

Private & Confidential

**Dated**                      **23 July**                      **2012**

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**Kompass International Limited**                      (1)

**High Return Trading Limited**                      (2)

**Wong Kin Wah, George**                      (3)

**Achieve Bloom Limited**                      (4)

**AND**

**The Hong Kong Parkview Group Limited**                      (5)  
**(for itself and as trustee for the Group Companies)**

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**DEED OF INDEMNITY**

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**THIS DEED OF INDEMNITY** is dated 23 July 2012

**BY:**

- (1) Kompas International Limited (company number 70446), a company incorporated in the British Virgin Islands whose registered office is at P.O. Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands ("**KIL**");
- (2) High Return Trading Limited (company number 547597), a company incorporated in Hong Kong whose registered office is at 88 Tai Tam Reservoir Road, Hong Kong ("**HRTL**"); and
- (3) Wong Kin Wah, George (Hong Kong identity card number G472833(4)), an individual whose address is at Apartment 2393, Tower 17, Hong Kong Parkview, 88 Tai Tam Reservoir Road, Hong Kong ("**Mr. Wong**").

(KIL, HRTL and Mr. Wong together, the "**Indemnifiers**" and each an "**Indemnifier**")

**IN FAVOUR OF:**

- (4) Achieve Bloom Limited (company number 1653700), a company incorporated in the British Virgin Islands whose registered office is at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands (the "**Purchaser**"); and
- (5) The Hong Kong Parkview Group Limited, an exempted company incorporated in Bermuda whose registered office is at Clarendon House, Church Street, Hamilton HM11, Bermuda (the "**Company**") and whose principal place of business in Hong Kong is situated at 88 Tai Tam Reservoir Road, Hong Kong, for itself and in its capacity as trustee for each of the companies set out in Schedule 1 (together the "**Group Companies**")

**WHEREAS**

Pursuant to the Share Purchase Agreement (as defined in clause 1 below), KIL, HRTL and Mr. Wong agreed to sell a total of approximately 73.5% of the entire issued share capital of the Company to the Purchaser and to enter into this Deed on completion of the Share Purchase Agreement (as defined in clause 1 below).

**IT IS DECLARED** as follows:

**1 Definitions and interpretation**

1.1 In this Deed, in addition to the above definitions, the following words and expressions shall have the following meanings:

1.1.1 "**Business Day**" means a day which banks are open for general business in Hong Kong;

- 1.1.2 "**Chyau Fwu Investment**" means Chyau Fwu Investment Limited, a company incorporated in Hong Kong whose registered office is at 88 Tai Tam Reservoir Road, Hong Kong, being one of the Group Companies directly held as to 100% by Parkview Property;
- 1.1.3 "**Claim**" includes any assessment, notice, demand or other document issued or action taken by or on behalf of the Inland Revenue Department of Hong Kong or any other statutory or central, provincial, regional or local governmental authority whatsoever in Hong Kong or in any other part of the world from which it appears that the Company or any of the Group Companies is liable or is sought to be made liable for any payment of any form of Taxation or other liability in respect of which the Indemnifiers are or may be liable under this Deed;
- 1.1.4 "**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China;
- 1.1.5 "**Loss**" means any reduction, modification, loss, counteraction, notification, utilisation, disallowance or claim back for whatever reason;
- 1.1.6 "**Parkview Property**" means Parkview Property Development Limited, a company incorporated in Hong Kong whose registered office is at 88 Tai Tam Reservoir Road, Hong Kong, being one of the Group Companies and the immediate holding company of Chyau Fwu Investment;
- 1.1.7 "**Relief**" includes any loss, relief, allowance, set-off exemption, or deduction in computing any profits, income or gains or credit or right to repayment or saving of Taxation available to the Company or any of the Group Companies granted by or pursuant to any legislation concerning or otherwise relating to Taxation and any reference to the set-off or use of relief shall be construed accordingly;
- 1.1.8 "**Tax Liability**" means:
- (a) a liability of the Company or any Group Company for any payment of or in respect of any form of Taxation; and
  - (b) the Loss of any Relief (in whole or in part) where such Relief has been taken into account in computing and so reducing or eliminating any provision for deferred Taxation in the Draft Accounts (or which but for such Relief would have appeared in the Draft Accounts) or where such Relief was treated as an asset in the Draft Accounts, in which case the Tax Liability shall be the amount of Taxation which would (applying the relevant rates of Taxation in force in the period or periods in respect of which Relief would have applied or where the rate has at the relevant time not been fixed, the last known rate) have been saved but for such Loss of Relief, assuming that the Relief was capable of full utilisation by the Company or the relevant Group Company; and

