

DATED 12th, October 2018

EXECUTION COPY

FOREBASE INTERNATIONAL HOLDINGS LIMITED (1)
申基國際控股有限公司
(the "Company")

- and -

SHEN YONG (申勇) (2)
(the "Creditor")

LOAN CAPITALISATION AGREEMENT

LOAN CAPITALISATION AGREEMENT

THIS AGREEMENT is made the 12th day of October 2018.

BETWEEN:

- (1) **FOREBASE INTERNATIONAL HOLDINGS LIMITED** 申基國際控股有限公司, a company incorporated under the laws of Hong Kong, Stock Code: 2310, whose registered office and principal place of business is located at Room 3805, 38/F., Lee Gardens One, 33 Hysan Avenue, Causeway Bay, Hong Kong (the “**Company**”); and
- (2) **SHEN YONG** (申勇), holder of Hong Kong Identify Card No. M185895(0) whose address is at 14-1, 148 Zhongshan 1st Road, Yuzhong District, Chongqing, China. (the “**Creditor**”).

(the Company and the Creditor are collectively as the “**parties**” and individually as a “**party**”)

WHEREAS:

- (A) As at the date hereof, the Company is indebted a loan to the Creditor for an aggregate outstanding amount of HKD42,287,848 (the “**Loan**”) arising from the assignment of a certain loan from the Company to the Creditor.
- (B) The parties have agreed that the Loan will be settled in full by capitalising the Loan by means of issuing and allotting to the Creditors an aggregate of 123,648,678 new Shares (“**Loan Capitalisation**”) subject to the terms and conditions of this Agreement.

IT IS HEREBY AGREED:

1. DEFINITIONS AND INTERPRETATION

- 1.1 Definitions: In this Agreement, including its recitals and schedules, unless the context otherwise requires:

“ business day ”	means a day (excluding a Saturday, Sunday or public holiday) on which licensed banks generally are open for business in Hong Kong throughout their normal business hours;
“ Completion ”	means completion of the Loan Capitalisation set out in Clause 4;
“ Group ”	the Company and its subsidiaries;
“ HK\$ ”	means Hong Kong dollars, the lawful currency of Hong Kong;
“ Independent Shareholders ”	Shareholders other than the Creditor and its associates and those who are required to abstain from voting under the Listing Rules and their respective associates;
“ Hong Kong ”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“ Listing Rules ”	means the Rule Governing the Listing of Securities on

	the Stock Exchange, as amended and modified from time to time;
“Loan Capitalisation Shares”	means an aggregate of 123,648,678 Shares issued and allotted pursuant to this Agreement to the Creditor;
“Shares”	means ordinary shares in the share capital of the Company.
“Shareholders”	holder(s) of the Share(s)
“Specific Mandate”	means the mandate to be granted to the Company's directors to allot and issue the Loan Capitalisation Shares at the an extraordinary general meeting of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

1.2 Interpretation: In this Agreement, including its recitals and schedules, unless otherwise defined or unless the context or subject matter otherwise requires:

- (A) any reference to Recitals, Clauses or the Schedule(s) is a reference to the recitals and clauses of, and the schedule(s) to, this Agreement;
- (B) any reference to parties to this Agreement shall include their respective permitted assignees and successors;
- (C) the Recitals and Schedules form part of this Agreement and shall be construed and shall have the same full force and effect as if expressly set out in the body of this Agreement;
- (D) any reference to a statutory provision shall include a reference to that provision as amended or re-enacted from time to time;
- (E) headings are inserted for convenience only and shall be ignored in construing this Agreement;
- (F) the singular includes the plural and vice versa, words importing gender or the neuter include both genders and the neuter;
- (G) any reference to dates or times is a reference to a date or time in Hong Kong;
- (H) any reference to persons shall include individuals, bodies corporate (wherever incorporated), unincorporated associations, all forms of governmental body or authority, or any association or partnership (whether or not having a separate legal personality) of two or more of the foregoing;
- (I) any reference to this Agreement or any other agreement or document shall be construed as a reference to this Agreement or, as the case may be, such other agreement or document as it may have been, or may be, amended, varied, novated or supplemented;
- (J) any reference to a document being “in the agreed terms” means that documents in the terms agreed between the parties and, for the purpose of identification, signed by them or on their behalf, or such document in such other terms as may be agreed in writing by the parties from time to time in substitution for or in variation of such document;

- (K) the rule known as the *ejusdem generis* rule shall not apply. Accordingly general words introduced or followed by the word "other" or "including" or "in particular" shall not be given a restrictive meaning because they are followed by particular examples intended to fall within the meaning of the general words; and
- (L) all warranties, representations, indemnities, covenants, agreements and obligations given or entered into by more than one person are given or entered into jointly and severally.

