

24 November 2023

ORCHID VALLEY HOLDINGS LIMITED  
31/F, International Trade Center Building  
18 East Zhongshan Road, Qinhuai District  
Nanjing  
PRC  
Attention: Ms. Cheng Xuan Xuan

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Dear Ms. Cheng,

**Client Account number: 0802112 (the “Account”)**

**Margin Finance Facilities Term Sheet (this “Term Sheet”)**

First Shanghai Securities Limited (“**First Shanghai Securities**”) is pleased to provide margin finance facilities to Orchid Valley Holdings Limited (the “**Borrower**”) on the terms and conditions specified in this Term Sheet. This Term Sheet summarizes the principal terms of a secured margin facility loan to be granted by First Shanghai Securities to the Borrower for the sole purpose (the “**Purpose**”) to finance the Borrower’s proposed general offer (the “**Offer**”) of the shares of C.BANNER INTERNATIONAL HOLDINGS LIMITED (stock code: 1028.HK) (“**C.banner**”) for the acquisition of not more than 1,538,643,097 shares of C.banner (the “**Shares**”) (other than those owned by the Borrower and its parties acting in concert) at the offer price of not more than HK\$0.16 per share (the “**Offer Shares**”) (the margin loan contemplated hereby, the “**Margin Loan**”).

First Shanghai Securities and the Borrower had entered into an agreement comprising the Client Account Agreement and Margin Client Agreement (the “**Margin Agreement**”) to open the Account. Each of Ms. Cheng Xuan Xuan (the sole shareholder of the Borrower) (“**Ms. Cheng**”), Mr. Chen YiXi and Hongguo International Group Limited (together, the “**Guarantor(s)**”) will sign or has signed a guarantee letter (the “**Guarantee Letter**”) and agrees to jointly and severally guarantee as a primary obligor and indemnify the performance of the Borrower under the Account, the Margin Agreement and this Term Sheet. Ms. Cheng is a director and sole shareholder of the Borrower. The terms in the Margin Agreement and the Guarantee Letters are applicable to the Margin Loan but in the event that any of the terms contained in the Margin Agreement or the Guarantee Letters is contrary or inconsistent with any of the terms herein, the terms herein shall prevail.

*Lender:* FIRST SHANGHAI SECURITIES LIMITED (“**First Shanghai Securities**”).

*Borrower:* ORCHID VALLEY HOLDINGS LIMITED (the “**Borrower**”).

*Guarantors:*

1. Ms. Cheng Xuan Xuan (“**Ms. Cheng**”), being the sole shareholder and a director of the Borrower;
2. Mr. Chen YiXi (“**Mr. Chen**”), being the sole shareholder and sole director of Hongguo International Group Limited (“**Hongguo**”); and
3. Hongguo which has maintained a securities account with First Shanghai Securities (A/C No. 9733438) with 280,000,000 shares of C.banner which would be pledged to First Shanghai Securities until the full settlement of all the amounts due from the Borrower to First Shanghai Securities.

*Margin Loan:* A secured short term margin loan to be granted by First Shanghai Securities to the Borrower the principal of not more than **HK\$220,000,000** (the “**Margin Facility**”) solely for the Purpose for a loan period of twelve (12) months from the Drawdown Date, due and repayable in one lump sum together with Interest.

*Interest:* The Borrower shall pay interest on the Margin Loan (the “**Interest**”) to First Shanghai Securities according to the provisions in this Term Sheet and the Margin Agreement. Interest shall be calculated on the Margin Loan at the interest rate which is equal to the prime rate determined by Standard Chartered Bank (Hong Kong) Limited from time to time plus **5%** per annum. Interest shall be calculated on a daily basis and based on the amount of the Margin Loan utilized and the amounts due to First Shanghai Securities.

In case of an Event of Default (as defined below) or default of repaying the Margin Loan or Interest, a default interest will be charged by First Shanghai Securities to the Borrower on the outstanding amounts due to First Shanghai Securities at **10%** per annum above the prime rate from time to time quoted by Standard Chartered Bank (Hong Kong) Limited.

*Arrangement Fee:* The Borrower shall pay to First Shanghai Securities within five (5) business days from the date hereto an arrangement fee (the “**Arrangement Fee**”) for the Margin Facility, being calculated as **1.38%** of the Margin Facility, i.e.  $1.38\% * \text{HK\$220 million} = \text{HK\$3,036,000}$ .

