

Deed of undertaking

This deed of undertaking (this "**deed**") is made and entered into as of 4 May 2018, by **ASIA FINANCIAL SERVICES COMPANY LIMITED** (the "**Seller**") in favour of **SUN HUNG KAI & CO. LIMITED** 新鴻基有限公司 (the "**Company**").

RECITALS:

- (A) The Seller and the Company intend to enter into a share purchase agreement for 145,000,000 ordinary shares of the Company (the "**Sale Shares**") (the "**SPA**") in the form appended to this deed, pursuant to which the Company proposes to make an off-market purchase of its own shares from the Seller.
- (B) Under the Companies Ordinance, the Company may not purchase its shares otherwise than under a general offer or on a recognised stock market or approved stock exchange, unless the SPA is authorised in advance by special resolution of the Company.

IT IS AGREED as follows:

1. Unless a contrary indication appears, a term defined in the SPA has the same meaning in this deed.
2. Upon written request by the Company, the Seller shall duly execute and deliver to the Company the SPA within three Business Days after the following condition is satisfied:
 - (a) the passing of the resolutions by at least three-fourths of the votes cast on a poll by the disinterested shareholders in attendance in person or by proxy at a general meeting of the Company to approve the Share Buyback (or such other resolution(s) by members of the Company as required under the Listing Rules, the Share Buy-backs Code and applicable law or regulations).
3. This deed shall automatically terminate if the condition in paragraph 2 above has not been satisfied by 5.00 p.m. (Hong Kong time) on 31 August 2018 or such other date as the Seller and the Company may agree in writing. The Seller's obligations under this deed shall cease immediately on termination, but termination does not affect any person's accrued rights and obligations at the date of termination.
4. This deed may be executed in counterparts. All counterparts when taken together are to be taken to constitute one agreement.
5. This deed is governed by, and shall be construed in accordance with, the laws of Hong Kong.

IN WITNESS WHEREOF this deed has been executed as a deed by the Seller and is intended to be and is hereby delivered by the Seller as a deed on the date specified above.

Executed as a deed by

Stephen McGrath)
Director)



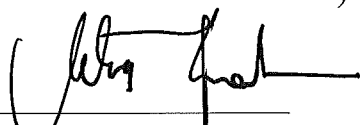
_____)
for and on behalf of)

ASIA FINANCIAL SERVICES)

COMPANY LIMITED)

Name :)

Title :)

in the presence of 
_____)

Name of the witness: **Michal Pawlica**

Address: 22 Grenville Street
St Helier

Occupation: Jersey **COMPANIED SECRETARY**
JE4 8PX

Agreed to and acknowledged by

_____)

for and on behalf of)

SUN HUNG KAI & CO. LIMITED)

新鴻基有限公司)

Name :)

Title :)

IN WITNESS WHEREOF this deed has been executed as a deed by the Seller and is intended to be and is hereby delivered by the Seller as a deed on the date specified above.

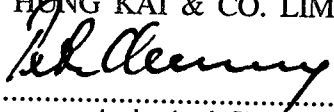
Executed as a deed by)
)
)
)
)
_____)

for and on behalf of)
ASIA FINANCIAL SERVICES)
COMPANY LIMITED)

Name :)
Title :)

in the presence of)
_____)

Name of the witness: _____
Address: _____
Occupation: _____

Agreed to and acknowledged by)
For and on behalf of)
SUN HUNG KAI & CO. LIMITED)
)
.....)
Authorised Signature(s))
_____)

for and on behalf of)
SUN HUNG KAI & CO. LIMITED)
新鴻基有限公司)
Name : Peter Anthony Curry)
Title : Executive Director)

Appendix
Form of SPA

SUN HUNG KAI & CO. LIMITED 新鴻基有限公司
AND
ASIA FINANCIAL SERVICES COMPANY LIMITED

SHARE PURCHASE AGREEMENT

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THIS SHARE PURCHASE AGREEMENT, dated as of [date], is entered into by and

BETWEEN:

- (1) **SUN HUNG KAI & CO. LIMITED** 新鴻基有限公司, a company incorporated in Hong Kong with limited liability whose registered address is 42/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong (the "**Company**"); and
- (2) **ASIA FINANCIAL SERVICES COMPANY LIMITED**, a company incorporated in the Cayman Islands whose registered address is PO Box 309 Uglan House Grand Cayman KY1-1104 Cayman Islands (the "**Seller**").

WHEREAS:

- (A) The Seller is the beneficial owner of 341,600,000 ordinary shares of the Company which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") and the Seller now desires to sell, and the Company desires to buy back from the Seller 145,000,000 ordinary shares of the Company (the "**Sale Shares**").
- (B) The Share Buyback (defined below) is a connected party transaction and an off-market purchase by the Company of its own shares and therefore requires the Company's members' approval pursuant to the Listing Rules, the Companies Ordinance and the Hong Kong Code on Share Buy-backs ("**Share Buy-backs Code**").

NOW, THEREFORE, the parties agree as follows:

1. **INTERPRETATION**

1.1 **Definitions**

Unless the terms or context of this Agreement otherwise provide, the following terms shall have the meanings set out below:

"**Agreement**" means this share purchase agreement (as may be amended or varied from time to time).

"**Business Day**" means a day (excluding Saturdays, Sundays and public holidays and a day on which typhoon signal no. 8 or a black rainstorm warning is hoisted at any time in Hong Kong) on which banks are generally open for business in Hong Kong.

"**CCASS**" means the Central Clearing and Settlement System established and operated by HKSCC.

"**Companies Ordinance**" means the Companies Ordinance (Cap 622 of the Laws of Hong Kong).

"**Completion**" means completion of the transfer of the Sale Shares in accordance with this Agreement.

"**Completion Date**" means the date of Completion as stated in Clause 4.1.

"Condition" has the meaning given to it in Clause 3.1.

"Distribution" means any dividend, other distribution or return of capital.

"Encumbrance" means a mortgage, pledge, lien, option, restriction, right of pre-emption, third party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect.

"Executive" means the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any of his delegates.

"General Rules" means the General Rules of CCASS from time to time in force.

"HKSCC" means the Hong Kong Securities Clearing Company Limited.

"Hong Kong" means Hong Kong Special Administrative Region of the People's Republic of China.

"HK\$" means Hong Kong dollars, the lawful currency of Hong Kong.

"Hong Kong Stock Exchange" has the meaning given to it in recital (A).

"Listing Rules" means the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

"Operational Procedures" means the Operational Procedures of HKSCC in relation to CCASS from time to time in force.

"Person" means any natural or legal person, including without limitation any individual, limited liability company, corporation, partnership, association, joint-stock company, trust, unincorporated organization, governmental entity or other entity of a similar nature.

"Purchase Price" has the meaning given in Clause 2.2.

"Sale Shares" has the meaning given to it in recital (A).

"Share Buy-backs Code" has the meaning given to it in recital (B).

"Share Buyback" means the proposed share buyback by the Company of the Sale Shares from the Seller pursuant to the terms of this Agreement.

"Seller's Bank Account" means the Seller's bank account with [*bank*], in the name of [*account name*], with account number [*number*].

"Seller's CCASS Participant" means Sun Hung Kai Investment Services Limited, with CCASS Number B01086.

"SFC" means the Hong Kong Securities and Futures Commission.

"Tax" means any form of taxation, levy, duty, charge, contribution, or withholding of whatever nature (including any related fine, penalty, surcharge or interest) imposed,

collected or assessed by, or payable to, any national, provincial, municipal or local government or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function.

2. SALE AND PURCHASE OF SALE SHARES

- 2.1 Upon the terms and subject to the conditions of this Agreement, the Seller as the beneficial owner of the Sale Shares agrees to sell, and the Company agrees to buy, the Sale Shares and each right attaching to the Sale Shares, free of any Encumbrance.
- 2.2 The Seller shall sell and the Company shall buy the Sale Shares, subject to the adjustment, if any, pursuant to Clause 7.4, at a price of HK\$4.75 per Sale Share, representing a total consideration for the Sale Shares of HK\$688,750,000, which shall be paid to the Seller on the Completion Date in accordance with the provisions of Schedule 1 (the "**Purchase Price**").

