fair market value certified in accordance with Clause 11.4 being acceptable to the Non-Defaulting Shareholder(s).
- (c) If more than one Non-Defaulting Shareholders elect to purchase the Default Interests in accordance with Clause 11.3(b), such Non-Defaulting Shareholders shall be entitled to purchase from the Defaulting Shareholder on a pro rata basis in proportion to their respective Relevant Proportions.
- (d) The right of each Non-Defaulting Shareholder under this Clause 11 shall be in addition and without prejudice to any of its other rights or remedies under this Agreement or at law against the Defaulting Shareholder in respect of such default.

11.4 Certification of Fair Market Value

- (a) In the event that:
 - (i) if ESR intends to Dispose of any part of its Shares and Shareholder Loans in accordance with Clause 9.1(b)(ii);
 - (ii) if the Selling Shareholder proposes to sell and assign such Sale Interests to a Buyer in accordance with Clause 9.2(e) or 9.2(f)(ii)(B)(3);
 - (iii) any Shareholder issues a Strategic Asset Review Notice pursuant to Clause 10.1;
 - (iv) any Non-Defaulting Shareholder elects to purchase the Default Interests in accordance with Clause 11.3; and
 - (v) the fair market value of the Group needs to be determined under the terms of any Ancillary Agreement,

the Company shall promptly thereafter:

- (A) instruct 2 Valuers jointly designated by the Shareholders to assess the market value of the Property, and the **"Property Value"** shall be an amount equal to the higher of the market value of the Lot (including the Development and any construction works thereon (to the extent carried out)) as at the date of valuation as appraised by the 2 relevant Valuers instructed by the Company in accordance with this Clause 11.4(a); and

- (B) instruct the Auditors to certify in writing the sum which, in their opinion after taking into account the Property Value, is the fair market value of the Group,

within 20 Business Days (or such longer period as the Shareholders may agree) following the request to the relevant Valuers and Auditors for valuation, provided always that the fair market value of any Shareholder Loan shall in no event exceed the outstanding principal amount of such Shareholder Loan and, if the Auditors shall certify that the fair market value of the Group is nil, then the total fair market value of the Group shall be deemed to be US\$1.00. Each of the relevant Valuers and Auditors shall act as expert and not as arbitrator and their certification shall, in the absence of fraud or manifest error, be final, conclusive and binding on the Parties. The fees of such relevant Valuers and Auditors for the purpose of this Clause 11.4(a) shall be borne by the Defaulting Shareholder (if Clause 11.4(a)(iv) applies) or the Company (in any other case) (as the case may be).

- (b) For the purpose of Clause 11.3, each Non-Defaulting Shareholder electing to purchase the Default Interests may, within 5 Business Days after receiving a copy of such Auditors' certificate from the Company, elect to revoke the written notice given by the relevant Non-Defaulting Shareholder pursuant to Clause 11.3(b), failing which the relevant Non-Defaulting Shareholder shall, subject to any applicable requirements under the Listing Rules (in relation to which the relevant Shareholder which is directly or indirectly controlled by a company listed on The Stock Exchange of Hong Kong Limited shall use all reasonable endeavours to procure the satisfaction, while the other Shareholder shall use its reasonable endeavour to facilitate that relevant Shareholder at that relevant Shareholder's cost (to the extent reasonable)), be deemed to have waived its right of revocation and shall be bound to proceed with the purchase of such Default Interests (or the relevant proportion thereof) at the Default Price in accordance with Clause 11.5.

11.5 Completion

The closing of any sale and purchase under this Clause 11 shall be held at the principal office of the Project Company or any other place in Hong Kong as agreed between the Defaulting Shareholder(s) and the Non-Defaulting Shareholder(s) at 11:00 a.m. local time on the day which is 10 Business Days after the date on which the Auditors have notified the Company in writing of their certified fair market value of the Default Interests, or at such other time and place as the parties to the transaction may agree upon. At such closing, the Defaulting Shareholder shall:

- (a) upon receipt of the Default Price by bankers draft or wire transfer, deliver to the Non-Defaulting Shareholder(s) the share certificates of the relevant Shares, a duly executed instrument of transfer of such Shares and a duly executed assignment of such Shareholder Loans;
- (b) be deemed to represent and warrant to the Non-Defaulting Shareholder(s) that the Default Interests are free and clear of any Encumbrance and that it is the legal and beneficial owner of the Default Interests and otherwise has full authority to sell, transfer and assign such Default Interests as provided herein.

11.6 Suspension of Management Rights

During the period:

- (a) from the date on which the relevant Non-Funding Shareholder fails to advance a Shareholder Loan on the relevant due date in accordance with any Capital Call Notice

under Clause 4.2(a), until such time as all related Default Loan(s) have been repaid and all accrued Default Fee in respect of the same has been paid in accordance with Clause 4.2(b)(iii) or such earlier time as all Complying Shareholder(s) may otherwise determine; or

- (b) from the occurrence of an Event of Default, until such time as the Non-Defaulting Shareholder(s) may determine,

notwithstanding Clauses 5, 6, 7.2 and 8.6:

- (i) the Non-Funding Shareholder or the Defaulting Shareholder (as the case may be) shall not be entitled to vote at, or be required to constitute the quorum of, any general meeting of the Company;
- (ii) the director(s) of any Group Company nominated by the Non-Funding Shareholder or the Defaulting Shareholder (as the case may be) shall not be entitled to vote at, or be required to constitute the quorum of, any meeting of the board of directors of the relevant Group Company;
- (iii) the member(s) of the Management Committee nominated by the Non-Funding Shareholder or the Defaulting Shareholder (as the case may be) shall not be entitled to vote at, or be required to constitute the quorum of, any meeting of the Management Committee;
- (iv) where applicable, the signature of the authorised signatory(ies) of the Non-Funding Shareholder or the Defaulting Shareholder (as the case may be) shall not be required for any payment or withdrawal from any bank account of any Group Company;
- (v) in respect of any Reserved Matter, the agreement of the Non-Funding Shareholder or the Defaulting Shareholder (as the case may be) or any director of any Group Company nominated by it (which would otherwise be required under Clause 7.2) shall not be required; and
- (vi) the Non-Funding Shareholder or the Defaulting Shareholder (as the case may be) shall not have any right to participate in the management of any Group Company.

11.7 **Power of Attorney**

Each Shareholder, by way of security for the performance of its obligations under Clauses 4.2(b), 9, 10 and 11, hereby irrevocably appoints each of the other Shareholders and the Company individually to be its attorney, with full power of substitution, and in the name and on behalf and as the act or deed of first-mentioned the Shareholder or otherwise, without any reference to or consent from the first-mentioned Shareholder, to sign, seal, deliver, execute, perfect and do all deeds, instruments, documents, acts and things as may be required to fully carry out the effect of Clauses 4.2(b), 9, 10 and 11. The Shareholders hereby ratify and confirm and agree to ratify and confirm any deed, instrument, document, act and thing which such attorney may have lawfully executed or done.

11.8 **Cure of Key Man Event**

- (a) Upon the occurrence of a Key Man Event, ESR shall as soon as reasonably practicable notify the other Shareholder(s) in writing and shall find or procure ESR Group to find a replacement of Mr. Shen Jinchu or a previously-approved Approved Replacement (as the case may be) selected by ESR at its reasonable discretion and approved by the other Shareholder(s) (an **“Approved Replacement”**) within 180 days following the

occurrence of the relevant Key Man Event, provided that the other Shareholders shall not unreasonably withhold such approval if the relevant candidate for such Approved Replacement satisfies the following criteria:

- (i) such candidate possesses at least 10 years of experience in commercial real estate including relevant experience or exposure to the industrial logistics real estate sub-asset class; and
 - (ii) such candidate has been in a senior management position (being managing director or above) with ESR Group (or any one of the ESR Competitors) for at least 5 years and is, or will, upon the replacement, become, an employee of ESR Group.
- (b) For the avoidance of doubt, if the circumstances giving rise to a Key Man Event cease within 180 days following the occurrence of the relevant Key Man Event, such Key Man Event shall be deemed as cured and no replacement in accordance with Clause 11.8(a) shall be required anymore.

12. **DISTRIBUTION**

Subject to Applicable Laws, the loan and security documents relating to subsisting external borrowings, contractual obligations (if any) binding on any Group Company and the retention of a reasonable amount determined from time to time by the board of directors of each Group Company for meeting the payment obligations of the Group, having regard to the profitability of the relevant Group Company, and the need to maintain and build up the reserves of the relevant Group Company to an appropriate level in a prudent manner (for capital expenditure, future working capital and provision for tax) in accordance with normal management practices, the Parties agree that surplus cash of the Group Companies (collectively “**Surplus Cash**”) shall, subject to Clause 4.2(b)(iii), be distributed to the Shareholders as soon as practicable in the following manner and in the following order of priority:

- (a) repayment of the Shareholder Loans advanced by CCG if the same becomes payable pursuant to Clause 4.1(g)(iii);
- (b) repayment of the outstanding principal of the Default Loans;
- (c) repayment of the outstanding principal of the Shareholder Loans (other than the Default Loans);
- (d) payment of dividends to each Shareholder in its Relevant Proportion;
- (e) Surplus Cash not distributable as dividends at the relevant time shall be advanced to the Shareholders in the Relevant Proportions by way of interest free loans, which shall be set-off against future dividends declared by the Company (and, for the avoidance of doubt, no demand for repayment or set-off of such interest free loans may be made by the Company without the approval of the Shareholders); and
- (f) (upon dissolution) return of share capital to the Shareholders,

provided that, if any Performance Fee (as defined in the IMA) is payable under article 3.2 of the IMA, any distribution in accordance with this Clause 12 to each relevant Shareholder shall be net of the amount of such Performance Fee which is attributable to such Shareholder. Each Party shall take all necessary steps to give effect to the provisions of this Clause 12.

