

DEED OF AGREEMENT

INDUCEMENT FEE

DATED

25 OCTOBER 2013

BETWEEN

CHONG HING BANK LIMITED

AND

YUE XIU ENTERPRISES (HOLDINGS) LIMITED

101975875

DEED OF AGREEMENT

This Deed is dated 25 October 2013

Between:

- (1) **Chong Hing Bank Limited**, a company incorporated in Hong Kong and having its registered office at G/F Chong Hing Bank Centre, 24 Des Voeux Road, Central, Hong Kong ("**Chateau**"); and
- (2) **Yue Xiu Enterprises (Holdings) Limited**, a company incorporated in Hong Kong and having its registered office at 26/F, Yue Xiu Building, 160 Lockhart Road, Wanchai, Hong Kong ("**YXE**").

Introduction:

- A Nomura International (Hong Kong) Limited, on behalf of the Offeror, has given Chateau notice of its intention to announce a firm intention to make a voluntary cash partial offer ("**Partial Offer**") conditional upon, amongst other things, valid acceptances being received in respect of a minimum of 217,500,001 shares in the capital of Chateau (representing 50 per cent. of the issued share capital of Chateau plus one share) provided that the Offeror shall acquire as many shares as are tendered by accepting shareholders up to a maximum of 326,250,000 Chateau shares (representing 75 per cent. of the issued share capital of Chateau) substantially on the terms set out in the draft announcement relating to the Partial Offer, a form of which is set out in Schedule 1 (the "**Announcement**").
- B Chateau and YXE have agreed to pay one another an inducement fee in the circumstances and subject to the terms and conditions set out in this Deed.

Definitions:

Terms in this Deed shall have the same meanings as defined in the Announcement. "**Party**" means each party to this Deed.

Agreement:

1. YXE undertakes to pay Chateau the sum of HK\$100 million (the "**YXE Inducement Fee**") by way of compensation for the failure of the Partial Offer if:

- 1.1 any PRC law, rule, regulation, Governmental or regulatory body prevents the Offeror from completing the Partial Offer or from paying the offer price to accepting shareholders pursuant to the terms of the Partial Offer; or
- 1.2 the Partial Offer fails to complete as a result of (i) the Pre-Condition not being fulfilled by the Long Stop Date, or (ii) the HKMA issuing a notice of objection under Section 70 of the Banking Ordinance, Cap 155, objecting to Guangzhou Yue Xiu Holdings Limited (廣州越秀集團有限公司), YXE or the Offeror becoming a majority shareholder controller of Chateau under the Banking Ordinance, Cap 155 ("**Notice of Objection**").
2. Chateau undertakes to pay YXE the sum of HK\$100 million (the "**Chateau Inducement Fee**") by way of compensation for the failure of the Partial Offer if the Partial Offer fails to complete as a result of either of the conditions set out in paragraphs 2(d) and 2(e) of Part A of the Announcement not being fulfilled.
3. For the avoidance of doubt, and subject to clause 4 below, YXE's maximum liability to Chateau under this Deed shall be the YXE Inducement Fee and Chateau's maximum liability to YXE under this Deed shall be the Chateau Inducement Fee. Neither Party shall be required to pay more than one inducement fee payment under this Deed, even if more than one circumstance triggering an obligation to make any such payment has occurred.
4. Each Party shall make all payments required to be made by it under this Deed free of deduction of any withholding tax or any other taxes ("**Tax Deduction**") unless a Tax Deduction is required by law. If either Party is required to make a Tax Deduction: (i) it shall immediately notify the other Party; and (ii) the amount of the payment due from the obligor shall be increased to an amount which (after making the Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
5. If the YXE Inducement Fee becomes payable under clause 1 or the Chateau Inducement Fee becomes payable under clause 2, it shall be paid into the Hong Kong bank account notified by the receiving Party to the paying Party in writing within 7 business days after:
 - 5.1 in the case of clause 1.1, the date on which the Partial Offer fails, lapses or is withdrawn or the date on which payment was required to be made by the Offeror under the terms of the Partial Offer and the Code;
 - 5.2 in the case of clause 1.2, the earlier of the Long Stop Date and the date on which the HKMA issues a Notice of Objection; and
 - 5.3 in the case of clause 2, the date on which the Partial Offer fails, lapses or is withdrawn by virtue of the condition under paragraph 2(d) or 2(e), as the case may be, of Part A of the Announcement having failed to be satisfied.
6. Each Party warrants, represents and undertakes to the other Party that it has full power and capacity to enter into this Deed and perform its obligations under this Deed and that

it does not require any approvals, consents or permissions of or from any Governmental body or regulatory body or under any rule, law or regulation to allow it to do so.

7. Each Party agrees that the payment of the inducement fees set out above shall be the sole remedies available to the Parties under this Deed. For the avoidance of doubt, neither Party shall be entitled to make any other claim for damages or any equitable relief against the other Party arising from a failure of any of the conditions referred to in clauses 1 and 2 under this Deed.
8. Each Party recognises that this Deed is required to be disclosed in the Announcement and public documents and put on public display pursuant to the provisions of the Code. Each Party hereby consents to this Deed being put on public display for this purpose.
9. This Deed constitutes the entire agreement between the Parties in relation to the subject matter of this Deed and a variation of this Deed will only be valid if it is in writing and signed by both Parties.
10. This Deed may be executed in more than one counterpart, each of which when executed and delivered will be an original and all of which together evidence the same instrument.
11. This Deed shall be governed by and construed in accordance with the laws of Hong Kong. The Parties submit to the exclusive jurisdiction of the Hong Kong courts.

SEALED with the COMMON SEAL of)
 Chong Hing Bank Limited)



and SIGNED by
 Liu Lit Chi

) *Liu Lit Chi*

Christopher Liu

) *Christopher Liu*

, who are duly authorised
 by Chong Hing Bank Limited,

)
)

IN THE PRESENCE of and
 and WITNESSED by

)
)

Witness's signature:

Clara J C N Choi

Name (print):

Clara J C N Choi
Solicitor, Hong Kong SAR
Slaughter and May

Occupation:

Address:

*47th Floor, Jardine House,
 One Connaught Place, Central, Hong Kong*

SEALED with the COMMON SEAL of)
 Yue Xiu Enterprises (Holdings) Limited)



and SIGNED by)
 Zhang Zhao Xing)

张兆兴

Wang Shu Hui)

王书慧

, who are duly authorised)
 by Yue Xiu Enterprises (Holdings))
 Limited)

IN THE PRESENCE of and)
 and WITNESSED by)

Witness's signature:

Name (print):

姚小生

YAO XIAOSHENG

Occupation: DGM OF EXECUTIVE OFFICE

Address:

Schedule 1

The Announcement