

To: **The Hongkong and Shanghai Banking Corporation Limited**
HKMC Insurance Limited

ACKNOWLEDGEMENT AND UNDERTAKING (SFGS)

Re:	1)	Borrower: (the " Company ")
	2)	The HKMCI SME Financing Guarantee Scheme (the " Scheme ") operated by HKMC Insurance Limited (" HKMCI ")

In this Acknowledgement and Undertaking (the "**Acknowledgement**"), unless otherwise specified, (i) all references to any person shall include its respective successors and permitted assigns and transferees and any persons deriving title under them, and (ii) all references to a document shall include any subsequent amendment or supplement thereto from time to time.

In consideration of The Hongkong and Shanghai Banking Corporation Limited (the "**Bank**") granting or agreeing to grant or continuing to grant certain banking facilities to the Company or otherwise granting forbearance indulgence or other accommodation to the Company, or other valuable consideration (the receipt of which is hereby acknowledged), I/we jointly and severally confirm and undertake to the HKMCI and the Bank that:

- (i) I/we have granted or will grant Security and/or guarantee(s) in favour of the Bank in respect of, inter alia, the banking facilities granted or to be granted by the Bank to the Company under or in connection with the Scheme;
- (ii) I/we acknowledge that a guarantee or guarantee(s) (the "**Guarantee**") may be granted or has/have been granted by the HKMCI in respect of the banking facilities granted or to be granted by the Bank to the Company (the "**Facility**") under the Scheme;
- (iii) I/we confirm that I/we have either obtained independent legal advice or has voluntarily waived my/our right to seek such independent legal advice. I/We fully understand the nature and extent of my/our obligations and liabilities as guarantor(s) and/or security providers in relation to the Facility and have acted or will act independently and free from any undue influence of any person;
- (iv) I/we acknowledge and confirm that my/our obligations and liabilities as guarantor(s) and/or security provider(s) in relation to the Facility will only be discharged with the prior consent of the Bank and the approval of HKMCI;
- (v) the HKMCI's rights, including but not limited to its right of subrogation, shall at all times rank in priority to the rights and remedies, if any, of me/us and any person giving any Security or otherwise in relation to the Facility. I/We shall not exercise in any manner or to any extent my/our rights or remedies against the Company or any such person or in relation to any Security, including but not limited to any right of subrogation, indemnity or contribution which I/we have or may have in law or equity or under any Security or guarantee or otherwise, unless and until the HKMCI has fully and unconditionally recovered all amounts paid by the HKMCI under the Scheme or unless and until the HKMCI otherwise consents in writing. We shall not assert against the HKMCI any rights or remedies;
- (vi) in addition and without prejudice to any other right the Bank and the HKMCI may have, each of the Bank, the HKMCI and their respective related bodies may at any time access, inspect, obtain, and make copies of (free of charge), any of my/our materials (including any document, record and information) in connection with the rights, interest, obligations or liabilities of the HKMCI under the Scheme, the related deed between the Bank and the HKMCI and any Guarantee;
- (vii) I/we hereby authorise the Bank, the HKMCI and their respective related bodies, to the extent related to the relevant Guarantee or the Scheme, to inspect all books, records, accounts and any other information relating to me/us or my/our business, whether in paper, electronic or any other form or medium, at the request of the Bank and/or the HKMCI and their related bodies (as the case may be);
- (viii) I/we hereby acknowledge, agree and authorise that:
 - (a) in addition and without prejudice to any other right the Bank may have, the Bank and its related bodies disclose and/or transfer my/our personal data and other information from time to time in its possession to the HKMCI in relation to the Facility, the relevant Guarantee, the Company and/or any guarantor or security provider of the Company in respect of the Facility and other related purposes;
 - (b) the HKMCI may use such personal data and information for the purpose stated in (a) above, and disclose and/or transfer any such personal data and information received or held by it to the Trade and Industry Department or the Hong Kong Government or provider(s) of credit protection for such purposes as considered appropriate by the HKMCI; and
 - (c) in the event that such information includes the personal or other data of any third party or individual, I/we confirm and warrant that I/we have obtained the consent of such third party or individual to the provision of such data to the Bank and to the use and disclosure by the Bank pursuant to the terms of this Acknowledgement. I/We shall indemnify and hold the Bank harmless from all costs, penalties, damages and other losses incurred as the result of any breach of the terms of this paragraph (c);

- (ix) the use of the Facility which has been granted or may be granted by the Bank is subject to the terms and conditions of the Scheme in which the Bank has participated; notwithstanding that the Company may be required to pay the Bank an amount equal to the guarantee fee payable by the Bank for the cover provided to the Bank by the HKMCI pursuant to the Scheme, the Scheme is for the sole and exclusive benefit of the Bank, and that none of us shall be deemed to be a party to it, or a beneficiary of it, and that no payments made under the Scheme to the Bank shall affect or lessen the Bank's rights of remedy against any of us in the event of default of the loan or drawings under the Facility; and
- (x) for the avoidance of doubt, I/we confirm that all sums from time to time owing by the Company to the Bank under the Facility are and shall be secured by all and any Security created by me/us and the Company, before or at or after the date of this Acknowledgement, which is by its terms expressed (in any manner whatsoever) to secure all monies owing by the Company to the Bank from time to time, and I/we shall not seek to claim or assert anything to the contrary.

In this Acknowledgement:

Security means a mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, security interest, cash collateral arrangement or other encumbrance of any kind securing, or a right conferring a priority of payment in respect of, any obligation to pay of any person or any other agreement or arrangement having a similar effect, but does not include any lien arising in the ordinary course of trading by operation of law and not by contract (but shall include, in relation to any finance lease or hire purchase contract, the vesting of beneficial ownership of the relevant asset in the finance lessor or hire purchase seller, and shall include, in relation to any factoring or other receivables purchase facility, the vesting of beneficial ownership of the factored or purchased receivables in the factor or purchaser).

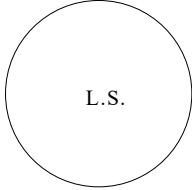
This Acknowledgement is in addition to, and shall not prejudice, any right of the Bank or HKMCI under any other agreement, document or otherwise.

This Acknowledgement shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region ("**Hong Kong**"). I/We submit to the non-exclusive jurisdiction of the Hong Kong courts.

No one other than the Bank and myself/ourselves will have any right under the Contracts (Rights of Third Parties) Ordinance to enforce or enjoy the benefit of any of the provisions of this Acknowledgement.

This Acknowledgement has been executed and delivered by me/us as a deed. Dated the day of 20 .

Signed Sealed and Delivered by:

Name of Signatory in Block Letters	Signature
I/D Card No. (or equivalent) of Signatory	
X	

in the presence of:

Name of Witness	I/D Card No. (or equivalent) of Witness
Address of Witness	Signature of Witness
Occupation of Witness	X