2. LOAN CAPITALISATION

- 2.1 On and subject to the terms of this Agreement, the memorandum and articles of association of the Company and the applicable laws in Hong Kong and the fulfilment of the condition(s) precedent under Clause 3, the Company hereby agrees to settle the outstanding amount of the Loan owing by the Company to the Creditor in full, and the Creditor agrees to accept the same in full and final settlement of the Loan, by way of issuing and allotting to the Creditor (or his designated nominee) the Loan Capitalisation Shares at the issue price of HKD0.342.

3. CONDITION(S) PRECEDENT

- 3.1 The obligations of the Company and the Creditor to complete this Agreement are conditional upon the following condition(s) being fulfilled at or before 5:00 p.m. (Hong Kong time) on 23 November, 2018 (or such other time and date as the parties shall agree in writing):
 - (A) if necessary, the passing by the Independent Shareholders at an extraordinary general meeting of the Company to be convened and held, of the necessary resolutions to approve the Loan Capitalisation Agreement and the transaction contemplated thereunder (including but not limited to the allotment and issue of the Loan Capitalisation Shares under the Specific Mandate);
 - (B) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Loan Capitalisation Shares and such approval and permission having not subsequently been revoked prior to the commencement of dealings in the Loan Capitalisation Shares on the Stock Exchange; and
 - (C) the allotment, issue and subscription of the Loan Capitalisation Shares not being prohibited by any statute, order, rule, regulation, ruling, directive or request promulgated or issued after the date of the Loan Capitalisation Agreement by any legislative, executive or regulatory body or authority (including the Stock Exchange and the Securities and Futures Commission) which is applicable to the Company;
 - (D) all necessary consents and approvals required to be obtained on the part of the Company in respect of the Loan Capitalisation Agreement and the transactions contemplated thereby having been obtained.
- 3.2 If any of the conditions referred to in Clause 3.1 are not fulfilled at or before 5:00 p.m. (Hong Kong time) on 23, November 2018 (or such other time and date as the parties shall agree in writing), any party may, at any time thereafter, terminate this Agreement by notice in writing to the other party, whereupon the obligations of the parties under this Agreement shall forthwith cease and terminate and neither the Company nor the

Creditor shall have any claim against the other party, save for any antecedent breach hereof.

4. COMPLETION

4.1 Completion shall take place on the day following the fifth Business Day after the fulfilment of the conditions precedent (or such other date to be agreed by the parties).

4.2 At Completion, the Company shall allot and issue the Loan Capitalisation Shares to the Creditor (or his designated nominee) and shall promptly register at the costs of the Company, the Creditor (or to order of the Creditor) as the registered holder of the Loan Capitalisation Shares and deliver or cause to be delivered to the Creditor definitive share certificate(s) in respect of the Loan Capitalisation Shares.

5. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

5.1 The Company hereby represents and warrants to the Creditor that:

- (A) the creation, allotment and issue of the Loan Capitalisation Shares will comply with all statutory requirements in Hong Kong, including the Companies Ordinance (chapter 622 of the laws of Hong Kong) and the Listing Rules of Hong Kong Exchange;
- (B) the creation of the Loan Capitalisation Shares and their allotment and issue pursuant to this Agreement will not cause any breach of any agreement or by which it and/or any of its subsidiaries is a party or by which it is or any of them is bound and will not infringe or exceed any limits on, powers of, or restrictions on or the terms of any contract, obligation or commitment whatsoever of, the Company and/or any of its subsidiaries and/or their respective board of directors; and
- (C) the Loan Capitalisation Shares will be allotted and issued pursuant to this Agreement free from all claims, charges, liens, encumbrances and equities and will rank pari passu in all respects with the existing Shares together with all rights and entitlements accruing after the date of the Completion and the right to receive all dividends or other distributions declared, paid or made or proposed to be made on such existing Shares at any time by reference to a record date falling on or after the date of the Completion.