13. **CONFIDENTIALITY AND ANNOUNCEMENTS**

- (a) The Parties shall (and shall procure that their respective officers, employees, advisers and Affiliates shall), during the term of this Agreement, maintain the secrecy and confidentiality of, and not disclose to any third party or use for its own purpose, the Confidential Information. Each Party may disclose any information relating to this Agreement and the Confidential Information to its investors, bankers, legal advisers, accountants and other professional advisers and to any bona fide prospective purchasers of its Shares or Shareholder Loans for the purpose of such prospective purchaser's consideration of its acquisition of the same, but such party shall procure that such persons comply with the foregoing undertaking of confidentiality. A Party receiving Confidential Information may only use the information in relation to its involvement with the Company. Such undertaking shall not be applicable to information that has already been disclosed for other reasons or to the extent that it is or comes into the public domain, nor shall it prevent any party from disclosing information as required by law or by any exchange or by any regulatory authority if the form of the announcement has been provided to other Parties in advance.
- (b) None of the Parties shall make or release to any person any announcement concerning this Agreement or the transactions contemplated by this Agreement without the prior consent in writing (such consent not to be unreasonably withheld or delayed) of the other Parties to this Agreement as to the contents thereof and the place, manner and timing of its presentation and publication, provided that nothing shall restrict the making by any Party (even in the absence of agreement by the other parties) of any announcement which may be required by law or Listing Rules or by any stock exchange or by any regulatory authority.
- (c) The obligations of each Party under Clauses 13(a) and 13(b) shall survive the termination of this Agreement or the termination and dissolution or liquidation of the Company and shall continue to exist for a period of one year from the date of such termination, dissolution or liquidation, whichever is earlier.

14. **WARRANTIES AND UNDERTAKINGS**

14.1 **Parties**

Each of the Parties warrants to the others that:

- (a) such Party has the power, legal capacity and authority to enter into and perform the obligations of such Party under this Agreement;
- (b) any consents which are required to enable such Party to enter into this Agreement have been obtained; and
- (c) the execution and performance of this Agreement have been validly authorised by all necessary action and this Agreement is and will remain valid, binding and enforceable against such Party.

14.2 **Further Warranties**

Each Party hereby further warrants to the others, as at each of the date of this Agreement and each due date of a Capital Call Notice, as follows:

- (a) it is duly incorporated, validly existing and (where applicable) in good standing under the laws of the place of its organization and it has the requisite power and authority to conduct its business in accordance with its business license, certificate of incorporation, articles of association, or similar organizational documents;
- (b) unless otherwise provided herein or agreed by the Parties, it has all requisite power, authority, approval and third-party consent required to enter into this Agreement and each other Transaction Document and has all requisite power, authority, approval and third-party consent to fully perform each of its obligations hereunder and under each other Transaction Document;
- (c) it has taken all necessary internal corporate actions to authorize it to enter into this Agreement and each other Transaction Document, and its representative whose signature is affixed hereto is given full authority to sign this Agreement and each other Transaction Document, if applicable.
- (d) neither the execution of this Agreement, nor the performance of its obligations hereunder, will conflict with, or result in a breach of, any provision of its memorandum and articles of association or equivalent organizational document, or any law, rule, regulation, authorization, or approval from any Government or other competent authorities, or of any contract or agreement to which it is a party or is subject.
- (e) it (i) is and has been solvent, and (ii) is free from pending bankruptcy, insolvency-related corporate reorganization proceedings, liquidation or any other insolvency or bankruptcy action or event.

14.3 Warranties on Group Companies

ESR warrants to CCG that, as at the date of this Agreement, the statements set out in Schedule 9 are true and accurate in all respects and not misleading in any respect.

14.4 Anti-Money Laundering, Anti-Bribery and Sanctions

- (a) Each Shareholder warrants to the other Parties, on each day throughout the term of this Agreement, that:
 - (i) the source of funds to be used by it to satisfy each Capital Call and any other amount payable by it hereunder has been and will be at all times in compliance with any applicable AML Laws, and that, insofar as it is aware, no proceeding by or before any Government or competent authority involving it with respect to any applicable AML Laws is pending or threatened;
 - (ii) insofar as it is aware, neither itself nor any of its nominated director(s) of any Group Company:
 - (A) has been investigated or is being investigated or is subject to any pending, or threatened investigation in relation to any material violation of any applicable Anti-Bribery Laws, by any law enforcement, regulatory or other governmental agency, and there are no circumstances which are likely to give rise to any such investigation;
 - (B) has admitted to, or been found by a court in any jurisdiction to have engaged in any material violation of any applicable Anti-Bribery Laws; or

- (C) is currently the subject of any applicable Sanctions Laws, or organised or resident in a country or territory that (i) is outside Hong Kong and the rest of the PRC and (ii) is the subject of any applicable Sanctions Laws.
- (b) The Company shall procure that each Group Company which is under the management of ESR Manager shall take commercially reasonable steps to adopt and implement the ESR FCC Policies, and shall take all commercially reasonable steps to procure that each such Group Company complies in all material respects with such policies and procedures in the ESR FCC Policies as mandatorily required by the applicable Anti-Bribery Laws, Sanctions Laws or AML Laws. The Shareholders shall exercise their powers as Shareholders to give effect to this Clause 14.4(b).
- (c) The Company shall procure that each Group Company which is not under the management of ESR Manager shall take commercially reasonable steps to adopt and implement the reasonable and appropriate policies in respect of compliance and conformity with Anti-Bribery Laws, Sanctions Laws and AML Laws and shall take all commercially reasonable steps to procure that each such Group Company conducts its business in conformity with Anti-Bribery Laws, Sanctions Laws and AML Laws in all material aspects. The Shareholders shall exercise their powers as Shareholders to give effect to this Clause 14.4(c).

14.5 **Information Undertakings**

Each Party shall promptly (and in any event before the applicable due date of each Capital Call Notice) give notice in writing to the other Parties of any matter or circumstance:

- (a) which becomes known to it after the date of this Agreement and before such due date of the relevant Capital Call Notice; or
- (b) arising after the date of this Agreement and before such due date of the relevant Capital Call Notice,

which results or is likely to result in any of its warranties given in Clauses 14.2, 14.4 and/or 14.5 being untrue, inaccurate or misleading as at the date of this Agreement or at any time after the date of this Agreement before the termination of this Agreement.

14.6 **On-going Compliance**

- (a) Each of the Parties undertakes with the others:
 - (i) to perform and observe its obligations under this Agreement; and
 - (ii) to take all necessary steps to give effect to the provisions of this Agreement.
- (b) Each Shareholder undertakes with the other Parties that it will procure that any person representing that Shareholder at a general meeting of the Company and each Director nominated by the Shareholder shall act in accordance with and give effect to the provisions of this Agreement.
- (c) Save as the Shareholders may otherwise agree, the Company shall, and shall procure that all members of the Group shall, take all reasonable steps to enforce all their rights under all agreements to which they are parties.

15. DURATION AND TERMINATION

15.1 Duration

The term of this Agreement shall extend until terminated by mutual agreement of the Company and the Shareholders or in accordance with the remainder of this Clause 15.

15.2 Termination

- (a) This Agreement shall terminate: (i) if all of the Shares of the Company are sold and transferred to one Shareholder or a third party; or (ii) upon the liquidation or the making of an order for the winding-up of the Company (other than for the purpose of reconstruction or amalgamation).
- (b) Termination of this Agreement howsoever occurring shall be without prejudice to the rights, obligations and liabilities of any Party accrued prior to the termination and such of the Clauses of this Agreement as are expressed or designed to have effect after termination shall continue to be enforceable notwithstanding termination of this Agreement.

16. NOTICES

16.1 In Writing and Methods of Delivery

Every notice or communication under this Agreement must be in writing and may, without prejudice to any other form of delivery, be delivered personally or sent by post or transmitted by fax or by e-mail.

16.2 Authorised Addresses and Numbers

- (a) In the case of posting, the envelope containing the notice or communication must be addressed to the intended recipient at the authorised address of that Party and must be properly stamped or have the proper postage prepaid for delivery by the most expeditious service available (which will be airmail if that service is available); in the case of a fax, the transmission must be sent to the intended recipient at the authorised number of that Party, and in the case of e-mail, the transmission must be sent to the intended recipient at the authorised e-mail address.
- (b) Subject to Clause 16.3, the authorised address, fax number and e-mail address(es) of each Party, for the purpose of Clause 16, are as follows:

CCG

Address: 35-38/F., Tower Two, Nina Tower, No.8 Yeung Uk Road,
Tsuen Wan, New Territories, Hong Kong

Fax: +852 2312 1072

E-mail: samlee@chinachemgroup.com and
janicechow@chinachemgroup.com

For the attention of: Mr. Sam Lee

ESR

Address: Suites 2905-06, Two Exchange Square, No.8 Connaught Place, Central, Hong Kong

Fax: +852 2376 9699

E-Mail: rh.chang@esr.com

For the attention of: Ms. Rui Hua Chang

Company

Address: 35-38/F., Tower Two, Nina Tower, No.8 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong

Fax: +852 2312 1072

E-mail: samlee@chinachemgroup.com and
janicechow@chinachemgroup.com

For the attention of: Mr. Sam Lee

and

Address: Suites 2905-06, Two Exchange Square, No.8 Connaught Place, Central, Hong Kong

Fax: +852 2376 9699

E-Mail: rh.chang@esr.com

For the attention of: Ms. Rui Hua Chang

- (c) Subject to Clause 16.3, the authorised e-mail address of each director of each Group Company as at the date of this Agreement, for the purpose of serving notices of meetings of the relevant board of directors in Clause 5.5(a), is as follows:

Name of Director	Email Address
Mr. <u>Choi</u> Wun Hing Donald	donaldchoi@chinachemgroup.com
Mr. <u>Chan</u> Kam Por	kpchan@chinachemgroup.com
Mr. Jinchu <u>Shen</u>	jshen@esr.com
Ms. Rui Hua <u>Chang</u>	rh.chang@esr.com

16.3 Notification of Changes

No change in any of the particulars set out in Clauses 16.2(b) and 16.2(c) will be effective against a Party until it has been notified to that Party.

16.4 **Deemed Giving of Notice and Receipt**

A notice or communication will be deemed to have been duly given and received:

- (a) on personal delivery to any director or the secretary of an addressee or on a business day to a place for the receipt of letters at that addressee's authorised address;
- (b) in the case of posting, where the addressee's authorised address is in the same country as the country of posting, at 10:00 a.m. (local time at the place where the address is located) on the second business day after the day of posting;
- (c) in the case of posting, where the addressee's authorised address is not in the same country as the country of posting, at 10:00 a.m. (local time at the place where that address is located) on the fifth business day after the day of posting;
- (d) in the case of a fax, on issue to the sender of an O.K. result confirmation report or, if the day of issue is not a business day, at 10:00 a.m. (local time where the authorised fax number of the intended recipient is located) on the next business day; and
- (e) in the case of an e-mail, four hours after the e-mail is sent or, if the date of sending the e-mail is not a business day, at 10:00 a.m. (local time where the intended recipient is habitually located) on the next business day.

16.5 **Business Days**

For the purpose of Clause 16.4, a “**business day**” means a day which is not a Saturday or a Sunday or a public holiday in the country of posting or transmission or in the country where the authorised address or fax number of the intended recipient is located (or, in the case of e-mail, where the intended recipient is habitually located) and, where a notice is posted, which is not a day when there is a disruption of postal services in either country which prevents collection or delivery.

17. **ENTIRE AGREEMENT**

This Agreement contains the entire agreement between the Parties as to its subject matter and supersedes any previous agreement(s) between the Parties relating to the subject matter of the Agreement.

18. **REMEDIES CUMULATIVE**

The rights of the Parties under this Agreement are cumulative and do not exclude or restrict any other rights (except as otherwise provided in the Agreement).

19. **NO WAIVER**

No failure or delay by a Party to exercise any right under this Agreement or otherwise shall operate as a waiver of that right or any other right nor shall any single or partial exercise of any such right preclude any other or further exercise of that right or the exercise of any other right.

20. **SEVERANCE**

If any provision of this Agreement is not or ceases to be legal, valid, binding and enforceable under the law of any jurisdiction, neither the legality, validity, binding effect or enforceability of the remaining provisions under that law nor the legality, validity, binding effect or enforceability of that provision under the law of any other jurisdiction shall be affected.

21. **AMENDMENTS**

No amendment to this Agreement shall be effective unless in writing and executed by all the Parties.

22. **AGREEMENT TO PREVAIL**

- (a) If any provisions of the Articles conflict with any provisions of this Agreement, the provisions of this Agreement, as between the Shareholders, shall prevail. The Shareholders shall procure that the necessary amendments are made to the Articles as soon as practicable to reflect the terms of this Agreement.
- (b) Despite anything in this Agreement which may be capable of being construed to the contrary, the Company is a party to this Agreement solely to confirm that it is aware of and will (to the extent it can do so) comply with and observe the terms of this Agreement.

23. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts and by different Parties on separate counterparts, each of which is an original but, together, they constitute one and the same agreement.

24. **SUCCESSORS**

This Agreement is binding on the successors of each Party.

25. **ASSIGNMENT**

No Party may assign or transfer any of the rights or obligations of that Party under this Agreement except pursuant to Clause 9.6, provided that the Company shall have the right to assign by way of security all or part of its rights and benefits under this Agreement in favour of any licensed banks or licensed financial institutions for the purposes of obtaining external borrowings for the Project.

26. **EXPENSES**

Each Party shall be responsible for its own legal and other expenses incurred in the negotiation, preparation and completion of this Agreement and any other relevant documents except that the Company shall bear such expenses incurred by each Shareholder in the amounts agreed between the Shareholders.

27. **RIGHTS OF THIRD PARTIES**

Save that each Finance Party (as defined in the Bridge Facilities Agreement or in the agreement for any other External Financing) shall have the benefit of and may enforce Clause 4.1(g)(v) (to the extent any provision in that Clause expressly confers any benefit to that Finance Party), the Parties do not intend any term of this Agreement to be enforceable pursuant to the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong).

28. LAW AND ARBITRATION

28.1 Hong Kong Law

This Agreement is governed by and shall be construed in accordance with Hong Kong law.

28.2 Hong Kong Arbitration

Any dispute, controversy, difference or claim arising out of or relating to this Agreement, 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 HKIAC under the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted. The law of this Clause 28.2 shall be Hong Kong law. The seat of arbitration shall be Hong Kong. The number of arbitrators shall be 3. The arbitration proceedings shall be conducted in English.

29. PROCESS AGENTS

The service of any process connected with Hong Kong arbitration and relating to this Agreement will be deemed to have been validly served on a Party if they are served on the process agent whose name and present address are set out below against the name of that Party and service will be deemed to have been acknowledged by that Party if it is acknowledged by that process agent:

Parties	Process Agent
ESR	ESR Group Limited of Suites 2905-06, Two Exchange Square, No.8 Connaught Place, Central, Hong Kong Attention: Ms. Rui Hua <u>Chang</u> / Mr. Richard <u>Lee</u>
CCG1	Chinachem Agencies Limited of 35-38/F., Tower Two, Nina Tower, No.8 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong Attention: Mr. Sam <u>Lee</u>
Company	Chinachem Agencies Limited of 35-38/F., Tower Two, Nina Tower, No.8 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong Attention: Mr. Sam Lee <u>and</u> ESR Group Limited of Suites 2905-06, Two Exchange Square, No.8 Connaught Place, Central, Hong Kong Attention: Ms. Rui Hua <u>Chang</u> / Mr. Richard <u>Lee</u>

SCHEDULE 1
DETAILS OF COMPANY

- | | | | |
|----|--------------------------------|---|---|
| 1. | Name of Company | : | Victory Lane Development Limited |
| 2. | Place of Incorporation | : | British Virgin Islands |
| 3. | Date of Incorporation | : | 15 February 2022 |
| 4. | Issued Share Capital | : | US\$1.00 comprising 1 share |
| 5. | Maximum Number of Shares | : | 50,000 shares of a single class each with no par value |
| 6. | Registered Office | : | Ritter House, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands |
| 7. | Shareholders and Shareholdings | : | <p>Before subscription and allotment in accordance with Clause 2.3:</p> <ul style="list-style-type: none"> • ESR – 1 Share <p>After subscription and allotment in accordance with Clause 2.3:</p> <ul style="list-style-type: none"> • ESR – 510 Share • CCG1 – 300 Shares • CCG2 – 190 Shares |
| 8. | Directors | : | <p>Before appointment and resignation in accordance with Clause 2.2:</p> <ul style="list-style-type: none"> • Stuart Gibson • Jinchu Shen • Wee Peng Cho • Rui Hua Chang • Kin Sing Richard Lee <p>After appointment and resignation in accordance with Clause 2.2:</p> <ul style="list-style-type: none"> • Choi Wun Hing Donald • Chan Kam Por • Jinchu Shen • Rui Hua Chang |
| 9. | BVI Company Number | : | 2091599 |

SCHEDULE 2 RESERVED MATTERS

Part 1

1. Company Organisation

- (a) any amendments to the articles of association or other major organisational documents;
- (b) any change to the nature or scope of the Business;
- (c) any issue of shares or other equity securities or securities convertible or exchangeable into shares, or any consolidation, sub-division, conversion cancellation, or change to the authorised or issued share capital or other equity securities, share redemption or repurchase or any other forms of reorganization of shareholding structure, except for those pursuant to the Transaction Documents;
- (d) listing or trading of its shares or other securities on any stock exchange;
- (e) consolidation, amalgamation, merger of any Group Company with a third party;
- (f) entry into any joint venture or partnership by any Group Company with any other party (except for those pursuant to the Transaction Documents);
- (g) winding up, termination, liquidation or bankruptcy, the making of any arrangement with creditors of any Group Company generally or any application for the appointment of a receiver or administrator, or the repayment of capital or assets to the Shareholders;
- (h) any change to the rights attaching to any class of shares in any Group Company; and
- (i) exercising any discretion, power or authority or the giving of consent in connection with the disposal of shares (including by way of granting options or similar rights) in any Group Company;

2. Investment, Acquisition and Disposal

- (a) amendment, change, supplement to or termination of any Transaction Document;
- (b) entering into any Transaction Document (other than the IMA);
- (c) any sale or disposal of the Project or any part(s) thereof, including any sale pursuant to such Third Party Sale Process; and
- (d) any contract or transaction between a Group Company, on the one hand, and (i) any Shareholder, (ii) any director or Affiliate of any Shareholder or (iii) any ESR Party, on the other hand;

3. Financing, Guarantee and Security

- (a) providing guarantee to any third party, creation or issue of any third party interest or encumbrance over the interest or assets of any Group Company in favour of a third party;
- (b) obtaining any external borrowings; and
- (c) raising of any other indebtedness from third parties;

4. Business Plan and Budget

- (a) any master program, master layout plan, total development and construction budget for the Project, any Business Plan or any Budget or any amendment to an approved Budget or Business Plan;
- (b) any expenditure, investment or overrun that exceeds 1% of the approved Gross Development Cost or 5% of the approved Operating Expenses as set forth in the approved Budget and Business Plan;
- (c) any development, construction and operation activities which will directly result in any deviation from the specifications specified in the approved Budget; and
- (d) agreeing to the amount of the Additional Premium (whether initially offered by the Government, negotiated, appealed, finally determined or otherwise);

5. **Asset Management and Operation Matters**
designation, removal or replacement of the general contractor of the Project outside the panel list for the contractors to be set forth in the Transaction Documents;
6. **Dividend and Distribution**
any declaration or payment of any dividend or distribution other than in accordance with the IMA;
7. **Litigation**
commencement, defence or settlement of any litigation, arbitration, claim or other legal proceedings with amount in dispute in a single claim in excess of US\$10,000,000, but excluding any litigation, arbitration, claim or other legal proceedings initiated by any Group Company against any tenant, lessee or licensee of the Development (or vice versa) in relation to any tenancy, lease or licence of the Development (which shall be determined by the asset manager under the AMA);

Part 2

1. Investment, Acquisition and Disposal

- (a) establishment of a new subsidiary, acquisition of any share or equity interests or other securities of any company or business entity (excluding any subsidiary established or acquired for the purpose of acquiring or holding the Project);
- (b) entering into any transaction by any Group Company (whether with a connected person or not) which is not on arm's-length basis; and
- (c) entering into any transaction by any Group Company with any connected person(s) of any Shareholder (whether it is on an arm's-length basis or not). For this purpose, "connected person" shall have the same meaning as is defined in the Listing Rules;

2. Financing, Guarantee and Security

- (a) providing financings to any third party other than to any Group Company;
- (b) the making of any Capital Call save as under Clause 4.1(f)(i); and
- (c) the borrowing or repayment of any Shareholder Loan, except the borrowing or repayment of Default Loan(s) in accordance with Clause 4.2;

3. Asset Management and Operation Matters

- (a) any lease modification of the Lot, and any payment of additional land premium, if any;
- (b) approving the appointment of any authorized person, structural engineer, E&M engineer, quantity surveyor, impact assessment expert (including environmental, traffic and pollution expert), land consultant, valuation expert, architect, façade designer and landscape designer, and any termination of any such persons; and
- (c) the award of any principal or main contract, or nominated sub-contract or nominated supply contract (or a series of contracts of a related nature) and superstructure of the Project with a contract sum payable by any Group Company in excess of HK\$10,000,000 (or such other amount as may be agreed in accordance with Clause 7.2(b));

4. Accounting and Audit

- (a) any change in any Group Company's accounting policies and accounting standards (other than any change as required pursuant to Applicable Laws);
- (b) approval of any audit report issued by the Auditors appointed by any Group Company; and
- (c) designation, removal or replacement of the Auditors;

5. Litigation

- (a) entering into or varying or waiving any relief in respect of any breach or discharge any liability or debts (other than bad debts and in accordance with applicable accounting principles) or assignment of any debts, the amount of which exceeds HK\$500,000 for the Group Companies as a whole with respect to the Project for each financial year; and
- (b) the commencement, defence or settlement of any legal proceedings, claims or disputes between any Group Company on the one hand and any Shareholder or any of its Affiliates and Permitted Transferees on the other hand.