3. CONDITION

- 3.1 Completion shall be conditional upon the Executive approving the Share Buyback pursuant to the Share Buy-backs Code (and such approval not having been withdrawn) and the condition(s) of such approval, if any, having been satisfied (the "**Condition**"):
- 3.2 The Company shall inform the Seller as soon as practicable following satisfaction of the Condition and the parties shall keep each other fully informed of all matters and developments regarding the progress of, and which are material to, the satisfaction of the Condition. If, at any time, either party becomes aware of a fact or circumstance that might prevent the Condition from being satisfied, it shall inform the other party of the matter.
- 3.3 The Company warrants that the shareholders' approval required under the Listing Rules, the Companies Ordinance and Share Buy-backs Code in connection with the transaction under this Agreement has been given.

4. COMPLETION

- 4.1 Completion shall take within 5 Business Days following satisfaction of the Condition set out in Clause 3.1 or such other date as the parties may agree in writing (the "**Completion Date**").
- 4.2 At Completion, the parties shall deliver and/or perform (or procure the delivery and/or performance) of all those documents, items and actions respectively listed in relation to that party in Schedule 1.
- 4.3 Completion shall only occur if all documents, items and actions listed in Schedule 1 have been delivered or performed as required by Schedule 1 by each party.
- 4.4 If Completion does not take place on the Completion Date because a party fails to comply with any of its obligations under this Clause 4 and Schedule 1 (whether such failure amounts to a repudiatory breach or not), the non-defaulting party may by notice to the defaulting party:
- 4.4.1 proceed to Completion to the extent reasonably practicable;

4.4.2 postpone Completion to a date not more than 5 Business Days after the original Completion Date (provided that such date is no later than the Longstop Date); or

4.4.3 terminate this Agreement.

4.5 If Completion is postponed to another date in accordance with Clause 4.4.2, the provisions of this Agreement apply as if that other date is the Completion Date.

5. TERMINATION

5.1 If the Condition has not been satisfied by 5.00 p.m. (Hong Kong time) on 31 August 2018 or such other date as the parties may agree in writing, this Agreement shall automatically terminate with immediate effect.

5.2 If a party commits any material breach of this Agreement, this Agreement may be terminated by the other party by giving written notice to the first-mentioned party.

5.3 Each party's rights and obligations shall cease immediately on termination, but termination does not affect a party's accrued rights and obligations at the date of termination or any liability arising before or in relation to such termination. Notwithstanding the foregoing, the provisions of Clauses 12 through 14 of this Agreement shall survive termination of this Agreement for any reason.

6. STAMP DUTY, TAXES AND FEES

6.1 Except as set out in Clause 6.2, each party shall be responsible for its own Tax liabilities arising from the transfer of the Sale Shares under this Agreement.

6.2 Each of the Seller and the Company shall bear its own:

6.2.1 Hong Kong stamp duty (including ad valorem stamp duty) and fixed duty on instruments (if applicable); and

6.2.2 Hong Kong Stock Exchange trading fees and SFC transaction levy (if applicable),

which are payable in relation to the sale and purchase of the Sale Shares.

6.3 For the avoidance of doubt, the Company shall be responsible for all costs associated with (i) the preparation of the announcement and shareholder circular (including printers costs and postage costs); (ii) any fees payable to the SFC or the Hong Kong Stock Exchange; (iii) fees of any financial adviser or independent financial adviser engaged by the Company; and (iv) any fees or costs of the Company's registrar.