- (c) the set-off or use of any Purchaser's Relief in circumstances where, but for such set-off or use, the Company or any Group Company would have had a liability to make a payment of or in respect of Taxation for which the Purchaser would have been able to make a claim against the Indemnifiers under this Deed, in which case the amount of the Tax Liability shall be the amount of Taxation saved by the Company or any Group Company as a result of such set-off or use;

- 1.1.9 "**Taxation**" means (i) any form of taxation, duty, impost, levy, rate, charge, contribution or other amount payable to any revenue, customs or fiscal authorities whenever created or imposed and of any part of the world, including, without limitation, profits tax, provisional profits tax, interest tax, salaries tax, property tax, taxes on income, estate duty, capital duty, stamp duty, payroll tax, rates, customs and excise duties and other similar liabilities; and (ii) all interest, penalties, costs, charges and expenses incidental or relating to the liability to Taxation or the deprivation of any Relief which is the subject of this Deed to the extent that the same is payable or suffered by the Company or any of the Group Companies.
- 1.1.10 "**Share Purchase Agreement**" means the share purchase agreement made on 16 July 2012 between the Indemnifiers and the Purchaser relating to the sale and purchase of approximately 73.5% of the entire issued share capital of the Company; and
- 1.1.11 "**subsidiary**" shall have the meaning ascribed to it under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong).
- 1.2 Capitalised words and phrases used in this Deed but not defined in clause 1.1 shall have the meanings given to them in the Share Purchase Agreement.

## **2 Indemnity**

- 2.1 Subject as hereinafter provided, the Indemnifiers jointly and severally covenant and agree with each of the Purchaser and the Company (for itself and as trustee of each of the other Group Companies) that they will fully and effectually indemnify and at all times keep fully and effectually indemnified each of Purchaser and the Company (for itself and as trustee of each of the other Group Companies) on demand from and against:
  - 2.1.1 any and all Tax Liability falling on the Company or any of the Group Companies resulting from or by reference to any income, profits, gains, transactions, events, matters or things earned, accrued, received, entered into or occurring up to the Completion Date, whether alone or in conjunction with any other circumstances whenever occurring and whether or not such Tax Liability is chargeable against or attributable to any other person, firm or company; and
  - 2.1.2 any Tax Liability arising in respect of, by reference to, or in consequence of, any failure of the Indemnifiers or of any other company (not being the Company or any of the Group Companies)

which is or has at any time been a company directly or indirectly owned by any of the Indemnifiers, to discharge or pay any Tax Liability; and

- 2.1.3 without prejudice to clause 2.1.1, any Tax Liability and Loss arising in respect of, or in consequence of, the adoption of the deferred share scheme by Chyau Fwu Investment and the creation of non-voting deferred shares by Chyau Fwu Investment for the purpose of claiming Relief or saving, avoiding or minimizing Taxation under the Laws, and/or any subsequent transfer of such non-voting deferred shares to Parkview Property from the estate of the late Mr. Hwang Chou Shiuan pursuant to the acquisition agreement dated 13 September 2010 entered into between Parkview Property, Allhead Holdings Limited, Ellenburgh International Limited and Richtop Investments Ltd., or any subsequent repurchase or cancellation of such non-voting deferred shares by Chyau Fwu Investment; and
- 2.1.4 any Loss suffered or incurred by the Purchaser or the Company or any of the Group Companies as a consequence of or which would not have been arisen but for the way disclosure was made by the Company in any of its announcement, shareholders' circular, annual report and other publicly available documents issued or published in respect of or in relation to the acquisition of Chyau Fwu Investment in 2010; and
- 2.1.5 any and all costs (including all legal costs), expense or other liabilities which the Purchaser or the Company or any of the Group Companies may incur in connection with:
- (a) the settlement of any claim under this Deed;
  - (b) any legal proceedings in which the Purchaser or the Company or any of the Group Companies claims under or in respect of this Deed and in which judgement is given for the Purchaser or the Company or any of the Group Companies; or
  - (c) the enforcement of any such settlement or judgement referred to in clause 2.1.5(a) or (b) above.
- 2.2 For the avoidance of doubt, the right of the Purchaser and the Company to seek indemnification under this Deed shall not be restricted or impaired by the respective actual or deemed knowledge of the Purchaser or the Company or the fact that disclosure of such matter has been made, or deemed to have been made, in the Share Purchase Agreement or other document.

