(d) Any reference to an ordinance or subsidiary legislation shall be deemed to be a reference to that ordinance or subsidiary legislation as from time to time amended, re-enacted or substituted.

2. THE LOAN

(1) The Lender agrees to and does hereby advance by way of unsecured loan the amount of [insert currency and dollar amount]nd liard liard liac tur (0 (r)3 (r)h-7 (e)d (-)Tj (d or)(o a)4 (3
--

t3 (sh(p4 (b)-1u)- (n)4 ()4 (nd6 (r)5.r)5n)* mTd (92 (i</MCID 9 >>BDC /DC -0.003 Tc 3600

* Delete where appropriate

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.]*

[Notes:

1. Clause 3(2) may be adapted to reflect other methods of calculating and paying interest; and may be deleted if the loan is non-interest bearing.]

4. REPAYMENT

(1) Subject to the provisions of Clause 5, the Borrower may repay the whole or any part of the Loan at any time prior to the Repayment Date and in any event shall repay the Loan by the 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 immediately after such repayment.

(2) The Lender hereby agrees that any sums received by it in respect of the Loan in breach of the terms of this Agreement, whether received by way of repayment or otherwise and whether made by or on behalf of the Borrower, shall be regarded as void for the purposes of this Agreement and shall be held by the Lender on trust to return the same forthwith to the Borrower or, where applicable, to the Insolvency Officer, upon receipt of a written request to do so by the Commission, the Borrower or the Insolvency Officer.

(3) The trust created by Clause 4(2) and Clause 8(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.

5. SUBORDINATION

* Delete where appropriate

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 al

* Delete where appropriate

(4) The Borrower and the Lender hereby jointly and severally agree and acknowledge the right of the Commission at any time to withdraw its approval of the Loan as an approved subordinated loan for the purposes of compliance by the Borrower with the Financial Resources Rules in the event of either the Borrower or the Lender failing to comply with any of the terms of this Agreement or in the event of the Borrower failing to comply with any of the terms and conditions contained in the letter of approval.

9. DOCUMENTATION

The parties hereto jointly and severally acknowledge that this Agreement forms the entire agreement relating to the Subordinated Liabilities. If there are any other terms relating to the Subordinated Liabilities existing at the date hereof and not comprised in this Agreement, such terms shall be of no further force and effect. No amendment to this Agreement shall be of any effect unless it is in writing subscribed to by all the parties hereto. Any amendment to this Agreement made or purported to be made without the prior written consent of the Commission shall be void, and at any time after the Commission shall have become aware of any such amendment it shall be entitled to declare by notice in writing to the Borrower and the Lender that the Loan will no longer be taken into account for the purposes of determining compliance by the Borrower with the Financial Resources Rules. Any such declaration shall be without prejudice to any other rights or any other action which the Commission might be entitled to take or to exercise in respect of a breach of this Agreement constituted by any such purported amendment and no failure or delay on the part of the Commission with respect to the making of such declaration shall prejudice its rights in relation to the Borrower and/or the Lender either generally or pursuant to this Agreement.

10. CONTINUING OBLIGATIONS AND TERMINATION

(1) The obligations of the Borrower and the Lender hereunder shall be continuing obligations and shall be and remain fully effective until the repayment of the Loan in full in accordance with the provisions of this Agreement.

(2) This Agreement may be terminated at any time by the Lender and the Borrower upon agreement provided that the Commission has given its prior written consent to the termination. Termination of this Agreement shall be without prejudice to the rights and claims of the Commission accrued or made at or prior to the date of termination.

11. THE COMMISSION

(1) The Commission is a party to this Agreement only for the purpose of ensuring the enforceability of the provisions of this Agreement so as to satisfy itself that such requirements of the Financial Resources Rules as are applicable to the Borrower are met and the Commission is not, and shall not be deemed to be, a trustee for, or to have any obligation of any nature to, the Senior Creditors or any of them.

* Delete where appropriate

(c) in the case of facsimile transmission, that a corresponding facsimile transmission report was generated.

14. GOVERNING L AW AND JURISDICTION

(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 to any disputes howsoever arising out of or in connection with this Agreement.

[(2) The Lender irrevocably consents to any process in any judicial or other proceedings anywhere being served by [mailing a copy by registered post or insert other acceptable means] to its agent in the Hong Kong Special Administrative Region. The Lender hereby appoints [insert name of agent] of [address] as its agent in the Hong Kong Special Administrative Region to accept service of any legal process.]*

[Note: Clause 14(2) would be required where the Lender is an overseas individual, corporation or unincorporated body.]

IN WITNESS WHEREOF 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.

The Lender

* Delete where appropriate

[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:

_____

The Commission

Signed by:

Executive Director/Senior Director*

For and on behalf of the Securities and Futures Commission

_____

[Notes:

1. The statement that "the parties have set their respective hands and seals" is applicable where the Lender/Borrower is an individual; whereas "the parties have caused their respective Common Seals…" is applicable where the Lender/Borrower is a corporation.

2. Where the Lender and/or the Borrower are corporations, they should check their Articles of Association (if applicable) regarding the correct mode of execution of contracts that apply to them.]

* Delete where appropriate