7. WARRANTIES AND UNDERTAKINGS

7.1 Each party warrants to the other party that (in the case of the Company, subject to satisfaction of the Condition):

7.1.1 it is duly organised and has the right, power and authority, and has taken all action necessary, to execute, deliver and exercise its rights, and perform its

- obligations, under this Agreement and each document to be executed by the parties at or before Completion;
- 7.1.2 its obligations under this Agreement and each document to be executed by the parties at or before Completion are, or when the relevant document is executed will be, enforceable in accordance with their respective terms; and
- 7.1.3 it is not in receivership or liquidation and it has not taken steps to enter into liquidation; no petition has been presented for its winding up and there are no grounds on which a petition or application could be based for the appointment of a receiver for its or its winding up of.
- 7.2 The Seller hereby warrants to the Company that:
- 7.2.1 save as disclosed by the Seller to the Company, the Seller is the beneficial owner of the Sale Shares and has all rights, title and interest therein, which Sale Shares shall be sold to the Company with all rights attached thereto, and free and clear of all Encumbrances;
- 7.2.2 the Sale Shares are fully paid and there is no outstanding call on any of the Sale Shares; and
- 7.2.3 the Sale Shares are deposited in CCASS and, at Completion, can be validly transferred to the Company in accordance with the provisions of Schedule 1.
- 7.3 The Company hereby warrants to the Seller that (subject to satisfaction of the Condition) the Company can validly pay the Purchase Price in accordance with the provisions of Schedule 1.
- 7.4 If the Company declares, pays, or makes a Distribution before Completion and the Seller is entitled to receive such Distribution, the Purchase Price shall be adjusted accordingly by deducting from the Purchase Price an amount corresponding to the Distribution paid, payable, declared or made in respect of the Sale Shares (the "**Distribution Amount**"). If for any reason the Seller, who is entitled to receive but does not receive the Distribution Amount within one month following the Completion Date, the Company shall immediately pay to the Seller an amount equal to the Distribution Amount in accordance with the procedure set out in paragraph 1 of Schedule 1 and, if the Seller subsequently receives some or all of the Distribution Amount, it shall pay to the Company an amount equal to such portion of the Distribution Amount as is actually received promptly following receipt.
- 7.5 Other than for the purpose of the Share Buyback, the Seller shall not sell, transfer, charge, encumber, create or grant any option or lien over or otherwise dispose of or deal in or create any Encumbrance (other than to release any pledge arising under the Seller's custodian arrangements existing as at the date of this Agreement in respect of the Sale Shares) over any interest in the Sale Shares.
- 7.6 During the period from the date of this Agreement until the date falling three (3) months after the Completion Date, the Seller shall not and shall procure any person controlled by it or acting on its behalf not to offer, sell, contract to sell, grant any option to purchase or otherwise dispose of, directly or indirectly, any shares or any

other securities of the Company which are substantially similar to shares or any securities convertible into, exchangeable for or representing the right to receive any of the foregoing securities or enter into any options or derivatives, cash settled or otherwise.

- 7.7 Each party acknowledges that the other party is or may be a person connected with the Company and may possess non-public information relating to the Company and its group.

8. FURTHER ASSURANCE

Each party shall, from Completion, co-operate with the other and execute and deliver to the other such other instruments and documents and take such other actions as may reasonably be requested from time to time in order to carry out, evidence and confirm their rights and the intended purpose of this Agreement.

9. AMENDMENT AND WAIVER

- 9.1 An amendment of this Agreement is valid only if it is in writing and signed by or on behalf of each party.

- 9.2 The failure to exercise or delay in exercising a right or remedy provided by this Agreement or by law does not impair or constitute a waiver of the right or remedy or an impairment of or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by this Agreement or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.

10. ASSIGNMENT

Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either of the parties hereto without the prior written consent of the other party.

11. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof.