### **3 Limitation of Liability**

- 3.1 This Deed does not cover any claim for, and the Indemnifiers shall be under no liability under this Deed in respect of, any Tax Liability:
- 3.1.1 to the extent that adequate provision or reserve has been made for such Tax Liability in the Draft Accounts and/or could be effectively and actually offset by unutilised deductible losses from previous years;

- 3.1.2 which would not have arisen but for any act or omission or transaction or delay by the Purchaser or the Company or any of the Group Companies which was voluntarily effected without the prior consent or agreement of the Indemnifiers after the date of this Deed;
  - 3.1.3 for which the Company or any of the Group Companies is primarily liable as a result of transactions in the ordinary course of normal day to day trading operations since the Accounts Date; or
  - 3.1.4 to the extent that such Claim arises or is incurred as a result of the imposition of Tax Liability as a consequence of any retrospective change in the law, rules or regulations coming into force after the date hereof or to the extent such Claim arises or is increased by an increase in rates of Taxation after the date of this Deed with retrospective effect.
- 3.2 Notwithstanding anything to the contrary in this Deed, the liability of the Indemnifiers under this Deed shall be subject to the maximum liability of the Indemnifiers in respect of all Claims (as defined in Schedule 4 of the Share Purchase Agreement) as provided for under Schedule 4 of the Share Purchase Agreement.

#### **4 Withholdings and taxation on payments**

- 4.1 All sums payable by the Indemnifiers under this Deed shall be paid free and clear of all deductions or withholdings, save only as is required by applicable law, regulation or regulatory requirement.
- 4.2 If a deduction or withholding is required by applicable law, regulation or regulatory requirement, or if the Purchaser or the Company or any of the Group Companies is subject to Taxation in respect of any sums payable by the Indemnifiers under this Deed, the Indemnifiers shall pay such additional amount as shall be required to ensure that the net amount received and retained by the Purchaser and/or the Company or the relevant Group Companies under this Deed will equal the full amount which would have been received and retained by it had the payment in question not been subject to any deductions, withholdings or Taxation.

#### **5 Claims**

- 5.1 In the event of any Claim arising under this Deed, the Purchaser, the Company and/or the relevant Group Company shall:
  - 5.1.1 by way of covenant but not as a condition precedent to the liability of the Indemnifiers under this Deed, give or procure that notice of such Claim is given, as soon as reasonably practicable, to the Indemnifiers in the manner provided in clause 10 below;
  - 5.1.2 take such action as the Indemnifiers may reasonably request in writing to cause the Claim to be withdrawn, or to dispute, resist, appeal against, compromise or defend the Claim and any

determination in respect of it as the Indemnifiers may reasonably request, subject to the Purchaser, the Company and/or the relevant Group Company (as applicable) being fully indemnified and secured to its satisfaction by the Indemnifiers from and against any and all losses, liabilities (including additional Taxation), damages, interest, penalties, costs, charges and expenses which may be sustained or incurred in connection with or as a result of such action and provided that:

- (a) any request made by the Indemnifiers pursuant to this clause 5.1.2 shall be made within a reasonable time of receipt by the Indemnifiers of the notice referred to in clause 5.1.1; and
- (b) neither the Purchaser, the Company nor the relevant Group Company shall be obliged to take any action which is likely to increase the future Taxation liability or likely to have a material adverse affect on the business, financial reputation, interest or goodwill of the Company, the Group Companies or any member of the Purchaser's group.

5.2 Without the Purchaser's prior written approval, the Indemnifiers shall not settle any Claim nor agree any matter in the course of disputing any Claim likely to affect the amount thereof or the future taxation liability of the Purchaser, the Purchaser's group, the Company or the Group Companies.