*Conditions Precedent:* The drawdown of the Margin Loan shall be subject to the fulfillment of the following conditions to the satisfaction of First Shanghai Securities: (1) the Borrower has deposited not less than HK\$30 million to the Account and this fund will be utilized for the purchase of the Offer Shares; (2) Hongguo has opened margin

account with First Shanghai Securities, signed the Guarantee Letter (the “**Guarantee**”) and deposited 280,000,000 shares of C.banner to its margin account (A/C No. 9733438); (3) the Offer Shares to be purchased by the Borrower for the Purpose shall not be less than 675,610,000 Shares so that the Borrower and Hongguo will hold together not less than 51% of the total issued shares of C.banner after completion of the purchase of the relevant Offer Shares; (4) In order to secure repayment of the Margin Loan, Ms. Cheng shall execute a share charge of inter alia all of her shareholding in the Borrower (representing all the issued shares of the Borrower) as a chargor in favour of First Shanghai Securities as a chargee. In order to secure repayment of the Margin Loan, Mr. Chen shall execute a share charge of inter alia all of his shareholding in Hongguo (representing all the issued shares of Hongguo) as a chargor in favour of First Shanghai Securities as a chargee.; and (5) the Borrower provides to First Shanghai Securities: (i) original/certified true copies of all necessary consents, approvals and other authorizations (including board resolutions and shareholders resolutions) in connection with this Term Sheet, the Margin Agreement and all other documents mentioned above; (ii) certificate of incumbency of the Borrower and Hongguo; and (iii) an acknowledgement and acceptance of appointment as agent for service of process for the Borrower from the process agent; (iv) such other documents that First Shanghai Securities may require from time to time before the first issue and delivery by First Shanghai Securities to First Shanghai Capital Limited (the financial advisor of the Borrower) the fund proof letter for the Purpose.

The above conditions precedent could be waived by First Shanghai Securities in its sole and absolute discretion.

*Term and Repayment:*

Subject to the provisions in this Term Sheet, the Margin Loan can only be drawn down for the Purpose within five (5) months from the date of this Term Sheet (the “**Drawdown Date**”).

The term of the Margin Loan shall be twelve (12) months commencing from the Drawdown Date. Except where First Shanghai Securities and the Borrower have entered into other agreement before the end of the 12<sup>th</sup> month after the Drawdown Date, the Borrower shall repay the Margin Loan and all the outstanding Interest (if any) to First Shanghai Securities no later than the end of the 12<sup>th</sup> month after the Drawdown Date or on demand if the Borrower or the Guarantor(s) has breached any material terms of this Term Sheet or the Margin Agreement or the Guarantee Letters. For the avoidance of doubt, there shall be no penalties or additional interest charges for any early repayment.

*Purpose of Margin Loan:*

The entire proceeds of the Margin Loan shall only be used for the Purpose. The Margin Loan will be drawn down and solely used to acquire the Offer Shares by First Shanghai Securities on behalf of

the Borrower in accordance with the Purpose.

*Security:*

The Margin Loan shall be secured by, inter alia, all the assets in the Account including 103,660,000 shares of C.banner currently kept in the Account and the Offer Shares to be purchased for the Purpose and the bonus shares, share dividend, any distribution and cash dividend (if any) received by the Borrower in the future (individually and collectively, the “**Mortgage**”). The Offer Shares and the bonus shares, share dividend, any distribution and cash dividend (if any) subject to the Mortgage will be (1) deposited into the Account; and (2) pledged to First Shanghai Securities as security for the purpose of this Term Sheet.

The shares under the Mortgage shall be maintained in the Account as security for the Margin Loan and the Borrower shall not pledge, charge, mortgage or transfer equitable interests of the Mortgage until and unless First Shanghai Securities is satisfied, in its sole opinion, that the Borrower and the Guarantors have completely discharged their liabilities under the Borrower’s Account, the Margin Agreement, this Term Sheet and the Guarantee, in which case First Shanghai Securities shall as soon as practicable release and discharge all the security provided pursuant to this Term Sheet and take all other reasonable steps that may be required by the Borrower to give effect to such release and discharge.

In any event, the Borrower shall ensure that the total amount owed to First Shanghai Securities by the Borrower does not exceed 70% of the total market value of the collaterals in the Account (the “**Collateral Percentage**”). The Collateral Percentage may be adjusted by First Shanghai Securities only with the prior written consent of the Borrower based on the prevailing market condition. After a period of two months following the close of the Offer, once in every calendar month the Borrower shall, upon the request from First Shanghai Securities, deposit additional collaterals, make payments of deposits or margins in cash, securities or otherwise in amounts up to not more than 50% of the outstanding margin loan amount and in such form as determined by First Shanghai Securities. In the event that the Borrower fails to repay the Margin Loan, Interest or any other charge(s) when due in accordance with its terms, one of the First Shanghai Securities’ recourses in the case of the securities in the Mortgage shall be to exercise its rights of sale under the Mortgage and/or other rights contained in the Margin Agreement, the Guarantee Letters and this Term Sheet.

Hongguo shall also pledge to First Shanghai Securities 280,000,000 shares of C.banner in its margin account with First Shanghai Securities, and shall not pledge, charge, mortgage or transfer equitable interests of these shares to any third party until

the full settlement of all the amounts due from the Borrower to First Shanghai Securities.

Before the Margin Loan is fully paid, if C.banner distributes dividends, the dividends obtained by the Borrower shall be used if payable to settle the accrued interests, charge and expenses, the Arrangement Fee, principal amount and default interest (if any) to First Shanghai Securities.

Unless and until the outstanding Margin Loan and any amounts payable to First Shanghai Securities under this Term Sheet have been fully paid to First Shanghai Securities without deduction or claim, each of the Borrower, Mr. Chen, Ms Cheng and Hongguo shall do anything necessary and procure C.banner and its directors and shareholders to ensure (i) that C.banner remains listed on the Stock Exchange of Hong Kong (“SEHK”) and shall not take any steps or exercise any rights which will increase the chance or have the foreseeable result that C.banner will not be listed on the SEHK; (ii) no prepayment or accelerated repayment of any loan owed by C.banner.; and acquisition of any company for investment by C.banner.

*Governing Law and Jurisdiction:*

This Term Sheet shall be governed in all respects by the laws of the Hong Kong Special Administrative Region of the People's Republic of China. The parties submit to the exclusive jurisdiction of the courts of Hong Kong in connection with any disputes arising in connection herewith.

*Events of Default:*

Events of Default applicable to the Borrower and the Guarantors include: (a) the Borrower's or the Guarantors' default in the due performance or observance of any terms of this Term Sheet, the Guarantee Letter or the Margin Agreement; (b) there is material adverse change in financial position of the Borrower and/or the Guarantors and/or C.banner; (c) the Guarantors and/or the Borrower and/or C.banner is subject to investigation or disciplinary action by the relevant regulatory bodies; (d) the trading of the Shares has been suspended consecutively for more than 10 trading days; (e) after completion of the Offer, the amount due from the Borrower to First Shanghai Securities is more than 70% of the total market value of the collaterals in the Account; and/or (f) the Borrower takes any step or exercises its rights which will increase the chance or have the foreseeable result that C.banner will not be listed on the SEHK such as the rights under Section 102(1) or Section 103(1) of the Bermuda Companies Act and/or pursuant to Rule 2.11 of the Takeovers Code to compulsorily acquire all those Shares not otherwise owned by the Offeror or parties acting in concert with it under the Offer when or before the Borrower had fully paid all the

outstanding Margin Loan and any other amount due to First Shanghai Securities to the satisfaction of First Shanghai Securities and/or (g) breach of terms in this Term Sheet. In case of an event of default, First Shanghai Securities shall be entitled to demand early repayment or payment of the Margin Loan and/or Interest and any other sum and enforce any security at any time on demand and/or in the case of item (f), without prejudice to any remedies, relief and/or rights First Shanghai Securities have, apply to the Court for an injunctive relief to restrain the Borrower from taking any step to exercise and/or exercising the said rights mentioned in item (f).

*Covenant:*

Ms. Cheng shall remain the sole shareholder and a director of the Borrower throughout the term of this Term Sheet. Mr. Chen shall remain the sole shareholder and a director of Hongguo throughout the term of this Term Sheet. The Borrower or the Guarantors undertake and warrant that the Margin Loan shall solely be used for the Purpose. Unless with the prior written disclosure to First Shanghai Securities and written consent given by First Shanghai Securities, the Borrower shall not incur any indebtedness other than the Margin Loan save for any indebtedness, the proceeds of which will be solely applied for repayment or payment of all the Margin Loan and Interest and other sums payable to First Shanghai Securities under this Term Sheet and the Margin Agreement. The Borrower shall comply, and after becoming a major shareholder of C.banner procure C.banner to comply with all relevant rules and regulations of The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission.

*Confidentiality:*

Except for legal or regulatory requirements including but not limited to requests from The Stock Exchange of Hong Kong Limited or the Securities and Futures Commission and/or for the purposes of, any relevant litigation, arbitration, administrative or other investigations, proceedings or disputes, no party hereto will disclose the terms of this Term Sheet to any person other than its directors and officers, the directors and officers of its parent corporations and its legal counsel/advisers and auditor on a need-to-know basis without the written consent of the relevant party(ies), such consent not to be unreasonably withheld or delayed.

*Expenses:*

The Borrower shall bear the reasonable costs and expenses incurred by First Shanghai Securities in connection with the Margin Loan, which shall not be more than HK\$60,000 by actual reimbursement. If such amount is expected to be exceeded, First Shanghai Securities will seek prior written consent from the Borrower before the same is incurred, such consent should not be unreasonably withheld.

*Assignment,  
termination:*

No party hereto may assign or transfer any of its rights and obligations or terminate, cancel or reduce its commitment hereunder without the prior written consent of the other parties.

*Amendment:*

This Term Sheet may only be amended or supplemented with the prior written consent of all the parties thereto.

