

SME FINANCING GUARANTEE SCHEME

ACCEPTANCE OF CONDITIONS

To : The SME Financing Guarantee Scheme Unit,
HKMC Insurance Limited (the "HKMCI")

Fax No.: (852) 2516 9600

Name of Lender : _____
 Name of Borrower : _____
 Business Registration No. of Borrower : _____
 HKMCI / IIDS Reference No. : _____

AGREEMENT

In consideration of the HKMCI agreeing to issue a guarantee in favour of the Lender (the "Guarantee") in respect of a facility granted or to be granted by the Lender to the Borrower (the "Facility"), the Borrower agrees that:

1. All confirmations, undertakings and declarations (as applicable) provided by the Borrower and contained in the Application Form under the above HKMCI / IIDS Reference No. duly signed by the Borrower (the "Application Form") are hereby repeated as if they have been given again on the date hereof.
2. The Borrower shall use the proceeds from the Facility for the sole purpose as declared in the Application Form under the above HKMCI / IIDS Reference No.
3. The Borrower shall allow the Lender, the HKMCI and their related bodies to access, inspect and make copies of all books, records, accounts and any other information relating to the Borrower or the Borrower's business, whether in paper, electronic or any other form or medium, and whether in the possession, custody or control of the Lender, the Borrower or otherwise, for any purpose relating to the application, monitoring the performance of the Facility, conducting due diligence review, processing a request for payment under the Scheme and other related purposes.
4. Unless otherwise permitted in the Deed for the HKMC SME Financing Guarantee Scheme or the Deed for the SME Financing Guarantee Scheme (as applicable) , the Borrower shall not use any relevant Facility, whether in whole or in part, for: (a) paying, repaying, restructuring or repackaging all or any part of any loan, credit facility or payment obligation (including any loan referred to as a "classified loan" by the Hong Kong Monetary Authority from time to time) of the Borrower, its Subsidiaries or its Related Entities; and/or (b) financing and/or re-financing the acquisition of any business installation, machinery, equipment or other asset that was in the ownership, control or possession of the relevant Borrower, its Subsidiaries and/or its Related Entities (whether as owner or otherwise) on or at any time before the date on which an application for the Facility is received by the Lender.
5. Any request or demand made upon the HKMCI by or on behalf of the Lender for payment of any sum under the Guarantee shall be conclusive evidence as between the Borrower and the HKMCI that the HKMCI's liability under the Guarantee has accrued and shall constitute conclusive authority for the HKMCI to make such payment to the Lender and the Borrower shall be liable to the HKMCI for such payment. The HKMCI shall be entitled to make such payment to the Lender or

any person as the Lender may direct without inquiring into the validity or justification of the request or demand irrespective of notice or knowledge of any dispute between the Borrower and the Lender and the Borrower shall not challenge the HKMCI's propriety or authority in making such payment to the Lender.

6. A demand accompanied by a certificate of balance signed by any of the HKMCI's authorised officers shall be conclusive evidence against the Borrower of the Borrower's obligations to pay under this Agreement and/or the Guarantee and of the amount payable.
7. Payments by the Borrower shall be made to the HKMCI without any set-off, counterclaim or condition and shall be free and clear of all present and future taxes, withholdings or deductions of any nature except that, if the Borrower is compelled by law to make such withholding, the sum payable by the Borrower shall be increased so that the amount actually received by the HKMCI is the amount the HKMCI would have received if there had been no withholding.
8. No payment to the HKMCI under this Agreement and/or the Guarantee pursuant to any judgment, court order or otherwise shall discharge the Borrower's obligation in respect of which it was made unless and until payment in full has been received by the HKMCI in the currency in which it is payable and, to the extent that the amount of any such payment shall, on actual conversion into such currency, fall short of the amount of the Borrower's obligation expressed in that currency, the Borrower shall be liable for the shortfall.
9. The Borrower shall irrevocably and unconditionally indemnify and hold the HKMCI harmless, on demand, from and against all actual or alleged liabilities, claims, demands, losses, damages, taxes, costs, charges and expenses of any kind (including, without limitation, legal fees on a full indemnity basis) which may be incurred or suffered by the HKMCI and all actions and proceedings which may be brought by or against the HKMCI in connection with or arising out of this Agreement or the Guarantee.
10. If any moneys paid to the HKMCI pursuant to this Agreement or the Guarantee are required to be repaid by virtue of any law relating to insolvency, bankruptcy or liquidation or for any other reason, the HKMCI shall be entitled to enforce the indemnity as if such moneys had not been paid.
11. The indemnity given herein is a continuing indemnity and will remain in full force and effect until the HKMCI shall have confirmed in writing that the Borrower has been absolutely released and discharged from the Borrower's liabilities in connection with such indemnity.
12. The Borrower's liability to indemnify hereunder shall not be discharged or otherwise affected by any of the following reasons:
 - (a) that the HKMCI waives a condition under or in connection with the Guarantee or any other documents relating to it (including this Agreement);
 - (b) that the HKMCI waives any compliance by the Lender of any of its obligations under or in connection with the Guarantee;
 - (c) that the HKMCI varies the Guarantee or enters into any agreement or arrangement with the Lender or any other person or by reason of any legal limitation, disability or incapacity or any other act, omission or circumstance which, but for this provision, would discharge the Borrower to any extent; or
 - (d) that time or indulgence shall have been granted to the Borrower by the Lender or the HKMCI in connection with any of the Borrower's obligations to the Lender or the HKMCI.