6. REPRESENTATIONS AND WARRANTIES OF THE CREDITOR

6.1 The Creditor hereby warrants and represent to the Company that:

- (A) the Creditor has not assigned, charged, pledged or otherwise disposed of or encumbered all or any part of the Loan to or in favour of any person or agreed to do any of the foregoing;
- (B) the Loan is valid and subsisting and free from all encumbrances, liens, charges and third party rights of any kind; and
- (C) the Creditor is the legal and beneficial owner of the Loan and has all the right, authority and power to dispose of his benefit of and in the Loan in the manner set out in this Agreement.

7. GENERAL REPRESENTATIONS AND WARRANTIES

Each of the Creditor and the Company represents and warrants to each other that he/it has the power and authority to enter into and perform his/its obligations under this

Agreement and that this Agreement has been duly authorised and executed by him/it and constitutes legally binding obligations on him/it and in entering into this Agreement he/it is not in breach of any existing obligation binding on him/it or any applicable law or regulation.

8. **GENERAL PROVISIONS**

- 8.1 Further Assurance: Each party agrees to perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents, as may be required by law or as may be necessary or reasonably desirable to implement and/or give effect to this Agreement and the transactions contemplated by it.
- 8.2 Entire Agreement: This Agreement (together with any document described in or expressed to be entered into in connection with this Agreement) constitutes the entire agreement between the parties in relation to the transaction(s) referred to it or in them and supersedes any previous agreement between the parties in relation to such transaction(s). It is agreed that:
- (A) no party has entered into this Agreement in reliance upon any representation, warranty or undertaking of any other party which is not expressly set out or referred to in this Agreement; and
 - (B) except for any breach of an express representation or warranty under this Agreement, no party shall have any claim or remedy under this Agreement in respect of misrepresentation or untrue statement made by any other party, whether negligent or otherwise, and whether made prior to or after this Agreement, **PROVIDED THAT** this clause shall not exclude liability for fraudulent misrepresentation.
- 8.3 Remedies Cumulative: Any right, power or remedy expressly conferred upon any party under this Agreement shall be in addition to, not exclusive of, and without prejudice to all rights, powers and remedies which would, in the absence of express provision, be available to it; and may be exercised as often as such party considers appropriate.
- 8.4 Waivers: No failure, relaxation, forbearance, indulgence or delay of any party in exercising any right or remedy provided by law or under this Agreement shall affect the ability of that party subsequently to exercise such right or remedy or to pursue any other rights or remedies, nor shall such failure or delay constitute a waiver or variation of that or any other right or remedy. No single or partial exercise of any such right or remedy shall preclude any other or further exercise of it or the exercise of any other right or remedy.
- 8.5 Partial Invalidity: The parties intend that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws applied in each jurisdiction in which enforcement is sought. If any particular provision or part of this Agreement shall be held to be invalid or unenforceable, then such provision shall (so far as invalid or unenforceable) be given no effect and shall be deemed not to be included in this Agreement but without invalidating any of the remaining provisions of this Agreement. The parties shall use all reasonable endeavours to replace the invalid or unenforceable provisions by a valid and enforceable substitute provision the effect of which is as close as possible to the intended effect of the invalid or unenforceable provision.

- 8.6 Variation: No variation of any of the terms of this Agreement (or of any document described in or expressed to be entered into in connection with this Agreement) shall be effective unless such variation is made in writing and signed by or on behalf of each of the parties. The expression "Variation" shall include any variation, supplement, deletion or replacement however effected.
- 8.7 Assignment: This Agreement shall be binding upon, and inure to the benefit of, the parties and their respective successors and permitted assigns. No party shall take any steps to assign, transfer, charge or otherwise deal with all or any of its rights and/or obligations under or pursuant to this Agreement without the prior written consent of the other parties. In the absence of the prior written consent of the parties, this Agreement shall not be capable of assignment.
- 8.8 Counterparts: This Agreement may be executed in any number of counterparts all of which, taken together, shall constitute one and the same agreement. Any party may enter into this Agreement by executing any such counterpart.
- 8.9 Legal Relationship: The parties are independent principals and no party is nor shall it hold itself out as the agent or partner of another, and no party shall have any authority to bind or incur any liability on behalf of any other party.
- 8.10 Punctual Performance: Time shall be of the essence of this Agreement.
- 8.11 Provisions to Survive Completion: All provisions of this Agreement shall so far as they are capable of being performed or observed continue in full force and effect notwithstanding Completion except in respect of those matters already performed.

9. **NOTICES**

9.1 Any notice to be given under this Agreement shall be in English and made in writing and may be delivered personally or sent by prepaid letter (airmail if overseas) or facsimile transmission. A notice shall be sent to the addressee (marked for the attention of the appropriate person) at its address or facsimile number set out in the first page of this Agreement or to such other address or facsimile number as may be notified by such addressee to the other party from time to time for the purposes of this Clause.

9.2 A notice shall be deemed to have been served:

- (A) if personally delivered, at the time of delivery;
- (B) if posted, if to an addressee within the same country, two (2) working days (or if to an addressee in a different country, five (5) working days, when it shall be sent airmail) after the envelope containing the notice was delivered into the custody of the postal authorities;
- (C) if communicated by facsimile transmission, at the time of transmission;

PROVIDED THAT where, in the case of delivery by hand or transmission by facsimile, such delivery or transmission occurs after 4 p.m. (local time) on a working day or on a day which is not a working day in the place of receipt, service shall be deemed to occur at 9 a.m. (local time) on the next following working day in such place; and for this purpose, in this Clause "working day" means a day on which banks are open for business in the ordinary course, other than Saturdays and Sundays.

9.3 In proving service, it shall be sufficient to prove that personal delivery was made or that the envelope containing the notice was properly addressed and delivered into the

custody of postal authorities authorised to accept the same, or if sent by facsimile, by receipt of automatic confirmation of transmission **PROVIDED THAT** a notice shall not be deemed to be served if communicated by facsimile transmission which is not legible in all material respects; such transmission shall be deemed to have been so legible if a request for retransmission is not made before the end of the next working day following the transmission.

10. **GOVERNING LAW AND JURISDICTION**

10.1 Governing Law: This Agreement (together with all documents referred to in it) shall be governed by and construed and take effect in accordance with the laws of Hong Kong.

10.2 Jurisdiction: With respect to any question, dispute, suit, action or proceedings arising out of or in connection with this Agreement ("**Proceedings**"), each party irrevocably:

- (A) submits to the non-exclusive jurisdiction of the courts of Hong Kong; and
- (B) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either party from bring Proceedings in any other jurisdiction nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

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EXECUTION PAGE

IN WITNESS whereof, the parties hereto have duly executed this Agreement the day and year first above written.

SIGNED by)
Gan Lin)
its director)
for and on behalf of)
FOREBASE INTERNATIONAL)
HOLDINGS LIMITED)
申基國際控股有限公司)
in the presence of :-)



SIGNED by)
SHEN YONG (申勇))
in the presence of :-)



2024

DATED 5 NOVEMBER 2018

FOREBASE INTERNATIONAL HOLDINGS LIMITED (1)
申基國際控股有限公司

(the “Company”)

- and -

SHEN YONG (申勇) (2)

(the “Creditor”)

SUPPLEMENTAL LOAN CAPITALISATION AGREEMENT

Patrick Mak & Tse
Rooms 901-905
9th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

Tel : (852) 2850 6336
Fax : (852) 2850 6086
Ref: CF/PM/4318/16/ZZP

SUPPLEMENTAL LOAN CAPITALISATION AGREEMENT

THIS SUPPLEMENTAL LOAN CAPITALISATION AGREEMENT (“**SUPPLEMENTAL AGREEMENT**”) is made on the 5th day of November 2018.

BETWEEN:

- (1) **FOREBASE INTERNATIONAL HOLDINGS LIMITED** 申基國際控股有限公司, a company incorporated under the laws of Hong Kong, Stock Code: 2310, whose registered office and principal place of business is located at Room 3805, 38/F., Lee Gardens One, 33 Hysan Avenue, Causeway Bay, Hong Kong (the “**Company**”); and
- (2) **SHEN YONG** (申勇), holder of Hong Kong Identify Card No. M185895(0) whose address is at 14-1, 148 Zhongshan 1st Road, Yuzhong District, Chongqing, China. (the “**Creditor**”)

(the Company and the Creditor are collectively as the “**parties**” and individually as a “**party**”)

WHEREAS:

- (A) The parties entered into a loan capitalization agreement dated 12th October 2018 (the “**Original Agreement**”) pursuant to which the Company has conditionally agreed to settle the outstanding amount of the Loan owing by the Company to the Creditor in full, and the Creditor has conditionally agreed to accept the same in full and final settlement of the Loan (as defined in the Original Agreement), by way of issuing and allotting to the Creditor (or his designated nominee) the Loan Capitalisation Shares (as defined in the Original Agreement) at the issue price of HKD0.342 per Loan Capitalisation Share.
- (B) The parties have agreed to vary the terms of the Original Agreement in the manner contained herein.

IT IS HEREBY AGREED:

1. DEFINITIONS AND INTERPRETATION

Unless the context requires otherwise, terms and expressions defined and construed in the Original Agreement shall have the same meanings and construction when used in this Supplemental Agreement.

2. EFFECT

- 2.1 With effect from the date of this Supplemental Agreement, the Original Agreement shall be amended as set out in Clause 3 hereinbelow and any reference in the Original Agreement or in any related agreement or document to any provision of the Original Agreement shall, unless the context otherwise requires, be construed as a reference to such provision as the same has been amended pursuant to the provisions of this Supplemental Agreement or may otherwise have been, or from time to time be, amended or supplemented.
- 2.2 This Supplemental Agreement shall be construed as forming part of the Original Agreement and this Supplemental Agreement when read with the Original Agreement shall be construed as one and the same instrument.
- 2.3 Save as otherwise expressly provided in this Supplemental Agreement, the Original Agreement shall continue in full force and effect with its terms.
- 2.4 Each of the parties hereby agrees and consents to the making of the amendment described in Clause 3 hereinbelow.

3. VARIATION

- 3.1 The parties hereto agree and consent to amend the following clauses of the Original Loan Agreement to the effect that the following clauses shall be construed as forming part of the Original Loan Agreement in lieu of the respective recitals, definitions, clauses and schedules originally set out in the Original Loan Agreement:

Clauses 3.1 and 3.2 of the Original Agreement

By deleting in its entirety the Clauses 3.1 and 3.2 of the Original Agreement and substituting therefore the following new Clauses 3.1 and 3.2:

“3.1 The obligations of the Company and the Creditor to complete this Agreement are conditional upon the following condition(s) being fulfilled on or before 14 December 2018 (or such other date as may be agreed between the parties):

- (A) if necessary, the passing by the Independent Shareholders at an extraordinary general meeting of the Company to be convened and held,

of the necessary resolutions to approve the Loan Capitalisation Agreement and the transaction contemplated thereunder (including but not limited to the allotment and issue of the Loan Capitalisation Shares under the Specific Mandate);

- (B) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Loan Capitalisation Shares and such approval and permission having not subsequently been revoked prior to the commencement of dealings in the Loan Capitalisation Shares on the Stock Exchange;
- (C) the compliance with the minimum public float requirement under the Listing Rules of at least 25% of the total issued share capital of the Company as enlarged by the allotment and issue of the Loan Capitalisation Shares;
- (D) the allotment, issue and subscription of the Loan Capitalisation Shares not being prohibited by any statute, order, rule, regulation, ruling, directive or request promulgated or issued after the date of the Loan Capitalisation Agreement by any legislative, executive or regulatory body or authority (including the Stock Exchange and the Securities and Futures Commission) which is applicable to the Company; and
- (E) all necessary consents and approvals required to be obtained on the part of the Company in respect of the Loan Capitalisation Agreement and the transactions contemplated thereby having been obtained.

3.2 If any of the conditions referred to in Clause 3.1 are not fulfilled on or before 14 December 2018 (or such other date as may be agreed between the Parties), any party may, at any time thereafter, terminate this Agreement by notice in writing to the other party, whereupon the obligations of the parties under this Agreement shall forthwith cease and terminate and neither the Company nor the Creditor shall have any claim against the other party, save for any antecedent breach hereof.”