*Notice:*

All notices or other communication to First Shanghai Securities or the Borrower or the Guarantors may be effectively given by mailing the same by post or by delivering the same to it or by facsimile or email to the address or number set out below or such other address or number as it may notify to the other by not less than two (2) Business Days' notice (“**Business Day**” means a day (other than a Saturday or Sunday) on which banks are open for general business in Hong Kong).

**First Shanghai Securities**

Address: 19/F., Wing On House, 71 Des Voeux Road Central, Hong Kong

Facsimile: (852) 28106789

E-mail:

[jesse.yip@firstshanghai.com.hk/km.szeto@firstshanghai.com.hk](mailto:jesse.yip@firstshanghai.com.hk/km.szeto@firstshanghai.com.hk)

**Borrower**

ORCHID VALLEY HOLDINGS LIMITED

Address: 31/F, International Trade Center Building, 18 East Zhongshan Road, Qinhuai District, Nanjing, PRC

E-mail: [orchidvalleyltd@126.com](mailto:orchidvalleyltd@126.com)

Process Agent: Fortune Leader Development Limited

Address: Rm1503, 15/F, Admiralty Centre, Tower 1, 18 Harcourt Road, Admiralty, Hong Kong

E-mail: [leadwellcapital@163.com](mailto:leadwellcapital@163.com)

**Guarantors**

Ms. Cheng Xuan Xuan

Address: 31/F, International Trade Center Building, 18 East Zhongshan Road, Qinhuai District, Nanjing, PRC

E-mail: [orchidvalleyltd@126.com](mailto:orchidvalleyltd@126.com)

Process Agent: Fortune Leader Development Limited

Address: Rm1503, 15/F, Admiralty Centre, Tower 1, 18 Harcourt Road, Admiralty, Hong Kong

E-mail: [leadwellcapital@163.com](mailto:leadwellcapital@163.com)

Mr. Chen YiXi

Address: 中國江蘇省南京市中山東路 18 號 國貿中心 31 樓

E-mail: [highscore123@126.com](mailto:highscore123@126.com)

Process Agent: Fortune Leader Development Limited

Address: Rm1503, 15/F, Admiralty Centre, Tower 1, 18 Harcourt Road, Admiralty, Hong Kong  
E-mail: [leadwellcapital@163.com](mailto:leadwellcapital@163.com)

Hongguo International Group Limited  
Address: 中國江蘇省南京市中山東路 18 號 國貿中心 31 樓  
E-mail: [highscore123@126.com](mailto:highscore123@126.com)

Process Agent: Fortune Leader Development Limited  
Address: Rm1503, 15/F, Admiralty Centre, Tower 1, 18 Harcourt Road, Admiralty, Hong Kong  
E-mail: [leadwellcapital@163.com](mailto:leadwellcapital@163.com)

Any such notices or other communication will be effective if by way of facsimile or e-mail, only when it has been effectively sent; or if by way of letter, only when it has been left at the relevant address or three Business Days after being deposited in the post postage prepaid in an envelope addressed to the relevant party at that address. Any such notices or other communication which become effective, in accordance with the above provisions, after 5 p.m. in the place of receipt shall be deemed only to become effective on the following Business Day.

Any notice or other communication made or delivered to the Borrower in accordance with the above paragraphs will be deemed to have been made or delivered to the Guarantors.

*Binding Effect:*

The provisions of this Term Sheet are intended to be and do constitute legally binding obligations of each party. Without prejudice to the generality of the foregoing, the provisions of this Term Sheet under this Binding Effect paragraph, and under the paragraphs entitled Governing Law and Jurisdiction, Confidentiality, and Expenses shall be legally binding obligations of each party whether or not the Margin Loan contemplated hereby are consummated.

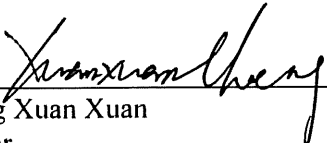
Signed by the parties on this 24 day of November 2023.

**For and on behalf of**  
**First Shanghai Securities Limited**  
as Lender

Signed By: \_\_\_\_\_  
Name: Ranahel Henry  
Title: Director

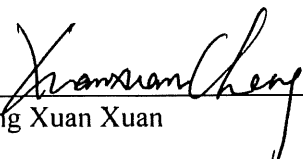


For and on behalf of  
ORCHID VALLEY HOLDINGS LIMITED  
as Borrower

Signed By:   
Name: Cheng Xuan Xuan  
Title: Director

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Executed by the Guarantors under seal:

Signed By:   
Name: Cheng Xuan Xuan



Signed By: \_\_\_\_\_

Name: Chen YiXi

**For and on behalf of**

Hongguo International Group Limited

Signed By: \_\_\_\_\_

Name: Chen YiXi

Title: Director

