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- (1) The Borrower is a licensed corporation carrying on [Type 1, 2, 3, 8,regulated activity/activities*] under the Securities and Futures Ordinance (Cap. 571) (“the Ordinance”).
- (2) The Borrower is required to comply at all times with the Securities and Futures (Financial Resources) Rules (Cap 571 sub leg) (“the Financial Resources Rules”) which are made under section 145 and section 397 of the Ordinance.
- (3) The Lender has agreed to offer the Facility set out herein to the Borrower upon and subject to the terms of this Agreement to assist the Borrower in complying with the Financial Resources Rules.
- (4) The Commission has agreed to treat the unused portion of the Facility as an approved stand-by subordinated loan facility and to treat the Loan granted under the Facility as an approved subordinated loan for the purposes of compliance by the Borrower with the Financial Resources Rules on the terms and subject to the conditions contained in

"Date of Draw" means the date upon which the Borrower proposes to draw on the Facility as specified in the notice required to be given under Clause 3(1), being a business day falling after the date of this Agreement and before the Expiry Date;

"Expiry Date" means the date [1

- (2) Subject to the terms of this Agreement the Lender shall on the date of drawdown advance to the Borrower by way of unsecured loan the amount specified in the notice given under Clause 3(1) hereof (an "Advance").
- (3) The Borrower shall at the time it delivers a notice to the Lender under Clause 3(1) hereof simultaneously deliver to the Commission a copy of such notice.
- (4) Forthwith upon the making of an Advance to the Borrower the Borrower shall give to the Commission written notice confirming the amount of the Advance and the date of drawdown and the Borrower shall provide to the Commission such documents and information in relation to the Advance and its use as prescribed in the BDC-2-160324 Form

(b) Calculation of Interest

Interest shall accrue on the basis of the actual number of days elapsed in a year of [360/365]* days. Each interest computation by the Lender shall (in the absence of manifest error) be conclusive and binding upon the Borrower.

(c) Payment of Interest

Interest shall be paid [monthly/ other (specified) period or intervals]* and any unpaid amount shall be compounded on the last day of the [month/ other period or intervals]* and shall itself bear interest as if it were part of the Loan.]*

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Clause (2) may be deleted or reworded to read: **Interest shall be paid on the basis of the actual number of days elapsed in a year of [360/365]* days. Each interest computation by the Lender shall (in the absence of manifest error) be conclusive and binding upon the Borrower.**

5. Repayment

(1) Subject to the provisions of Clause 6, the Borrower may repay an outstanding Advance at any time prior to its respective Repayment Date and in any event shall repay such outstanding Advance by the respective Repayment Date provided that no repayment shall be made unless:

- (a) the Borrower has given both the Lender and the Commission one month's prior written notice of its intention to make such repayment specifying the amount and the date of the repayment;
- (b) the Borrower has supplied the Commission with such documents and information in relation to the repayment and within the time as prescribed by the Commission;
- (c) the Commission has given prior written consent thereto; and
- (d) the Borrower complies with all applicable provisions of the Financial Resources Rules at the time of and

- (3) The trust created by Clause 5(2) and Clause 9(2)(f) shall, for the purposes of the Perpetuities and Accumulations Ordinance (Cap 257) be of a duration of eighty years from the date of receipt of such sum or the obtaining of such security (as the case may be) by the Lender, provided always that it will cease on the date on which the Commission is satisfied that all the Subordinated Liabilities have been irrevocably paid and discharged in full.

6. BOR

In the event of the Borrower's insolvency or the Borrower becoming unable at any time to comply with any applicable provisions of the Financial Resources Rules, the rights of the Lender in respect of the Subordinated Liabilities will be subordinated in all respects

- (1) The Borrower hereby covenants with the Commission that it will comply with the terms of this Agreement and with the terms and conditions contained in the letter of approval and will not, without the prior written consent of the Commission:
- (a) create or suffer to exist any security over any of its assets which secures any part of the Subordinated Liabilities;
 - (b) redeem, purchase or otherwise acquire any of the Subordinated Liabilities;
 - (c) amend, cancel or replace the terms of this Agreement or the terms of any document evidencing or providing for the Subordinated Liabilities;

(g) prove or claim in the event of the insolvency of the Borrower for the

- (a) delivered by hand;
- (b) sent by registered post;

to the party's address as specified above or as notified in writing to the other parties for the purposes of this Clause; or

- (c) sent by facsimile transmission to the party's facsimile number notified in writing to the other parties for the purposes of this Clause.

(2) Any such notice or document shall be deemed to have been served:

- (a) if delivered by hand, at the time of delivery; or
- (b) if sent by registered post, at 10 a.m. on the second business day after the date it is posted; or
- (c) if sent by facsimile transmission, one hour after the time of dispatch, if dispatch before 4 p.m. on any business day, and in any other case at 10 a.m. on the business day following the day of dispatch.

(3) In proving service, it shall be sufficient to prove:

- (a) in the case of delivery by hand, that delivery was made;
- (b) in the case of registered post, that the envelope containing the notice or document was properly addressed and posted by pre-paid registered post; or
- (c) in the case of facsimile transmission, that a corresponding facsimile transmission report was generated.

5 GOVERNANCE

- (1) This Agreement shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region and each of the parties hereto irrevocably submits to the non-exclusive jurisdiction of the courts of the Hong Kong Special Administrative Region in relation ubm-1 (t)- (r)3 (air())TJ 0.2 (e)4 (s)-1 (h)-10 (e (R)-3 (

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~~I N WINE SWE~~ the parties hereto [have set their respective hands and seals]*
[and/or]* [have caused their respective Common Seals to be hereunto affixed]* on the date
first before written.

~~TLd~~

Signed Sealed and Delivered by
[Full name of the individual Lender] in the presence of:

or

The Common Seal of [name of corporate Lender] was
hereunto affixed in the presence of:

~~TBorrowe~~

Signed Sealed and Delivered by
[Full name of the individual Borrower] in the presence of:

or

The Common Seal of [name of corporate Borrower] was
hereunto affixed in the presence of:

Commission

Signed by:

Executive Director/Senior Director*

For and on behalf of the Securities and Futures Commission

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