12. NOTICES

Notice, claim or demand in connection with this Agreement shall be in writing in English and shall be sufficiently given or served if delivered or sent:

- 12.1 in the case of the Seller to:

94 Solaris Avenue, Camana Bay P.O. Box 1348, Grand Cayman KY 1-1108, Cayman Islands

Facsimile: +1-345-949-4647

Email address: ed.fletcher@mourantozannes.com

Attention: The Directors of Asia Financial Services Company Limited / Ed Fletcher

12.2 in the case of the Company to:

Address: 42/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong

Facsimile: +852-3748 2877

Email address: peter.curry@shkco.com

Attention: The Directors of Sun Hung Kai & Co. Limited / Mr. Peter Curry

or in any case to such other address or fax number as a party may have notified the other party in accordance with this Clause 12. Any notice may be delivered by hand or sent by fax with confirmation receipt or by electronic mail ("**E-mail**") with delivery receipt followed by registered mail posted within twenty-four (24) hours, or by overnight courier. Without prejudice to the foregoing, any notice shall be deemed to have been received (a) on the next Business Day in the place to which it is sent, if sent by fax or Email, or (b) two (2) Business Days from the time of posting, if sent by overnight courier, or (c) at the time of delivery, if delivered by hand.

13. **COUNTERPARTS**

This Agreement may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument. Either party may enter into this Agreement by executing any such counterpart.

14. **GOVERNING LAW AND DISPUTE RESOLUTION**

14.1 This Agreement and any dispute arising out of, relating to or in connection with this Agreement shall be governed by and construed in accordance with the laws of Hong Kong.

14.2 Each of the parties hereto submits to the exclusive jurisdiction of the courts of Hong Kong in any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of, or in connection with, this Agreement or the transactions contemplated hereby. Each party hereto waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

15. **CONFIDENTIALITY**

Without the prior written consent of the other party, the Seller and the Company shall not, and shall cause their respective Representatives not to, disclose this Agreement and its terms to any Person, other than to its Representatives who are actively and directly participating in its evaluation of the transaction contemplated hereby and are bound by obligations of confidentiality. Notwithstanding the foregoing, any party shall be permitted to furnish copies of this Agreement and to discuss the subject matter of this Agreement to or with any governmental entity as such party may deem appropriate, and to make such disclosures as such party determines in good faith are

required under applicable law or regulation or rules of a relevant stock exchange. For purposes of the foregoing, "**Representatives**" means, as to any Person, its affiliates (which, in relation to the Seller, includes CVC Asia Pacific Limited and its affiliates) and its and its affiliates' directors, officers, employees, agents and advisors (including without limitation, financial advisors, attorneys, accountants and their respective Representatives).

16. **SEVERABILITY**

In the event that any of the provisions of this Agreement shall be held to be invalid, void or unenforceable, the remaining portions hereof shall remain in full force and effect and such provision shall be enforced to the maximum extent possible as so to effect the intent of the parties, and shall in no way be affected, impaired or invalidated.

17. **THIRD PARTY RIGHTS**

A Person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Ordinance (Cap 623 of the Laws of Hong Kong) to enforce any term of this Agreement but this does not affect any right or remedy of a third party which exists or is available apart from that Ordinance.

SCHEDULE 1
COMPLETION PROCEDURE

On the Completion Date:

1. The Company shall pay, or procure the payment of, the Purchase Price by electronic transfer of immediately available funds in HK\$ to the Seller's Bank Account and/or such other bank account(s) as the Seller shall notify the Company in writing no less than two Business Days prior to the Completion Date.
2. Subject to the payment of the Purchase Price referred to in paragraph 1 above, the Seller shall:
 - (a) procure the Seller's CCASS Participant to give an irrevocable delivery instruction to effect a book-entry settlement of the Sale Shares on a free of payment ("FOP") basis in accordance with the General Rules and the Operational Procedures to the credit of the stock account of Company's CCASS participant, being Sun Hung Kai Investment Services Limited with CCASS Number B01086; and
 - (b) procure delivery of a certified true copy of the aforesaid irrevocable delivery instruction of the Sale Shares to the Company.

IN WITNESS HEREOF, the parties have duly executed this Agreement as of the date first written above.

SIGNED by)

for and on behalf of)

SUN HUNG KAI & CO. LIMITED)

新鴻基有限公司)

SIGNED by)

for and on behalf of)

ASIA FINANCIAL SERVICES)

COMPANY LIMITED)