## **6 Refunds**

6.1 If, after the Indemnifiers has made any payment pursuant to this Deed, the Purchaser, the Company or any of the Group Companies shall receive a refund of all or part of the relevant Taxation, the relevant company shall repay or cause to repay to the Indemnifiers within ten (10) Business Days of receipt of such refund a sum corresponding to the balance of the refund remaining after deducting the aggregate of:

6.1.1 any costs, charges and expenses payable, sustained or incurred by the Purchaser, the Company or any of the Group Companies in recovering such refund; and

6.1.2 the amount of any additional Taxation which may be suffered or incurred by the Purchaser, the Company or any of the Group Companies in consequence of such refund;

but only to the extent that such sum being repaid to the Indemnifiers does not exceed the aggregate payments previously made by the Indemnifiers under this Deed.

## **7 Payment dates and interest**

7.1 Where the Indemnifiers are liable to make any payment under this Deed, the due date for the making of that payment in cleared, immediately available funds (the "Due Date") shall be the



earlier of the date falling ten (10) Business Days after the Purchaser has served a notice on the Indemnifiers and:

- 7.1.1 in a case that involves an actual payment of Taxation by the Purchaser, the Company or any Group Company, five (5) Business Days before the date on which the Taxation in question would have had to have been paid in order to prevent a liability to interest or a fine, surcharge or penalty from arising in respect of the Tax Liability in question;
  - 7.1.2 in any case that involves a Tax Liability within the meaning of paragraph (b) of the definition of Tax Liability the last date on which the Taxation is or would have been required to be paid to the relevant Taxation Authority in respect of the period in which the Loss of the Relief occurs (assuming for this purpose that the Relief was capable of full utilisation by the Company or the relevant Group Company (as applicable));
  - 7.1.3 (notwithstanding the provisions of clause 7.1.2 above) in any case that involves the unavailability of a right to repayment of a Tax Liability the date on which the repayment was due from the relevant Taxation Authority; or
  - 7.1.4 in any case that involves a Tax Liability within the meaning of paragraph (c) of the definition of Tax Liability the date on which the Taxation saved by the Company or the Group Company (as applicable) is or would have been required to be paid to the relevant Taxation Authority.
- 7.2 Any dispute as to the amount specified in any notice served on the Indemnifiers under clause 7.1 shall be determined by the auditors of the Company for the time being, acting as experts and not as arbitrators (the costs of that determination being shared equally by the Indemnifiers and the Purchaser).
- 7.3 If any sums required to be paid by the Indemnifiers under this Deed are not paid on the Due Date, then, except to the extent that the Indemnifiers' liability under this Deed compensates the Purchaser for the late payment by virtue of it extending to interest and penalties, such sums shall bear interest (which shall accrue from day to day after as well as before any judgment for the same) at the rate of 2 per cent. per annum over the base lending rate from time to time of The Hongkong and Shanghai Banking Corporation Limited from the day following the Due Date up to and including the day of actual payment of such sums, such interest to be compounded quarterly.

## **8 Further assurances**

The Indemnifiers shall execute or, so far as it is able, procure that any necessary third party shall execute all such documents and/or do or, so far as it is able, procure the doing of such acts and things as the Purchaser shall after the date of this Deed reasonably require to give effect to this Deed (and any documents entered into pursuant to it) and to give to the Purchaser, the Company and/or any Group Company the full benefit of all the provisions of this Deed.

## **9 Miscellaneous**

- 9.1 No purported alteration of this Deed shall be effective unless it is in writing, refers to this Deed and is duly executed by each party to this Deed.
- 9.2 This Deed may be executed in any number of counterparts and by the parties to it on separate counterparts, and each of the executed counterparts, when duly exchanged or delivered, shall be deemed to be an original, but, taken together, they shall constitute one and the same instrument. This Deed may be executed on the basis of an exchange of facsimile copies and execution of this Deed by such means shall be a valid and sufficient execution.
- 9.3 This Deed is drawn up in the English language. If this Deed is translated into any language other than English, the English language text shall prevail.
- 9.4 No party shall be entitled to assign its rights under this Deed without the prior written consent of each of the other parties.
- 9.5 Clause 9.4 shall not apply to any assignment by the Purchaser, the Company and/or any of the Group Companies of its rights in relation to this Deed to another subsidiary of the Purchaser on terms that if any such assignee shall cease to be a subsidiary of the Purchaser then (unless the parties have agreed otherwise in writing) such rights shall terminate.
- 9.6 This Deed shall be binding on and shall enure for the benefit of the personal representatives or the successors and assigns of the parties.

## **10 Notices**

The provisions of Clause 11 of the Share Purchase Agreement (*mutatis mutandis*) shall be incorporated in and be deemed to be part of this Deed.