SCHEDULE 3 FORM OF DEED OF ADHERENCE

THIS DEED OF ADHERENCE is made on [●] by [●] of [●] (the “**Covenantor**”)

SUPPLEMENTAL to a Shares Subscription and Shareholders’ Agreement (“**Agreement**”) dated 15 August 2022 and made between Victory Door Limited, Brave Vision Ventures Limited, Sheen Peak Investment Limited 順平投資有限公司 and Victory Lane Development Limited (“**Company**”).

Background

The Covenantor has [purchased / been issued] [●] ordinary shares in the capital of the Company [from [●]].

The Covenantor covenants as follows:

The Covenantor confirms that it has been supplied with and has read a copy of the Agreement and covenants with each of the persons named in the Schedule to this Deed to observe, perform and be bound by all the terms of the Agreement which are capable of applying to the Covenantor [(including, in particular, clause 7.5(d) of the Agreement)] [**Drafting Note: Applicable where the Covenantor is an ESR Competitor.**] and which have not been performed at the date of this Deed to the intent and effect that the Covenantor shall be deemed with effect from the date on which the Covenantor (or its nominee) is registered as a shareholder of the Company to be a party to the Agreement (as if named as a party to the Agreement).

For the purpose of clause 16 of the Agreement, the authorised address, fax number and/or e-mail address(es) of the Covenantor are as follows:

[●]

For the purpose of clause 29 of the Agreement, the name and present address of the process agent of the Covenantor are as follows:

[●]

This Deed shall be governed by and construed in accordance with Hong Kong law and this Deed may be enforced in any court of competent jurisdiction.

EXECUTED as a DEED on the date written above.

[INSERT EXECUTION BLOCK – see execution page of this Agreement]

SCHEDULE

[list current parties to the Shareholders’ Agreement]

SCHEDULE 4
BUY-SELL EXIT PROCEDURES

1. (a) Within the Buy-Sell Offer Period or the Deadlock Buy-Sell Offer Period (as the case may be), any Shareholder may, at its sole discretion, either by itself or together with any other Shareholder(s) (each, a **“Buy-Sell Triggering Party”**), elect to invoke the buy-sell procedures by serving a written notice (the **“Buy-Sell Offer Notice”**) to the other Shareholder(s) (each, a **“Buy-Sell Receiving Party”**) offering the following options for each Buy-Sell Receiving Party to elect:
 - (i) the Buy-Sell Receiving Party to sell all (but not part only) of the Shares and Shareholder Loans held by the Buy-Sell Receiving Party to the Buy-Sell Triggering Party(ies) based on the Buy-Sell Offer Terms (as defined below) (**“Sell Option”**); or
 - (ii) the Buy-Sell Receiving Party to purchase all (but not part only) of the Shares and Shareholder Loans held by the Buy-Sell Triggering Party(ies) from the Buy-Sell Triggering Party(ies) based on the Buy-Sell Offer Terms (**“Purchase Option”**),in each case, the subject matter for sale is hereinafter referred to as the **“Buy-Sell Sale Interests”**, provided that, if any Buy-Sell Triggering Party(ies) has/have already duly served the Buy-Sell Offer Notice in accordance with this paragraph 1, the remaining Shareholder(s) shall thereafter cease to have the right to initiate these Buy-Sell Exit Procedures for the current Buy-Sell Offer Period, and any Buy-Sell Offer Notice delivered by such remaining Shareholder(s) (if any) subsequent to the delivery of the first Buy-Sell Offer Notice shall be deemed as invalid for the current Buy-Sell Offer Period.
- (b) The Buy-Sell Offer Notice shall set forth in reasonable detail the cash consideration and the other material terms and conditions (**“Buy-Sell Offer Terms”**) upon which the relevant Buy-Sell Triggering Party(ies) propose(s) to sell or purchase the Buy-Sell Sale Interests.
2. If no Buy-Sell Offer Notice is issued by any Shareholder pursuant to paragraph 1 within the Buy-Sell Offer Period or the Deadlock Buy-Sell Offer Period (as the case may be), then upon expiry of the relevant period, any Shareholder may serve a written notice to the ESR Manager (as investment manager) and the other Shareholder(s) (**“Third Party Sale Initiation Notice”**) to instruct the ESR Manager (as investment manager) to initiate a Third Party Sale Process in accordance with Clause 10.3, provided that if no such Third Party Sale Initiation Notice is served within 90 days after expiry of (as the case may be):
 - (a) the Buy-Sell Offer Period, the Project will continue to be held by the Group for another 6 months from expiry of such 90-day period, and any Shareholder(s) may restart the Buy-Sell Exit Procedures again from the Strategic Asset Review Process at any time after expiry of such 6-month period pursuant to Clause 10.1; or
 - (b) the Deadlock Buy-Sell Offer Period, the provisions of Clause 7.3(d) shall apply.
3. (a) Within 120 days (or such shorter period as may be unanimously agreed by all the Shareholders) following the date of receipt of the Buy-Sell Offer Notice by the Buy-Sell Receiving Party(ies) (**“Buy-Sell Election Period”**), each Buy-Sell Receiving Party shall serve a written notice (each a **“Buy-Sell Election Notice”**) to the Buy-Sell Triggering Party(ies) and the other Buy-Sell Receiving Party(ies) (if any) stating that such Buy-Sell Receiving Party elects the Sell Option or the Purchase Option (as the case may be).

- (b) If any Buy-Sell Receiving Party does not serve a Buy-Sell Election Notice by the expiry of the Buy-Sell Election Period pursuant to paragraph 3(a), then such Buy-Sell Receiving Party shall be deemed to have elected the Sell Option.
4. Notwithstanding anything to the contrary:
- (a) where there exist only one Buy-Sell Receiving Party:
 - (i) if the Buy-Sell Receiving Party elects the Sell Option, then its Buy-Sell Sale Interests shall be sold to the Buy-Sell Triggering Party(ies) (and, if there are more than one Buy-Sell Triggering Parties, on a pro rata basis in proportion to their respective Relevant Proportions) based on the Buy-Sell Offer Terms; or
 - (ii) if the Buy-Sell Receiving Party elects the Purchase Option, then it shall purchase such Buy-Sell Sale Interests based on the Buy-Sell Offer Terms; or
 - (b) where there exist two or more Buy-Sell Receiving Parties:
 - (i) if at least one Buy-Sell Receiving Party ("**Receiving Selling Party(ies)**") elects the Sell Option, but at least one other ("**Receiving Purchasing Party(ies)**") elects the Purchase Option:
 - (A) within 15 days after all Buy-Sell Receiving Parties made (or is deemed to have made) their election pursuant to paragraph 1 ("**Buy-Sell Reconsideration Period**"), each Receiving Purchasing Party shall have the right, by serving a written notice ("**Buy-Sell Reconsideration Notice**") to the Buy-Sell Triggering Party(ies), to (1) elect to become a Receiving Selling Party instead; or (2) re-iterate that it is a Receiving Purchasing Party;
 - (B) if any Receiving Purchasing Party does not issue a Buy-Sell Reconsideration Notice during the Buy-Sell Reconsideration Period, it shall be deemed to have elected to remain as a Receiving Purchasing Party; and
 - (C) a Buy-Sell Reconsideration Notice may not be revoked once served. To the extent that any Receiving Purchasing Party re-iterates to (or is deemed to have elected to) remain as a Receiving Purchasing Party, it shall be deemed that such Receiving Purchasing Party elects and agrees to purchase the Buy-Sell Sale Interests of the Buy-Sell Triggering Party(ies) and the Receiving Selling Party(ies), based on the Buy-Sell Offer Terms (and, if there are more than one Receiving Purchasing Parties, in their respective Relevant Proportions) or if each Receiving Purchasing Party elects to become a Receiving Selling Party by serving a Buy-Sell Reconsideration Notice, then the Buy-Sell Triggering Party(ies) shall purchase the Buy-Sell Sale Interests based on the Buy-Sell Offer Terms;
 - (ii) if all Buy-Sell Receiving Parties elect the Purchase Option, then such Buy-Sell Sale Interests shall be sold to the Buy-Sell Receiving Parties on a pro rata basis in proportion to their respective Relevant Proportions; or
 - (iii) if all Buy-Sell Receiving Parties elect the Sell Option, then the Buy-Sell Triggering Party(ies) shall purchase the Buy-Sell Sale Interests based on the Buy-Sell Offer Terms (and, if there are more than one Buy-Sell Triggering Parties, on a pro rata basis in proportion to their respective Relevant Proportions).

5. Upon occurrence of either one of the following (the date when the event in paragraph 5(a) or 5(b) (as applicable) occurs, the **“Buy-Sell Determination Date”**), each Shareholder shall be irrevocably obligated to sell or purchase (as the case may be) the Buy-Sell Sale Interests as set out in the Buy-Sell Election Notice or (where applicable) the Buy-Sell Reconsideration Notice, pursuant to such transaction as determined in these Buy-Sell Exit Procedures, in each case, based on the Buy-Sell Offer Terms:
 - (a) where paragraph 4(a), 4(b)(ii) or (as the case may be) 4(b)(iii) applies, delivery of the Buy-Sell Election Notice by all the Buy-Sell Receiving Party(ies) or, if any Buy-Sell Receiving Party does not serve the Buy-Sell Election Notice by expiry of the Buy-Sell Election Period and thus is deemed to have elected to sell, the expiry of the Buy-Sell Election Period (as applicable); or
 - (b) where paragraph 4(b)(i) applies, the date on which the Buy-Sell Receiving Parties are finally determined or deemed to be a Receiving Selling Party or a Receiving Purchasing Party pursuant to paragraph 4(b)(i).
6. The Parties shall use all reasonable endeavours to complete the transaction contemplated pursuant to these Buy-Sell Exit Procedures within 180 days following the Buy-Sell Determination Date. No transaction may be completed and effected unless:
 - (a) the purchasing party(ies) and selling party(ies) complies in all respects with the other applicable provisions of this Agreement and other Transaction Documents; and
 - (b) the transaction complies in all respects with all Applicable Laws (including obtaining all consents necessary to complete the transaction).