4. GENERAL PROVISIONS

- 4.1 Entire Agreement: This Supplemental Agreement (together with any document described in or expressed to be entered into in connection with this Supplemental Agreement) constitutes the entire agreement between the parties in relation to the transaction(s) referred to it or in them and supersedes any previous agreement between the parties in relation to such transaction(s).
- 4.2 Counterparts: This Supplemental Agreement may be executed in any number of counterparts all of which, taken together, shall constitute one and the same agreement. Any party may enter into this Supplemental Agreement by executing any such counterpart.
- 4.3 Governing Law and Jurisdiction: This Supplemental Agreement (together with all documents referred to in it) shall be governed by and construed and take effect in accordance with the laws of Hong Kong. With respect to any question, dispute, suit, action or proceedings arising out of or in connection with this Supplemental Agreement, each party irrevocably submits to the non-exclusive jurisdiction of the courts of Hong Kong.
- 4.4 Third Party Rights: A person who is not a party to this Supplemental Agreement has no right under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce or enjoy the benefit of any term of this Supplemental Agreement.

EXECUTION PAGE

IN WITNESS whereof the parties have executed this Supplemental Agreement the day and year first above written.

SIGNED by)
GAN LIN(甘霖))
its director)
for and on behalf of)
FOREBASE INTERNATIONAL)
HOLDINGS LIMITED)
申基國際控股有限公司)
in the presence of :-)



SIGNED by)
SHEN YONG (申勇))
in the presence of :-)



DATED 30 NOVEMBER 2018

FOREBASE INTERNATIONAL HOLDINGS LIMITED (1)
(申基國際控股有限公司)

(the “Company”)

- and -

SHEN YONG (申勇) (2)

(the “Creditor”)

**SECOND SUPPLEMENTAL
LOAN CAPITALISATION AGREEMENT**

Patrick Mak & Tse
Rooms 901-905
9th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

Tel : (852) 2850 6336
Fax : (852) 2850 6086
Ref: CF/PM/4318/16/ZZP

SECOND SUPPLEMENTAL LOAN CAPITALISATION AGREEMENT

THIS SECOND SUPPLEMENTAL LOAN CAPITALISATION AGREEMENT (the “**SECOND SUPPLEMENTAL AGREEMENT**”) is made on the 30th day of November 2018.

BETWEEN:

- (1) **FOREBASE INTERNATIONAL HOLDINGS LIMITED** (申基國際控股有限公司), a company incorporated under the laws of Hong Kong, Stock Code: 2310, whose registered office and principal place of business is located at Room 3805, 38/F., Lee Gardens One, 33 Hysan Avenue, Causeway Bay, Hong Kong (the “**Company**”); and
- (2) **SHEN YONG** (申勇), holder of Hong Kong Identify Card No. M185895(0) whose address is at 14-1, 148 Zhongshan 1st Road, Yuzhong District, Chongqing, China. (the “**Creditor**”)

(the Company and the Creditor are collectively as the “**parties**” and individually as a “**party**”)

WHEREAS:

- (A) The parties entered into a loan capitalization agreement dated 12th October 2018 (the “**Original Agreement**”) pursuant to which the Company has conditionally agreed to settle the outstanding amount of the Loan (as defined in the Original Agreement) owing by the Company to the Creditor in full, and the Creditor has conditionally agreed to accept the same in full and final settlement of the Loan, by way of issuing and allotting to the Creditor (or his designated nominee) the Loan Capitalisation Shares (as defined in the Original Agreement) at the issue price of HKD0.342 per Loan Capitalisation Share.
- (B) The parties entered into a supplemental agreement dated 5 November 2018 (the “**Supplemental Agreement**”) to vary the terms of the Original Agreement on the terms and conditions set out therein.
- (C) The parties have agreed to vary the terms of the Original Agreement in the manner contained herein.

IT IS HEREBY AGREED:

1. DEFINITIONS AND INTERPRETATION

Unless the context requires otherwise, terms and expressions defined and construed in the Original Agreement shall have the same meanings and construction when used in this Second Supplemental Agreement.