## **11 Entire Agreement**

The terms and conditions contained in this Deed constitute the entire agreement between the parties to this Deed relating to its subject matter and shall supersede all previous communications, discussions, understandings and agreements, oral or written, between the parties concerning its subject matter.

## **12 Waiver and severance**

- 12.1 The rights and remedies of each party to this Deed are, except where expressly stated to the contrary, without prejudice to any other rights and remedies available to it. No neglect, delay or indulgence by any party in enforcing any provision of this Deed shall be construed as a waiver

and no single or partial exercise of any right or remedy of any party under this Deed shall affect or restrict the further exercise or enforcement of any such right or remedy.

12.2 The liability of any party to this Deed may in whole or in part be released, compounded or compromised and if the other party gives time or indulgence to the person under such liability, this shall in no way prejudice or affect that party's rights against any other person under the same or similar liability.

12.3 Each provision of this Deed is severable and distinct from the others and, if any provision is, or at any time becomes, to any extent or in any circumstances invalid, illegal or unenforceable for any reason, that provision shall to that extent be deemed not to form part of this Deed but the validity, legality and enforceability of the remaining parts of this Deed shall not be affected or impaired, it being the parties' intention that every provision of this Deed shall be and remain valid and enforceable to the fullest extent permitted by law.

### **13 Time of essence**

13.1 Time shall be of the essence of this Deed as regards any time, date or period fixed by this Deed for the performance of any obligation by any of the parties whether as originally fixed or as altered in any manner provided in this Deed.

### **14 Service of process**

14.1 KIL hereby irrevocably appoints HRTL of 88 Tai Tam Reservoir Road, Hong Kong as its agent to accept service of process in Hong Kong in any legal action or proceedings arising out of this Deed, service upon whom shall be deemed completed whether or not forwarded to or received by it.

14.2 KIL agrees to inform the Purchaser in writing of any change of address of such process agent within ten (10) Business Days of such change. Unless and until the Purchaser receives such notification of change pursuant to clause 10, any service of process on to the last known agent the Indemnifiers shall continue to be effective.

14.3 If such process agent ceases to be able to act as such or to have an address in Hong Kong, KIL irrevocably agrees to appoint a new process agent in Hong Kong and to deliver to the Purchaser within fifteen (15) Business Days a copy of a written acceptance of appointment by the process agent.

14.4 The Purchaser hereby irrevocably appoints COFCO (Hong Kong) Limited of 33/F, Top Glory Tower, 262 Gloucester Road, Causeway Bay, Hong Kong as its agent to accept service of process in Hong Kong in any legal action or proceedings arising out of this Deed, service upon whom shall be deemed completed whether or not forwarded to or received by it.

- 14.5 The Purchaser agrees to inform the Indemnifiers in writing of any change of address of such process agent within ten (10) Business Days of such change. Unless and until the Indemnifiers receives such notification of change pursuant to clause 10, any service of process on to the last known agent the Purchaser shall continue to be effective.
- 14.6 If such process agent ceases to be able to act as such or to have an address in Hong Kong, the Purchaser irrevocably agrees to appoint a new process agent in Hong Kong and to deliver to the Indemnifiers within fifteen (15) Business Days a copy of a written acceptance of appointment by the process agent.

## **15 Law and jurisdiction**

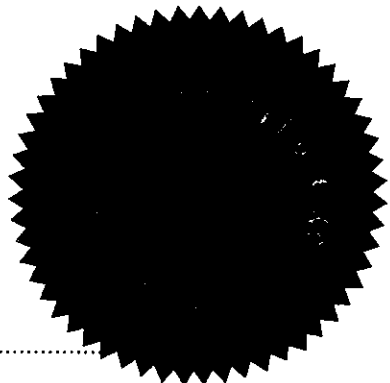
- 15.1 This Deed shall be governed by and construed in accordance with the laws of Hong Kong.
- 15.2 The parties irrevocably agree that the courts of Hong Kong are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Deed. The parties irrevocably submit to the jurisdiction of such courts and waive any objection on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum, provided that this clause shall be without prejudice to the right to bring proceedings in any other jurisdiction for the purpose of enforcement or execution of any judgment or other settlement in any other court.