SCHEDULE 5
[NOT USED]

SCHEDULE 6
PRINCIPAL TERMS OF ANCILLARY AGREEMENTS

Part 1 – AMA

1. Parties	(a) Project Company (as owner); and (b) ESR Manager (as asset manager)
2. Fees	<p>(a) <u>Asset Management Fee (“AM Fee”)</u></p> <p>(i) In consideration of ESR Manager providing the AM Services (as defined below), ESR Manager shall be entitled to receive an AM Fee from the Project Company, equal to 3.5% of the Quarterly NOI of the Project Company which is payable quarterly in arrears after the commencement of the operation of the Project and during the term of the AMA, if the relevant Quarterly NOI is a positive number. Such AM fee shall be payable within 10 Business Days after delivery of the unaudited financial statements of the Project Company for the relevant quarter to the Shareholders, and subject to adjustments based on the Final Annual NOI (as defined below) in accordance with paragraph 2(a)(ii) below, where:</p> <p style="padding-left: 40px;">“Quarterly NOI” means, with respect to the Project, for each calendar quarter, the amount calculated based on the following formula and corresponding numbers in the unaudited financial statements of the Project Company for the relevant calendar quarter which shall be delivered to the Shareholders pursuant to this Agreement:</p> <p style="padding-left: 80px;">Quarterly NOI = Revenues (as defined below) booked during the relevant calendar quarter – Operating Expenses (as defined below) incurred during the corresponding calendar quarter</p> <p>“Revenues” means, with respect to the Project, for any certain period, the sum of (A) all operating income booked from rent and property management fee stipulated in the tenancies, leases, licences, lease renewals, extensions, modifications or binding letter of offer in relation to the Project during such period; and (B) all the public utility fees (including the water and electricity fees) collected during such period by the Project Company from the relevant tenants and licensees; and</p> <p>“Operating Expenses” means, with respect to the Project, for certain period, the sum of all expenses, the Leasing Fee and bad and doubtful debt provisions booked during such period; provided, however, that Operating Expenses shall not include the AM Fee, PM Fee (as defined in Part 2) and DM Fee (as defined in Part 3), any distribution from the Project Company to its direct or indirect shareholders, capital expenditure</p>

	<p>(classification of which complying with the group policy applicable to the ESR Group), profits tax, depreciation and amortization, foreign exchange expenses, loan interest expenses and bank charges.</p> <p>(ii) As soon as possible after the end date of each Financial Year during the term of this Agreement and the date of termination of the AMA (if such termination date is not the end date of a Financial Year), the amount of the total AM Fee payable to ESR Manager for such Financial Year (or partial Financial Year if the termination happens before the end of a Financial Year) shall be determined based on the Final Annual NOI, and any necessary reconciliation payments shall be made between the Project Company and ESR Manager within 10 Business Days after the determination of such total AM Fee to resolve the difference between the total AM Fee for such Financial Year (calculated based on the Final Annual NOI) and that actually received by ESR Manager for such Financial Year (based on the Quarterly NOI) (or partial Financial Year if the termination happens before the end of a Financial Year), such that the aggregate of the AM Fee ESR Manager receives for such Financial Year (or partial Financial Year if the termination happens during a Financial Year) equals to 3.5% of the Final Annual NOI.</p> <p>“Final Annual NOI” means: (A) for each Fiscal Year, the amount calculated based on the following formula and corresponding numbers in the audited financial statements of the Project Company for the relevant Financial Year which shall be delivered to the Shareholders pursuant to the terms of this Agreement; or (B) for the partial Financial Year if the termination of the AMA happens during a Financial Year, the amount calculated based on the following formula and corresponding numbers in the audited report of the Company for the relevant period:</p> $\text{Final Annual NOI} = \text{Revenues booked during the relevant Financial Year (or the partial Financial Year)} - \text{Operating Expenses incurred during the corresponding Financial Year (or the partial Financial Year)}.$ <p>(iii) In the event that any Quarterly NOI for any calendar quarter or the Final Annual NOI for any Financial Year for the Project is a negative amount:</p> <p>(A) if and to the extent that such calendar quarter or, as the case may be, Financial Year falls within the period from the commencement of the operation of the Project to the end of the calendar quarter in which the Reference Date (as defined below) falls (“Last Grace Period Quarter”), such negative amount (or the portion of such negative amount which is attributable to such calendar quarter or, as the case may be, Financial Year falls within such period) shall not be carried forward to subsequent calendar quarter or</p>
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	<p>Financial Year for the purpose of calculating the AM Fee. The “Reference Date” shall be the date falling 18 months after the day on which the operation of the Project commences; and</p> <p>(B) subject to paragraph 2(a)(iii)(A), such negative amount shall be carried forward to the next calendar quarter or Financial Year for the purpose of calculating the AM Fee, such that the Quarterly NOI for the next calendar quarter or the Final Annual NOI for the next Financial Year should be reduced by such negative amount and the resulting amount shall be deemed to be the Quarterly NOI for such next calendar quarter or the Final Annual NOI for such next Financial year.</p> <p>(b) <u>Leasing Fee (“Leasing Fee”)</u></p> <p>(i) In consideration of ESR Manager providing the AM Services (as defined below), ESR Manager shall be entitled to receive a one-time Leasing Fee from the Project Company in respect of each new lease entered into by the Project Company in respect of the Project (including any new lease, any renewal or extension of any existing leases or future leases or modification of the provisions of the existing leases or future leases) (collectively “Lease Agreements”) with a term of 12 months or more, which shall be a pro rata amount equal to 1/36 month’s face rent per month, less any commission (if any) payable to any third party agent in respect of such new lease (including, for the avoidance of doubt, renewed, extended or modified lease).</p> <p>(ii) For the avoidance of doubt:</p> <p>(A) a Leasing Fee shall only be payable for any renewal or extension of an existing leases if the renewal or extension is not less than 12 months;</p> <p>(B) a Leasing Fee shall only be payable for any modification of the provisions of an existing lease or a future lease if the such modification will result in a new term of not less than 12 months under such lease in addition to the original term under such lease; and</p> <p>(C) the new face rent under any renewed, modified, extended lease shall be used for the calculation of the Leasing Fee for the relevant lease.</p> <p>(iii) The relevant Leasing Fee shall be payable within 10 Business Days after the relevant tenant has both duly signed the formal Lease Agreement and paid the deposit and all payments required to be made on or before the signing of the formal Lease Agreement being made in full.</p>
3. Scope of Services	Subject to such excluded services to be agreed in the AMA, the services (“ AM Services ”) to be provided by ESR Manager under the AMA shall only include:

	<p>(a) in connection with management of the pre-opening stage of the Project:</p> <ul style="list-style-type: none"> (i) to prepare, devise and implement an overall marketing strategy and action plan for the Project which shall be reviewed from time to time in order to the set objective(s) as approved by the Project Company; (ii) to advise the Project Company on marketing and public relations and conduct of marketing and public relations activities for the Project; (iii) to gather, provide and analyse market information in respect of new lettings and/or leasing renewal and supervise the service provider(s) in preparing such market information; (iv) to implement the marketing of the Project. <p>(b) to prepare, devise and implement an overall marketing strategy and action plan for the Project for the post-opening stage and during the term of the AMA which shall be reviewed from time to time in order to the set objective(s) as approved by the Project Company;</p> <p>(c) dealing with and liaising with Government authorities on behalf of the Project Company in the course of operation for routine matters (which, for the avoidance of doubt, shall exclude those expected to be covered by the project manager under the PMA) for the Project Company with regular monthly report and update to the Project Company (or as when required by the Project Company from time to time or in the event of urgency);</p> <p>(d) to use reasonable efforts to manage the operation of the Project in compliance with Applicable Laws in all material respects (except for any non-compliance matter that exists before the date of the appointment of the ESR Manager as the asset manager by the Project Company and during the development stage of the Project);</p> <p>(e) to plan and to manage (including to coordinate with and to supervise the service providers in dealing with) the matters arising from and/or in connection with leasing and tenancy of the Project, including:</p> <ul style="list-style-type: none"> (i) preparing, updating and implementing the leasing strategy and action plans, which includes making recommendation on list of potential tenants and its indicative leasing terms (including without limitation, area, rent, PM Fee, DM Fee, terms, rent free period and any ancillary terms) and expected occupancy on a forward-looking basis; (ii) preparing and updating (if necessary) templates of the Lease Agreements, tenant's manual, fitting out handbook, approval matrix/leasing policy and offer and other leasing instruments as may be required; (iii) sourcing potential tenants or coordinating and be responsible for Project Company's engagement of the service provider(s) to source potential tenants, as the case may be. Regular update report shall be submitted to the Project Company; (iv) evaluating tenants of the Project in accordance with the prevailing policy and practices of the ESR Group;
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	<ul style="list-style-type: none"> (v) reviewing and negotiating on the Lease Agreements with the tenants, which includes coordinating and facilitating the Project Company or its appointed attorneys in the preparation and completion of the offer and/or Lease Agreements and pre-lease enquires and the lease negotiations with prospective tenants; (vi) as soon as reasonably practicable, reporting of material breaches of Lease Agreements to the Project Company to the knowledge of the Manager, handling breaches of tenancy agreements; (vii) coordinating and facilitating the Project Company or its appointed attorneys on the surrender or termination of leases, and liaising with attorneys if so required (including, service of all statutory and other notice necessary or desirable in relation to the termination or surrender of leases), at the Project Company's own costs; (viii) coordinating and facilitating the Project Company in collecting security deposits and arranging for return of such deposit or part thereof after deduction of any arrears in accordance with the relevant Leasing Agreements; (ix) rent collection, including taking necessary action dealing with non-payment of rent; (x) reporting to the Project Company all material tenant complaints and disputes, and using reasonable efforts but in a timely manner to coordinate and facilitate the Project Company to attend to, deal with and resolve in an efficient and amicable manner any complaints, queries and suggestions from tenants in consultation with the Project Company, the service providers and other professional consultants and advisers as may be appointed by the Project Company from time to time; (xi) making recommendations (or coordinating the Project Company's engagement of the service provider(s) to make recommendations) on leasing renewals to the Project Company, including advising on lease tenure and lease commercial terms with or without ancillary terms; (xii) communication and liaison with the tenants for the Project Company; (xiii) setting up and maintaining: (A) a tenancy and rent roll database; and (B) a major lease event diary including tenancy schedule, deposit, lease expiry dates, rent review dates (if applicable), break clause dates (if applicable), new letting / renewal progress report and any other reports as required by the Project Company. All such reports shall be prepared on a monthly basis and submitted to the Project Company within 7 days of the last day of each month (or, with reasonable prior notice, upon request of the Project Company);
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	<p>(xiv) coordinating and facilitating the Project Company in ensuring insofar as reasonably possible that the Project Company complies with its obligations under the Lease Agreements in all material respects; and</p> <p>(xv) coordinating with the leasing agents (to the extent external agents have been engaged by the Project Company);</p> <p>(f) to procure and supervise the service providers in arranging for, coordinating and carrying out repairs, maintenance and improvement works of the Project in a proper manner save for those works to be conducted by tenants, which requires ESR Manager, in connection with the repairs, maintenance and improvement works of the Project:</p> <p>(i) formulating as necessary property maintenance schedules and property inspection timetables for the Project Company and to use commercially reasonable efforts to coordinate and facilitate the Project Company and/or the service provider(s), where applicable, to implement such maintenance schedules and inspection timetables;</p> <p>(ii) formulating budget costs and specification for repair and maintenance and other capex-related matters for the Project Company and to obtain for the Project Company tenders for repair and maintenance works;</p> <p>(iii) to use reasonable efforts to coordinate and facilitate the Project Company and/or the service provider(s), where applicable, to comply with contract conditions for repair and maintenance;</p> <p>(iv) to use its endeavours to ensure that the Project (including all areas, components, systems and equipment thereof) is in good condition;</p> <p>(v) in consultation with the Project Company, where applicable, the Project Company's building surveyors (appointed by the Project Company on the recommendation of ESR Manager) in establishing preventive maintenance policies for the following:</p> <p>(A) lifts and escalators;</p> <p>(B) air conditioning and mechanical ventilation systems;</p> <p>(C) electrical apparatus;</p> <p>(D) plumbing apparatus, pumps, sanitary units, etc; and</p> <p>(E) fire protection apparatus which includes the fire alarm, security system, wet riser and its pump, hose reels and sprinklers;</p> <p>(F) architecture fabric; and</p> <p>(G) common areas of the Project;</p> <p>(vi) to coordinate with and facilitate the Project Company or the service provider(s) and to supervise and monitor such service provider(s), where applicable, in preparation and maintenance of a safety and evacuation manual in conjunction with the government fire department and coordinating the evacuation procedures with the appointed fire wardens;</p>
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	<p>(vii) to coordinate with and facilitate the Project Company or the service provider(s) and to supervise and monitor such service provider(s), where applicable, in arranging, planning, initiating and supervising security and emergency response measures for the Project; and</p> <p>(viii) to take care of the vacant premises and area in good and tenable condition and to handle emergency situations such as power breakdown / lift breakdown;</p> <p>(g) to source, screen and recommend to the Project Company and coordinating the Project Company's engagement of the service providers as necessary in connection with project management during the operating period and to review and negotiate contracts with such service providers;</p> <p>(h) to engage and supervise service providers in connection with project management during the operating period, including following up with the service providers to rectify defects and performance of their obligations during defects liability periods;</p> <p>(i) to report on any material variations in design timetable or cost of refurbishment; and to coordinate and manage the Project Company's application for and the obtaining of any planning permits, consents or authorisations required for refurbishment works, in each case, save for those to be conducted by tenants;</p> <p>(j) to prepare and deliver the Project Company's and to supervise the service provider in preparing and delivering their monthly, bi-annual and annual financial reporting (including statements with revenue and expenses);</p> <p>(k) to prepare and devise the annual Budget (with supporting criteria and assumptions) for certain Financial Year during the operation period in English and to implement plans and actions according to the annual Budget as approved by the Project Company;</p> <p>(l) handling on behalf of the Project Company and managing insurance matters relating to the Project for the Project Company, including arranging for and purchasing insurance cover, maintaining insurance records, advising the Project Company on the relevant insurances and quantum to be taken and processing insurance claims (to the extent there is any);</p> <p>(m) to coordinate with the Project Company or its appointed attorneys in carrying out and to manage any legal action or proceeding concerning the Project as necessary or required by the Project Company, including handling and resolving all legal disputes with the service providers and tenants, at the direction and cost of the Project Company, to handle the relevant liaising work and documentations and to coordinate on the signing of the relevant documents;</p> <p>(n) to purchase goods and materials, equipment, office stationery and administrative supplies for the Project Company at the cost of the Project Company, following the procurement policy as approved by the Project Company;</p> <p>(o) to procure service providers to design and regulate the logistic routes and vehicles diversion, which appropriate.</p>
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	<p>(p) to ensure adequate access control for the restricted area designated for items required for inspection by Customs Department or any Government authorities or officials.</p> <p>(q) to devise (or procure service providers to devise) a safety policy for performing fire drills, staff training and regular refreshment in occupation safety issues.</p> <p>(r) to manage and assist the Project Company with the implementation of any sustainability and ESG directives (as detailed in the AMA) from the Project Company.</p> <p>(s) to provide such other reasonable services which are usual for asset managers of similar assets; and</p> <p>(t) to provide other services mutually agreed by the Project Company and ESR Manager as necessary to the management of the operation of the Project.</p>
4. Termination	Unless otherwise agreed in accordance with Clause 7.2, article 8 (<i>Term and Termination</i>) of the IMA shall be incorporated <i>mutatis mutandis</i> , except that appropriate amendments reflecting difference in nature of the roles of an investment manager and an asset manager shall be made.
5. Cost and Procurement Control	The cost and procurement controls shall follow the applicable group policy and procedures of the ESR Group.

Part 2 – PMA

1. Parties	<p>(a) Project Company (as owner); and</p> <p>(b) Chinachem Agencies Limited (“CCG Manager”) (as project manager)</p>
2. Fees	<p>(a) In consideration of CCG Manager providing the PM Services (as defined below), CCG Manager shall be entitled to receive a project management fee (“PM Fee”) from the Project Company, equal to the aggregate of:</p> <ul style="list-style-type: none"> (i) 1% of the aggregate Gross Development Costs actually incurred by the Project during the development period (“Base PM Fee”), which shall be payable quarterly in arrears during the development period after the date of the PMA pursuant to paragraphs 2(e) to 2(i); (ii) where applicable, 0.5% of the aggregate Gross Development Costs actually incurred by the Project during the development period as specified in the Project Settlement Report (as defined below) (“Performance PM Fee”), which shall be payable in accordance with paragraph 2(j); and (iii) where applicable, the Land Premium Reduction Incentive (as defined below), which shall be payable in accordance with paragraph 2(k). <p>(b) “Gross Development Costs” shall mean the aggregate of: (i) all construction costs (including the costs of planning, design, site investigation, site formation, foundation, substructure, superstructure, infrastructure, building services, connection works and equipment, finishes and fitting out), submission fee or levies for authority submission, cost of insurance, and all fees, costs and expenses referred to in paragraph 2(c) of this Part 2 and paragraph 2(b) of Part 3 below, incurred before, on or after the simultaneous signing of the PMA and the DMA for carrying out and completion of the Development and to make the Development fit to qualify for the issue of an occupation permit and make the Development fit to qualify for the issuance of the certificate of compliance; and (ii) all professional fees and reimbursable expenses in respect of the Development, <u>excluding</u> costs and expense incurred for submission of the tender offer to the Government for acquisition of the Lot, land premium, land costs, marketing fee, agency fee, legal costs, the DM Fee, PM Fee, the in-house costs and expenses of CCG Manager and ESR Manager referred to in paragraph 2(d) of this Part 2 and paragraph 2(c) of Part 3 below, pre-opening fee (which is any fees, costs and expenses incurred for the Development after the construction of the Development is completed), financing costs, capitalised interest, and, for the avoidance of doubt, any fees payable to the asset manager under the AMA and any operating expenditure of the Development.</p> <p>(c) CCG Manager shall be entitled to reimbursement from the Project Company for all out-of-pocket costs and expenses relating to the Project that have been incurred, before, on or after the signing of the PMA, by CCG Manager, including the following:</p>