2. EFFECT

- 2.1 With effect from the date of this Second Supplemental Agreement, the Original Agreement shall be amended as set out in Clause 3 hereinbelow and any reference in the Original Agreement or in any related agreement or document to any provision of the Original Agreement shall, unless the context otherwise requires, be construed as a reference to such provision as the same has been amended pursuant to the provisions of this Second Supplemental Agreement or may otherwise have been, or from time to time be, amended or supplemented.
- 2.2 Upon this Second Supplemental Agreement becoming effective, the Supplemental Agreement shall be terminated and ceased to be effective and this Second Supplemental Agreement shall be construed as forming part of the Original Agreement and this Second Supplemental Agreement when read with the Original Agreement shall be construed as one and the same instrument.
- 2.3 Save as otherwise expressly provided in this Second Supplemental Agreement, the Original Agreement shall continue in full force and effect with its terms.
- 2.4 Each of the parties hereby agrees and consents to the making of the amendment described in Clause 3 hereinbelow.

3. VARIATION

- 3.1 The parties hereto agree and consent to amend the following clauses of the Original Agreement to the effect that the following clauses shall be construed as forming part of the Original Agreement in lieu of the respective recitals, definitions, clauses and schedules originally set out in the Original Agreement:

Clauses 3.1 and 3.2 of the Original Agreement

By deleting in its entirety the Clauses 3.1 and 3.2 of the Original Agreement and substituting therefore the following new Clauses 3.1 and 3.2:

“3.1 The obligations of the Company and the Creditor to complete this Agreement are conditional upon the following condition(s) being fulfilled on or before 31 December 2018 (or such other date as may be agreed between the parties):

- (A) if necessary, the passing by the Independent Shareholders at an extraordinary general meeting of the Company to be convened and held, of the necessary resolutions to approve the Loan Capitalisation Agreement and the transaction contemplated thereunder (including but not limited to the allotment and issue of the Loan Capitalisation Shares under the Specific Mandate);
- (B) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Loan Capitalisation Shares and such approval and permission having not subsequently been revoked prior to the commencement of dealings in the Loan Capitalisation Shares on the Stock Exchange;
- (C) the compliance with the minimum public float requirement under the Listing Rules of at least 25% of the total issued share capital of the Company as enlarged by the allotment and issue of the Loan Capitalisation Shares;
- (D) the allotment, issue and subscription of the Loan Capitalisation Shares not being prohibited by any statute, order, rule, regulation, ruling, directive or request promulgated or issued after the date of the Loan Capitalisation Agreement by any legislative, executive or regulatory body or authority (including the Stock Exchange and the Securities and Futures Commission) which is applicable to the Company; and
- (E) all necessary consents and approvals required to be obtained on the part of the Company in respect of the Loan Capitalisation Agreement and the transactions contemplated thereby having been obtained.

3.2 If any of the conditions referred to in Clause 3.1 are not fulfilled on or before 31 December 2018 (or such other date as may be agreed between the Parties), any party may, at any time thereafter, terminate this

Agreement by notice in writing to the other party, whereupon the obligations of the parties under this Agreement shall forthwith cease and terminate and neither the Company nor the Creditor shall have any claim against the other party, save for any antecedent breach hereof.”

4. GENERAL PROVISIONS

- 4.1 Entire Agreement: This Second Supplemental Agreement (together with any document described in or expressed to be entered into in connection with this Second Supplemental Agreement) constitutes the entire agreement between the parties in relation to the transaction(s) referred to it or in them and supersedes any previous agreement between the parties in relation to such transaction(s).
- 4.2 Counterparts: This Second Supplemental Agreement may be executed in any number of counterparts all of which, taken together, shall constitute one and the same agreement. Any party may enter into this Second Supplemental Agreement by executing any such counterpart.
- 4.3 Governing Law and Jurisdiction: This Second Supplemental Agreement (together with all documents referred to in it) shall be governed by and construed and take effect in accordance with the laws of Hong Kong. With respect to any question, dispute, suit, action or proceedings arising out of or in connection with this Second Supplemental Agreement, each party irrevocably submits to the non-exclusive jurisdiction of the courts of Hong Kong.
- 4.4 Third Party Rights: A person who is not a party to this Second Supplemental Agreement has no right under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce or enjoy the benefit of any term of this Second Supplemental Agreement.

EXECUTION PAGE

IN WITNESS whereof the parties have executed this Second Supplemental Agreement the day and year first above written.

SIGNED by)
GAN LIN(甘霖))
the director)
for and on behalf of)
FOREBASE INTERNATIONAL)
HOLDINGS LIMITED)
申基國際控股有限公司)
in the presence of :-)



SIGNED by)
SHEN YONG (申勇))
in the presence of :-)