**IN WITNESS** whereof this Deed has been executed under seal the date first above written.

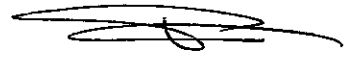
**Schedule 1**  
**Group Companies**

<b>Name</b>	<b>Registered Office Address</b>	<b>Place of Incorporation</b>	<b>Company Number</b>
Parkview Property Development Limited	88 Tai Tam Reservoir Road, Hong Kong	Hong Kong	32049
Chyau Fwu Investment Limited	88 Tai Tam Reservoir Road, Hong Kong	Hong Kong	96281
Hong Kong Parkview (China) Limited	88 Tai Tam Reservoir Road, Hong Kong	Hong Kong	50313
Parkview International Trading Limited	P.O. Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands	British Virgin Islands	95300
Korean International Motors Limited	88 Tai Tam Reservoir Road, Hong Kong	Hong Kong	298516
Parkview Management Services Limited	P.O. Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands	British Virgin Islands	43442
Hong Kong Parkview International Management Limited	88 Tai Tam Reservoir Road, Hong Kong	Hong Kong	204591
Hong Kong Parkview (Finance) Limited	88 Tai Tam Reservoir Road, Hong Kong	Hong Kong	355407

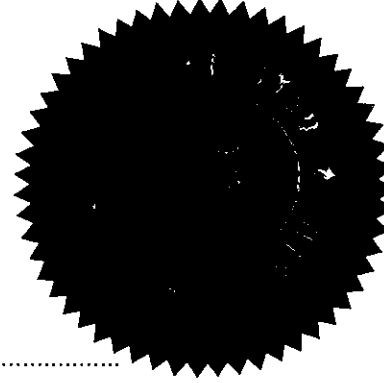
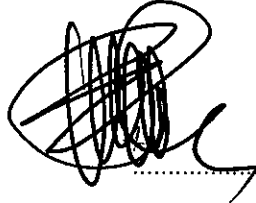
SEALED with the COMMON SEAL of )  
KOMPASS INTERNATIONAL LIMITED and )  
SIGNED by WONG KIN WAH, GEORGE )



in the presence of: Mr Ma Yiu Ho Peter



SEALED with the COMMON SEAL of )  
HIGH RETURN TRADING LIMITED and )  
SIGNED by WONG KIN WAH, GEORGE )



in the presence of: Mr Ma Yiu Ho Peter



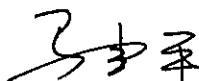
SIGNED, SEALED AND DELIVERED by . )  
WONG KIN WAH, GEORGE )



in the presence of: Mr Ma Yiu Ho Peter



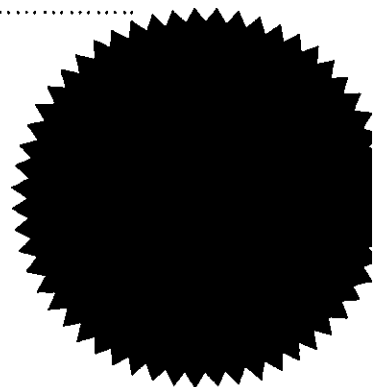
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ACHIEVE BLOOM LIMITED )  
and SIGNED by Ma Jianping )

  
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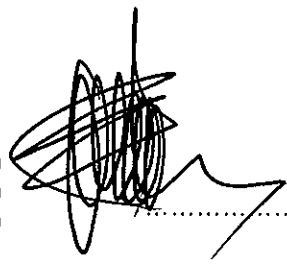
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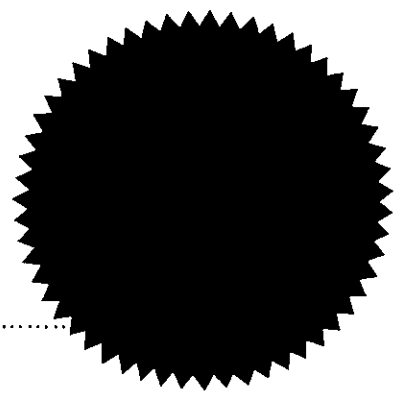


Ip Tze Ying, Tiffany  
Solicitor, Hong Kong SAR  
Norton Rose Hong Kong



SEALED with the COMMON SEAL of  
THE HONG KONG PARKVIEW GROUP  
LIMITED  
and SIGNED by WONG KIN WAH, GEORGE

)  )



in the presence of: Mr Ma Yiu Ho Peter