	<p>(i) salaries paid by CCG Manager as direct costs for the Project including site resident staff and clerk of works employed by CCG Manager on behalf of the Project Company to work exclusively for the Project; and</p> <p>(ii) fees and expenses of third-party professional advisers and/or services providers appointed on behalf of the Project Company.</p> <p>(d) CCG Manager shall bear its in-house costs and expenses incurred in carrying out the role as project manager under the PMA which shall for this purpose, mean CCG Manager's normal costs and expenses and the salaries and other employment costs of CCG Manager's project team members, except the site inspection team which may include Clerk of Works, Building Services Inspectors, Safety Managers, and Safety Officers, of which the actual cost of salary shall be reimbursed by the Project Company to the extent that such cost of salary is within the prevailing approved Budget. The manpower plan of the site inspection team shall be jointly agreed upon by both CCG Manager (as the project manager) and DM. CCG Manager shall not charge the Project Company for such in-house costs and expenses.</p> <p>(e) The Project Company shall pay the Base PM Fee, based on the actually incurred amount of Gross Development Costs calculated in accordance with paragraph 2(a) of this Part 2 during the development period of the Project, quarterly in arrears to CCG Manager, as follows:</p> <p>(i) for the purposes of calculating the first Base PM Fee payable by the Project Company to CCG Manager, the calendar quarter in which the date of the PMA falls shall be the "First Quarter" for the purposes of this Part 2 (or, if the PMA is entered into earlier than the date falling 6 months following the date of this Agreement (the "Half-year Date" for the purposes of this Part 2), the calendar quarter in which the Half-year Date falls shall be the "First Quarter"), the Gross Development Costs based on which the Base PM Fee for the First Quarter is calculated shall be the Gross Development Costs actually incurred from the beginning of the development period to and until the last day of the First Quarter, as specified in the unaudited financial statements of the Project Company for such period ("Accumulated Gross Development Costs" for the purposes of this Part 2); and</p> <p>(ii) for each subsequent calendar quarter during the development period, the Gross Development Costs based on which the Base PM Fee is calculated shall be the Gross Development Costs actually incurred during the relevant calendar quarter ("Quarterly Gross Development Costs" for the purposes of this Part 2), as specified in the unaudited financial statements of the Project Company for the relevant calendar quarter.</p> <p>(f) The Base PM Fee for the First Quarter and each subsequent calendar quarter during the development period, being an amount equal to 1% of the Accumulated Gross Development Costs (for the First Quarter) or the Quarterly Gross Development Costs (for subsequent calendar quarters during the development period), shall be paid within 10 Business Days after delivery of the unaudited financial statements of</p>
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	<p>the Project Company for the First Quarter or the relevant calendar quarter to the Shareholders.</p> <p>(g) As soon as practicable after the end of the development period (or, if earlier, the termination of the PMA in accordance with the terms thereof), CCG Manager together with the development manager under the DMA, shall provide the Project Company with a project settlement report (with a copy to each Shareholder), which shall set forth therein the breakdown of the actual aggregate Gross Development Costs (“Project Settlement Report” for the purposes of this Part 2).</p> <p>(h) The Project Settlement Report shall be prepared by the quantity surveying consultant and the internal quantity surveyor of CCG. The Project Settlement Report shall be vetted and agreed upon by both CCG Manager (as the project manager) and the development manager under the DMA before formal issuance to the Project Company. The Project Settlement Report shall be deemed to have been accepted by the Project Company and the actual aggregate Gross Development Costs shall be final, conclusive and binding upon delivery of the Project Settlement Report by CCG Manager and the development manager under the DMA.</p> <p>(i) If the total Base PM Fee that CCG Manager has actually received does not equal to 1% of the aggregate Gross Development Costs actually incurred by the Project as specified in the Project Settlement Report (“Final Base PM Fee”), then necessary reconciliation payments shall be made between the Project Company and CCG Manager within 20 Business Days after the delivery of the Project Settlement Report to the Project Company, such that the CCG Manager receives the aggregate Base PM Fee equal to the Final Base PM Fee.</p> <p>(j) In the event that:</p> <p>(i) the construction period is within the scheduled time period as specified in the approved initial Budget and Business Plan; and</p> <p>(ii) the aggregate Gross Development Costs actually incurred by the Project as specified in the Project Settlement Report do not exceed the budgeted development costs as specified in the approved initial Budget and Business Plan,</p> <p>the Project Company shall pay the Performance PM Fee, in one lump sum, to CCG Manager within 10 Business Days after the actual aggregate Gross Development Costs become final conclusive and binding in accordance with paragraph 2(h).</p> <p>(k) (i) Pursuant to Special Condition (27) under the Conditions of Sale, the Project Company (being the purchaser under the Conditions of Sale) shall erect and construct a public vehicle park (“Public Vehicle Park”) within the Lot. Given the provisions under Special Condition No. (27)(f) of the Conditions of Sale, if the Public Vehicle Park is constructed below the ground level of the Lot, the Director of Lands (“Director”) at his sole discretion may under Special Condition No. (27)(g) exclude the gross floor area of the Public Vehicle Park which has been excluded by the Building Authority from the calculation of gross floor area under the Buildings Ordinance (Cap.123 of the Laws of Hong Kong) for the purpose of calculating the total gross floor area stipulated</p>
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	<p>in Special Condition No. (19)(c) of the Conditions of Sale, subject to payment of additional premium (“Additional Premium”) and administrative fee as shall be determined by the Director.</p> <p>(ii) In the event any appeal or application is lodged, and the final agreed Additional Premium following submission of premium appeal or application is <u>less</u> than the Additional Premium initially offered by the Director, the Project Company shall pay to CCG Manager an incentive fee in the amount of 1.5% of such reduction (“Land Premium Reduction Incentive”), provided that before accepting the final Additional Premium, it shall be approved in writing in advance by the Project Company after agreement in accordance with Clause 7.2.</p> <p>(iii) Such Land Premium Reduction Incentive shall be payable by the Project Company, in one lump sum, to CCG Manager within 10 Business Days after payment of the final Additional Premium by the Project Company to the Government.</p>
3. Scope of Services	<p>Subject to such excluded services to be agreed in the PMA, the services (“PM Services”) to be provided by CCG Manager under the PMA shall only include:</p> <p>(a) such services referred to in Part 4 of this Schedule 6 as are marked with a “R” under “CCG”, and those services which are marked with “R” and/or “S” under both “ESR” and “CCG” shall be provided jointly by CCG Manager and the development manager under the DMA, with the party marked with “R” being the responsible party supported by the other party; and</p> <p>(b) to provide such other reasonable services which are usual for project managers of similar projects; and</p> <p>(c) to provide other services mutually agreed by the Project Company and CCG Manager as necessary to the management of the operation of the Project.</p>
4. Termination	<p>Unless otherwise agreed in accordance with Clause 7.2, article 8 (<i>Term and Termination</i>) of the IMA shall be incorporated <i>mutatis mutandis</i>, except that appropriate amendments reflecting difference in nature of the roles of an investment manager and a project manager shall be made.</p>
5. Cost and Procurement Control	<p>The cost and procurement controls shall follow the applicable group policy and procedures of the CCG GroupCo.</p>

Part 3 – DMA

1. Parties	<p>(a) Project Company (as owner); and</p> <p>(b) ESR Manager (as development manager)</p>
2. Fees	<p>(a) In consideration of ESR Manager providing the DM Services (as defined below), ESR Manager shall be entitled to receive a development management fee (“DM Fee”) from the Project Company, equal to 4% of the aggregate Gross Development Costs actually incurred by the Project during the development period, which shall be payable quarterly in arrears during the development period after the date of the DMA pursuant to paragraphs 2(d) to 2(h).</p> <p>(b) ESR Manager shall be entitled to reimbursement from the Project Company for all out-of-pocket costs and expenses relating to the Project that have been incurred, before, on or after the signing of the DMA, by ESR Manager, including the following:</p> <ul style="list-style-type: none"> (i) salaries paid by ESR Manager as direct costs for the Project including site resident staff and clerk of works employed by ESR Manager on behalf of the Project Company to work exclusively for the Project; and (ii) fees and expenses of third-party professional advisers and/or services providers appointed on behalf of the Project Company. <p>(c) ESR Manager shall bear its in-house costs and expenses incurred in carrying out the role as development manager under the DMA which shall for this purpose, mean ESR Manager’s normal costs and expenses and the salaries and other employment costs of ESR Manager’s project team members. ESR Manager shall not charge the Project Company for such in-house costs and expenses.</p> <p>(d) The Project Company shall pay the DM Fee, based on the actually incurred amount of Gross Development Costs calculated in accordance with paragraph 2(a) of Part 2 during the development period of the Project, quarterly in arrears to ESR Manager, as follows:</p> <ul style="list-style-type: none"> (i) for the purposes of calculating the first DM Fee payable by the Project Company to ESR Manager, the calendar quarter in which the date of the DMA falls shall be the “First Quarter” for the purposes of this Part 3 (or, if the DMA is entered into earlier than the date falling 6 months following the date of this Agreement (the “Half-year Date” for the purposes of this Part 3), the calendar quarter in which the Half-year Date falls shall be the “First Quarter”), the Gross Development Costs based on which the DM Fee for the First Quarter is calculated shall be the Gross Development Costs actually incurred from the beginning of the development period to and until the last day of the First Quarter, as specified in the unaudited financial statements of the Project Company for such period (“Accumulated Gross Development Costs” for the purposes of this Part 3); and

	<p>(ii) for each subsequent calendar quarter during the development period, the Gross Development Costs based on which the DM Fee is calculated shall be the Gross Development Costs actually incurred during the relevant calendar quarter (“Quarterly Gross Development Costs” for the purposes of this Part 3), as specified in the unaudited financial statements of the Project Company for the relevant calendar quarter,</p> <p>(e) The DM Fee for the First Quarter and each subsequent calendar quarter during the development period, being an amount equal to 4% of the Accumulated Gross Development Costs (for the First Quarter) or the Quarterly Gross Development Costs (for subsequent calendar quarters during the development period), shall be paid within 10 Business Days after delivery of the unaudited financial statements of the Project Company for the First Quarter or the relevant calendar quarter to the Shareholders.</p> <p>(f) As soon as practicable after the end of the development period (or, if earlier, the termination of the DMA in accordance with the terms thereof), ESR Manager, together with the project manager under the PMA, shall provide the Project Company with a project settlement report (with a copy to each Shareholder), which shall set forth therein the breakdown of the actual aggregate Gross Development Costs (“Project Settlement Report” for the purposes of this Part 3).</p> <p>(g) The Project Settlement Report shall be prepared by the quantity surveying consultant and the internal quantity surveyor of CCG. The Project Settlement Report shall be vetted and agreed upon by both the project manager under the PMA and the ESR Manager (as the development manager) before formal issuance to the Project Company. The Project Settlement Report shall be deemed to have been accepted by the Project Company and the actual aggregate Gross Development Costs shall be final, conclusive and binding upon delivery of the Project Settlement Report by ESR Manager and the project manager under the PMA.</p> <p>(h) If the total DM Fee that ESR Manager has actually received does not equal to 4% of the aggregate Gross Development Costs actually incurred by the Project as specified in the Project Settlement Report (“Final DM Fee”), then necessary reconciliation payments shall be made between the Project Company and ESR Manager within 20 Business Days after the delivery of the Project Settlement Report to the Project Company, such that the ESR Manager receives the aggregate DM Fee equal to the Final DM Fee.</p>
<p>3. Scope of Services</p>	<p>Subject to such excluded services to be agreed in the DMA, the services (“DM Services”) to be provided by ESR Manager under the DMA shall only include:</p> <p>(a) such services referred to in Part 4 of this Schedule 6 as are marked with a “R” under “ESR”, and those services which are marked with “R” and/or “S” under both “ESR” and “CCG” shall be provided jointly by ESR Manager and the project manager under the PMA, with the party marked with “R” being the responsible party supported by the other party; and</p> <p>(b) to provide such other reasonable services which are usual for development managers of similar developments; and</p>

	(c) to provide other services mutually agreed by the Project Company and ESR Manager as necessary to the management of the operation of the Project.
4. Termination	Unless otherwise agreed in accordance with Clause 7.2, article 8 (<i>Term and Termination</i>) of the IMA shall be incorporated <i>mutatis mutandis</i> , except that appropriate amendments reflecting difference in nature of the roles of an investment manager and a development manager shall be made.
5. Cost and Procurement Control	The cost and procurement controls shall follow the applicable group policy and procedures of the ESR Group.