13. The indemnity hereunder shall be in addition to and not in substitution for and shall not be prejudiced or affected by any other indemnities or security given by the Borrower or any other person which the HKMCI may now or hereafter hold in respect of the Guarantee. Any release, variation, exchange or abstain from perfecting of any other indemnities or security now held or hereafter may be held by the HKMCI in respect of the Guarantee shall not affect such indemnity. Any restriction on the right of consolidating securities shall not apply to such indemnity.
14. The indemnity hereunder shall be binding on the Borrower's heirs, legal representatives, successors and assigns.
15. Each of the provisions in this Agreement is severable and distinct from the other and, if one or more of such provisions is or becomes illegal, invalid or unenforceable, the remaining provisions shall not be affected in any way. The Borrower hereby agrees that a copy or an electronic record of this Agreement bearing the signature(s) of the Borrower shall have the same effect as if it were the original thereof.
16. The Borrower shall pay to the HKMCI, upon demand, interest on all amounts payable by the Borrower to the HKMCI under this Agreement and/or the Guarantee. For the purpose of this provision, interest shall accrue on a day to day basis and be calculated on each amount due to the HKMCI at the interest rate certified by the HKMCI to be the HKMCI's cost of funds in relation to that amount and shall be payable from the day on which such amount becomes due until (and including) the day it is received by the HKMCI.
17. At the HKMCI's request, the Borrower shall execute such documents and take such action which the HKMCI may consider necessary or convenient to give effect to the HKMCI's rights and in connection with the exercise of the HKMCI's powers under this Agreement and/or the Guarantee.
18. No act or omission by the HKMCI pursuant to this Agreement, the Guarantee or any other document relating to them shall affect the HKMCI's rights, powers and remedies in connection with them or any further or other exercise of such rights, powers and remedies.
19. The Borrower shall not assign any of the Borrower's rights and obligations, in whole or in part, under this Agreement, the Guarantee, the Facility or any documents relating to any of them without the HKMCI's prior written consent (such consent shall not be unreasonably withheld). The HKMCI may assign any of the HKMCI's rights under these documents to any person without the Borrower's prior written consent.
20. The Borrower shall not do or permit to be done anything which would prejudice or jeopardise the rights of the Lender or the HKMCI, in respect of the Facility.
21. The Borrower shall not create, or permit to be created, any subsequent charges or encumbrances ranking in priority to or pari passu with any security that may be given to or held by the Lender for the Facility.
22. In the event of breach of paragraphs 20 or 21 above, the Borrower shall pay all the proceeds and sums realised or generated as a result direct to the Lender for payment towards the Indebtedness under the Facility.
23. The Borrower acknowledges that if the Starting Date (as defined in the Application Form) of the Facility cannot be effected on or before the date specified as such in the relevant Notification of Result and/or Guarantee (or such other time as the HKMCI may agree in writing) for any reason, the HKMCI's Approval-in-Principle or Guarantee shall be deemed to have lapsed for all purposes

- after such date and that the Borrower has no recourse of whatever kind against the HKMCI therefor.
24. The Borrower shall at all relevant times comply with all terms and conditions as set out in the relevant facility letter(s) which set(s) out the respective rights and obligations of the Lender and the Borrower and other terms and conditions of the relevant Facility.
25. The Borrower shall inform the HKMCI and the Lender as soon as practicable if any of the information provided by the Borrower supplied in connection with the Application Form is no longer valid. The Borrower shall repay in full all the outstanding amounts under the Facility, with interest, within such time specified upon notification by the HKMCI or the Lender, if any information the Borrower supplied in connection with the Application Form is false, inaccurate or no longer valid. The Borrower acknowledges that the HKMCI and the Lender reserve the right to take any legal action against the Borrower for any breach of the terms and conditions of the Facility or this Agreement. The Borrower acknowledges that the HKMCI may set off any of the outstanding amounts owed by the Borrower under the Facility, the Guarantee and/or this Agreement from any sums that may be due from the HKMCI to the Borrower, its subsidiaries and/or its Related Entities (as defined in the Application Form).
26. This Agreement and the rights and obligations of the parties hereunder are governed by and shall be construed in accordance with the laws of Hong Kong Special Administrative Region. The Borrower shall submit to the non-exclusive jurisdiction of the Courts of the Hong Kong Special Administrative Region but this Agreement may be enforced in the Courts of any competent jurisdiction.
27. Without prejudice to any rights and remedies that the Lender or the HKMCI may have, the Borrower acknowledges that the HKMCI may forthwith request the Lender to suspend the Facility, and the Lender shall act accordingly, in the event that the HKMCI is in the opinion that the Borrower is :
- (a) in breach of any of the undertakings given in the Application Form;
 - (b) in breach of any of the terms and conditions mentioned herein; or
 - (c) no longer compliant, or has not complied with any declaration by the Borrower given in the Application Form.
28. The Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) shall not apply to this Agreement and unless specifically herein provided no person other than the parties to this Agreement shall have any rights under it nor shall it be enforceable by any person other than the parties to it.

Signed for and on behalf of the Borrower ^(Note 1):

Authorised Signature(s):	Company Chop :
Full Name :	Date : (dd/mm/yyyy)
Position :	Fax Number :
Telephone Number :	Email Address :

Please return this Form to the HKMCI by ^(Note 2):

IIDS - Website: <https://iids.hkmcinet.com.hk/>

FAX(only if the IIDS shall (for whatever reason) not be in normal operating mode): (852) 2516 9600

ENQUIRY HOTLINE: (852) 2923 6990

Notes

Note 1 : The person(s) signing this Form and the signature(s) should be the same as those in the Application Form.

Note 2 : The Lender shall retain in the relevant loan file (or equivalent) the **original** of this Form and the copy of which is to be retained by the Borrower.

For HKMCI's use only

Received On:	Signature Verified On / By:	Input On / By:	Approved On / By: