
**AGREEMENT FOR THE SUBSCRIPTION OF CONVERTIBLE
BONDS IN CENTURY SUNSHINE GROUP HOLDINGS LIMITED**
(世紀陽光集團控股有限公司)

dated

18 APRIL 2020

by

CENTURY SUNSHINE GROUP HOLDINGS LIMITED
(世紀陽光集團控股有限公司)

the Company

and

CHINA CENTURY SUNSHINE GROUP INVESTMENT COMPANY LIMITED
(中国世纪阳光集团投资有限公司)

the Subscriber

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Agreement for the Subscription of Convertible Bonds in Century Sunshine Group Holdings Limited (世紀陽光集團控股有限公司)

This Agreement is dated 18 April 2020

Between

Century Sunshine Group Holdings Limited (世紀陽光集團控股有限公司), a company incorporated in the Cayman Islands with limited liability (registration number 122654) whose registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and its principal place of business in Hong Kong is at Suite 1104, 11th Floor, Tower 6, The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong ("**Company**");

and

China Century Sunshine Group Investment Company Limited (中国世纪阳光集团投资有限公司), a company incorporated in the British Virgin Islands (registration number 1882590) whose registered office is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands ("**Subscriber**").

Recitals

- A. The Company is a company incorporated in the Cayman Islands with limited liability and registered as a non-Hong Kong Company under Part 16 of the Companies Ordinance, whose shares are dealt in and listed on the Main Board of the Stock Exchange (stock code: 509).
- B. As at the date of this Agreement, the Company has an authorised share capital of HK\$200,000,000 divided into 10,000,000,000 ordinary shares of HK\$0.02 each, of which 4,581,116,843 have been issued and are fully paid up or credited as fully paid up.
- C. As at the date of this Agreement, there are outstanding and unexercised 314,856,204 Outstanding Options, out of which (i) 14,956,204 were granted under the share option scheme of the Company approved and adopted on 3 December 2008 and (ii) 299,900,000 were granted under the share option scheme of the Company approved and adopted on 26 June 2019.
- D. The Company has agreed to issue, and the Subscriber has agreed to subscribe for, the Convertible Bonds upon and subject to the terms and conditions of this Agreement.
- E. As at the date of this Agreement, the Subscriber is wholly-owned by Mr. Chi Wenfu (池文富), an executive Director and a controlling shareholder (as defined in the Listing Rules) of the Company and is therefore a connected person (as defined in the Listing Rules) of the Company;

Operative Provisions

1. Definitions and interpretation

Defined terms

- 1.1 In this Agreement (including the Recitals), the following words and expressions shall, unless the context requires otherwise, have the following meanings:

"**Accounting Date**" means in relation to any Financial Year of the Company, the last day of that Financial Year.

"**Accounts**" means in relation to any Financial Year of the Company:

- (a) the audited consolidated balance sheet or statement of financial position of the Group as at the Accounting Date in respect of that Financial Year; and
- (b) the audited consolidated profit and loss account or statement of comprehensive income and cash flow statement of the Group in respect of that Financial Year,

together in each case with all notes, reports and statements required by law and/or the Relevant Accounting Standards to be included in or annexed to them.

"acting in concert" has the meaning ascribed to the term in the Takeovers Code.

"Agreement" means this subscription agreement and its Schedules entered into on this date between the Parties, including all amendments and supplements made to it from time to time.

"associate(s)" has the meaning ascribed to it under the Listing Rules.

"B&M" means Baker & McKenzie, Hong Kong of 14th Floor, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong, legal advisers to the Company as to Hong Kong laws.

"Business Day" means a day (other than Saturday or Sunday or public holiday and days on which a tropical cyclone warning No. 8 or above or a "black rainstorm warning signal" is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licenced banks in Hong Kong are open for general banking business.

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

"Completion" means completion of the issue and subscription of the Convertible Bonds in accordance with Clause 6 (*Completion*).

"Completion Conditions" means the conditions precedent to Completion set out in Clause 4.1 (*Completion Conditions and waiver*) and Schedule 2 (*Conditions precedent*).