Part 4 – PM Services and DM Services

Category	Item	Responsibility Item	Responsible Party		Remarks
			ESR	CCG	
Design/preliminary work Stage	1	Consolidate Design Brief and Overall Budget	R	S	MarCom
	2	Initial statement & development potential as per Design Brief	R	-	
	3	Site condition and feasibility studies	R	S	
	4	Preparation of Outline Schematic Design and Presentation	R	-	MarCom
	5	Preparation of Comprehensive Design/Development Scheme and design adjustment	R	S	MarCom
	6	Materials and equipment research and specifications	R	S	
	7	Ordinance and Regulation Code compliance	-	R	
	8	Cost estimation for design development	S	R	MarCom
	9	Organize and attend regular design meeting with the Architect	R		
	10	Design development programme	R	S	
	11	Prepare and maintain detailed Master Development Programme (MDP)	-	R	MarCom
	12	Monitoring of the Architect and the consultants performance	-	R	
	13	Organize and attend regular project meeting and coordination meeting with consultants	S	R	
	14	General Building Plan, other statutory submissions & amendment(s) in pre-construction stage	R	R	
	15	Co-ordination with Government on Land Matters			
	a.	Basement PVP premium negotiations with LandD	R	S	MarCom
	b.	DRA diversion Submission to DSD	S	R	MarCom
	16	Prepare of any technical lease modification or planning section 16 submission, if necessary	-	R	MarCom
Tender Stage	17	Preparation of the DMC plan	S	R	MarCom
	18	Organize the participant companies or consultants' work to meet the MDP progress, including but not limited to the Architect, Structural, Geotechnical and Civil Engineers, and all other relevant parties.	S	R	
	19	Preparation of the Tender drawings, Schedules and Specifications	-	R	
	20	Propose of the Tenderer lists, procurement method, material bidding and tender package	S	R	MarCom
	21	Carry out pre-tender estimation and preparation of tender budgeting	-	R	
	22	Carry out tender interviews and provide tender analysis	-	R	
	23	Carry out value engineering exercise and issuing of tender addendums	-	R	
	24	Recommendation of tenderers and award of the building contracts	S	R	MarCom
Construction Stage	25	Establishing the bidding policy, using the network bidding, and set up the authorization	S	R	
	26	Detail Design development	S	R	
	27	GBP (Amendment), foundation, site formation, superstructure, demolition, drainage, hoarding and other statutory submissions in the construction stage	-	R	
	28	Obtain statutory permits and approvals & consents	-	R	
	29	Monitoring of Contractors' performance and construction contracts' administration works	-	R	
	30	Control of the overall time, cost and quality of the Works as per the contracts' requirements	-	R	
	31	Organize and attend regular site meetings and prepare of progress reports	-	R	
	32	Carry out periodic site visit, supervision and inspection to the Work	-	R	
	33	Liaise with consultant and apply for excavation permit, works advices and other environmental permits	-	R	
	34	Liaise with the Architect and issue instructions to the Contractors	-	R	
	35	Statutory compliance, testing and safety	-	R	
	36	Liaise with consultants, comment and approval of contractors' method statements, shop drawings, materials and equipment submissions	-	R	
	37	Inspection to the contractors' on site and off site mock ups and samples	S	R	
	38	Comment on the contractors' programme	-	R	
	39	Liaise with the Architect and certify the completion of work and issuance of Schedule of defects	-	R	
	40	Valuation of work done and issuance of payments	S	R	
	41	Liaise with the Architect and issuance of variation orders	S	R	
	42	Monitoring of the cash flow, budget update, preparation of Cost Plan and Monthly Report	S	R	MarCom
	43	EOT assessment and approval	S	R	MarCom
	44	Site quality, safety, progress control		R	
Completion and Handover	45	Arrange sample and material inspection meeting and record	S	R	
	46	Obtain OP and CC	-	R	
	47	Liaise with consultants prepare the defect lists, outstanding lists and issuance of making good certificates	-	R	
	48	Carry out joint inspection and handover inspections	S	R	
	49	Monitor the defect rectification work during Defects Liability Period (DLP)	-	R	
	50	Release of retention and prepare Final Account and issuance of the Final Certificate	S	R	MarCom
	51	Handover the premise to the potential tenants	R	-	MarCom
	52	Application of License for operation, if necessary	R	-	
	53	Organize the documentation handover to property management team		R	
	54	Coordination with the related participants during the DLP		R	

Legend

R	Responsible
S	Support
MarCom	MarCom's approval is required

SCHEDULE 7

ESR COMPETITORS

“ESR Competitor” means (i) any person directly or indirectly operating under the names or trade names (as the case may be) listed below (each an **“Operating Company”**), (ii) any person that is an Affiliate of an Operating Company, and (iii) any person operating any business spun off from an Operating Company or any of its Affiliates, and any Affiliates of such person and such person or spun-off business in fact competes with ESR Group.

Part 1 – Direct Competitors

1. Mapletree Group including Mapletree Investments Private Limited, Mapletree Logistics Trust, Mapletree Industrial Trust Management Ltd and Mapletree Investments Pte Ltd;
2. Goodman and its group of companies including Goodman HK Investments;
3. S.F. Holding Co., Ltd. and its group of companies;
4. China Resources Group including CRH (Enterprise) Limited, China Resources Logistics (Group) Limited and China Resources Enterprise Property Investment Company Limited;
5. China Merchants Group and its group of companies; and
6. Global Logistics Properties and its group of companies.

Part 2 – Potential Competitors

1. CK Asset Holdings Limited and CK Hutchison Holdings;
2. Sun Hung Kai Properties Limited and its group of companies;
3. New World Development Company Limited;
4. NWS Holding Limited and its group of companies including NWS Ports Management Limited;
5. Hopewell Holdings Limited and its group of companies;
6. Kerry Logistics Network Limited and its group of companies;
7. Wheelock Properties Limited and its group of companies;
8. Sino Land Company Limited and its group of companies;
9. Henderson Land Development Company Limited and its group of companies;
10. Emperor International Holdings Limited and its group of companies;
11. Hon Kwok Land Investment Company Limited and its group of companies;
12. K. Wah Properties (Holdings) Limited and its group of companies;
13. Goldin Group and its group of companies; and
14. Chevalier Group and its group of companies.

Any change of names of such persons as listed above shall not affect the restrictions in respect of such persons as set forth in this Agreement.

SCHEDULE 8
OPTION NOTICE

To: [CCG2/ESR]

Attn: [●]

Date: [●]

Dear Sirs,

We refer to clause 9.4 of the Shareholders' Agreement ("**Agreement**") dated 15 August 2022 and made between Victory Door Limited, Brave Vision Ventures Limited, Sheen Peak Investment Limited 順平投資有限公司 and Victory Lane Development Limited.

We give you notice that we require you to [sell to] [purchase from] us in accordance with the terms and conditions of the Agreement, all the Option Interests (as defined in the Agreement) on [date].

Yours faithfully,

For and on behalf of
[ESR/CCG2]

Name: [●]

Title: [●]

SCHEDULE 9 WARRANTIES

1. each Group Company is dormant and has never been engaged in any manner whatsoever in the carrying on of any trade or business or engaged in any transaction or activities of any sort, other than:
 - (a) the incorporation of each Group Company;
 - (b)
 - (i) the appointment of directors as contemplated in this Agreement; and
 - (ii) the appointment of any other directors who resigned before the execution of this Agreement or pursuant to Clause 2.2, and have no claim against any Group Company;
 - (c) the filing of documents in compliance with each Group Company's obligations pursuant to Applicable Laws;
 - (d) the entry into the bank financing documents (each in such form as agreed by CCG) before the date of this Agreement; and
 - (e) the acquisition of the Lot as contemplated in this Agreement and the engagement of professional advisers and consultants in connection with such acquisition and the Project (such engagement being within the budget and on terms agreed between ESR and CCG);
2. no Group Company has had any indebtedness, mortgages, charges, debentures, guarantees or other commitments or liabilities (present or contingent), other than: (a) the Shareholder Loans referred to in Clause 2.4(a); (b) under the bank financing documents referred to in paragraph 1(d) above; and (c) such liabilities of the Project Company of not exceeding HK\$1,000,000 in the aggregate as are incurred before the execution of this Agreement in relation to the Project;
3. no Group Company has had any employees or executive officers, other than the directors appointed upon incorporation;
4. no Group Company has been party to any contract, other than: (a) for the acquisition of the Lot as contemplated in this Agreement (including the engagement of professional advisers and consultants in connection with such acquisition and the Project (such engagement being within the budget and on terms agreed between ESR and CCG)); and (b) the bank financing documents referred to in paragraph 1(d) above;
5. no Group Company has granted any power of attorney, other than any granted under the bank financing documents referred to in paragraph 1(d) above;
6. no Group Company has been a party to any litigation or arbitration and no actions, claims or proceedings are pending or threatened against it;
7. no Group Company has been a lessee of any property other than under the Conditions of Sale;
8. no Group Company has been the owner of, or interested in, any assets whatsoever including the issued share capital of any other body corporate (other than another Group Company);
9. no order has been made or petition presented or resolution passed for the winding up of any Group Company nor has any distress, execution or other process been levied against any Group Company;

10. no steps have been taken for the appointment of an administrator or receiver of any part of the property or undertaking of any Group Company;
11. the Shares to be allotted and issued to the Shareholders pursuant to Clause 2.3 will, upon completion of the issue of Shares under Clause 2, be duly and validly authorised for subscription and fully paid;
12. all Shareholder Loans referred to in Clause 2.4(a) have been advanced strictly on the terms set out in Clause 4.1(g) and have not become repayable;
13. there is no option, warrant, right to acquire or subscribe, over or affecting any Shares or debentures or securities of any Group Company, and there is no agreement or commitment outstanding which calls for the allotment, issue or transfer of, or accords to any person the right to call for the allotment or issue of, any Shares or debentures in or securities of any Group Company;
14. the Company is the sole legal and beneficial owner of the only issued share of Victory House, and Victory House is the sole legal and beneficial owner of the only issued share of the Project Company; and
15.
 - (a) neither the Company nor Victory House has any bank account; and
 - (b) other than the Accounts (as defined in the Bridge Facilities Agreement), the Project Company does not have any bank account.

EXECUTED as a DEED by the parties

EXECUTED and DELIVERED as a DEED

for and on behalf of

VICTORY DOOR LIMITED

and SIGNED by **CHANG RUI HUA**

duly authorised by the board of directors,

in the presence of:

Signature of witness:

Name:

Title:

Lee Kin Sing, Richard
Solicitor
Hong Kong SAR

Name:

Title:

CHANG RUI HUA

DIRECTOR

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Siu Hon

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James

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Name: _____
Title: **CHANG RUI HUA**

CHANG RUI HUA
DIRECTOR