"Completion Date" means (i) any Business Day falling within ten (10) Business Day after the date on which the last of the Completion Conditions has been fulfilled or waived pursuant to Clause 4.1 (*Completion Conditions and waiver*) (as the case may be) as may be agreed between the Company and the Subscriber, or failing agreement, the tenth (10th) Business Day thereafter; or (ii) such other date as the Parties may agree in writing.

"Consent" means any consent, approval, authorisation, qualification, waiver, permit, grant, franchise, concession, agreement, licence, exemption or order of, registration, certificate, declaration or filing with, or report or notice to, any person, including any governmental body.

"Consideration" means the sum of HK\$300,000,000, the aggregate principal amount of the Convertible Bonds.

"Conversion" means conversion of the Convertible Bonds into Shares in accordance with the Terms of the Convertible Bonds.

"Conversion Shares" means any Shares to be issued by the Company upon the holder(s) of the Convertible Bonds exercising its / their conversion right under and in accordance with the Terms of the Convertible Bonds.

"Convertible Bonds" means the unsecured 8% coupon convertible bonds due 2022 in the aggregate principal amount of HK\$300,000,000 to be issued by the Company to the Subscriber, the terms and conditions of which are set out in Schedule 1 (*Form of the Convertible Bonds*).

"Directors" means the directors of the Company.

"Encumbrance" means any claim, mortgage, charge, pledge, lien, restriction, assignment, power of sale, hypothecation, security interest, title retention, trust arrangement, subordination arrangement, contractual right of set-off or any other agreement or arrangement the effect of which is the creation of security, or any other interest, equity or other right of any person (including any right to acquire, option, right of first refusal or right of pre-emption), or any agreement, arrangement or obligation to create any of the same.

"Executive" means the Executive Director of the Corporate Finance Division of the SFC or any delegate of such Executive Director.

"Financial Year" means the period from 1 January to 31 December of each year.

"Group" means the group of companies comprising the Company and its Subsidiaries as at the date of this Agreement, and **"member of the Group"** shall be construed accordingly.

"Hong Kong" means the Hong Kong Special Administrative Region of the PRC.

"Independent Shareholders" means Shareholders other than the Subscriber and its associates and parties acting in concert with any of them, and any other Shareholders who are involved in or interested in the Subscription.

"Last Accounting Date" means 31 December 2019.

"Last Accounts" means the Accounts in respect of the Financial Year ended on the Last Accounting Date as set out in the Company's published annual report for the year ended 31 December 2019.

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

"Long-stop Date" means 31 July 2020 (or such other date as the Parties may agree from time to time in writing).

"Losses" includes, in respect of any matter, event or circumstance, all losses, liabilities, damages, deficiencies, diminution in value of the Convertible Bond, interest, penalties, judgment awards or amounts paid in settlement and costs and expenses (including, without limitation, legal expenses which are reasonably incurred).

"Material Adverse Change" means any change, event, circumstance or other matter that has, or would reasonably be expected to have, either individually or in the aggregate, a material adverse effect on the ability of the Company and/or any member of the Group to perform its respective obligations under this Agreement or to complete the Subscription and the transactions contemplated under this Agreement.

"Notice" has the meaning given to it in Clause 13.1 (*Notices*).

"Outstanding Options" means, the outstanding and unexercised share options issued by the Company under the Share Option Scheme; and as at the date of this Agreement, the Company has 314,856,204 Outstanding Options including:

- (a) 14,956,204 Outstanding Options under the share option scheme of the Company approved and adopted on 3 December 2008; and
- (b) 299,900,000 Outstanding Options under the share option scheme of the Company approved and adopted on 26 June 2019.

"Parties" means the named parties to this Agreement and **"Party"** means any one of them.

"PRC" means the People's Republic of China but excluding, for the purposes of this Agreement, Hong Kong, Taiwan and Macau.

"**Relevant Accounting Standards**" means, in relation to any Accounts, any of the following in force on the relevant Accounting Date, namely any applicable financial reporting standards and interpretations (including: (a) Hong Kong Financial Reporting Standards; (b) Hong Kong Accounting Standards; and (c) Interpretations) issued by the Hong Kong Institute of Certified Public Accountants.

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

"Shareholders" means the holders of the Shares.

"Shares" means the ordinary shares of HK\$0.02 each in the capital of the Company, and "Share" means any of them.

"Share Option Scheme" means, individually or collectively, as the context may provide, (i) the share option scheme of the Company adopted by the Shareholders pursuant to ordinary resolutions passed on 3 December 2008; and (ii) the share option scheme of the Company adopted by the Shareholders pursuant to ordinary resolutions passed on 26 June 2019, or any successor scheme thereof.

"Specific Mandate" means the specific mandate to be granted by the Independent Shareholders at the extraordinary general meeting of the Company to allot and issue such number of Shares (as adjusted (if any) pursuant to the Terms of the Convertible Bonds) issuable upon full conversion of the Convertible Bonds in accordance with the Terms of the Convertible Bonds.

"Stock Exchange" means The Stock Exchange of Hong Kong Limited.

"Subscription" means the subscription of the Convertible Bonds by the Subscriber subject to and upon the terms and conditions of this Agreement.

"Subsidiaries" means the subsidiaries of the Company from time to time; any reference to a "Subsidiary" is a reference to any of them.

"Takeovers Code" means The Hong Kong Code on Takeovers and Mergers administered by the SFC.

"Terms of the Convertible Bonds" means the terms and conditions of the Convertible Bonds as those as set out in Schedule 1 (*Form of the Convertible Bonds*) of this Agreement.

"Warranties" means (i) the representations and warranties given by the Company in Clause 7 (except for Clauses 7.6 and 7.7) (*Warranties*) and Schedule 4 (*Warranties*).

"Whitewash Waiver" means the whitewash waiver as may be granted by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of any obligation of the Subscriber and any parties acting in concert with it to make a general offer for all the issued Shares not already owned (or agreed to be acquired) by any of them and parties acting in concert with any of them which might otherwise arise as a result of the Subscription.

Statutory provisions

- 1.2 All references to statutes, statutory provisions, enactments, the Listing Rules or Takeovers Code shall include references to any consolidation, re-enactment, modification or replacement of the same, any statute, statutory provision, enactment, the Listing Rules or Takeovers Code of which it is a consolidation, re-enactment, modification or replacement and any subordinate legislation in force under any of the same from time to time except to the extent that any consolidation, re-

enactment, modification or replacement enacted after the date of this Agreement would extend or increase the liability of any Party to the other under this Agreement.

Agreed form

- 1.3 Any reference to a document in the "**agreed form**" is to the form of the relevant document in the terms agreed between the Company and the Subscriber prior to Completion and signed or initialled for identification purposes only by or on behalf of the Company and the Subscriber (in each case with such amendments as may be agreed by or on behalf of the Company and the Subscriber).

Parties, Recitals, Schedules and Clauses

- 1.4 References to this Agreement include the Recitals and Schedules which form part of this Agreement for all purposes. References in this Agreement to the "**Parties**", the "**Recitals**", "**Schedules**" and "**Clauses**" are references respectively to the parties to this Agreement and their successors and permitted assigns, the recitals and schedules to and clauses of, this Agreement.

Meaning of references

- 1.5 Save where specifically required or indicated otherwise:
- (a) words importing one gender shall be treated as importing any gender, words importing individuals shall be treated as importing corporations and vice versa, words importing the singular shall be treated as importing the plural and vice versa, and words importing the whole shall be treated as including a reference to any part thereof;
 - (b) references to a person shall include any individual, firm, body corporate, unincorporated association, government, state or agency of state, association, joint venture or partnership, in each case whether or not having a separate legal personality. References to a company shall be construed so as to include any company, corporation or other body corporate wherever and however incorporated or established;
 - (c) references to the word "**include**" or "**including**" (or any similar term) are not to be construed as implying any limitation and general words introduced by the word "**other**" (or any similar term) shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things;
 - (d) references to any Hong Kong statutory provision or legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or other legal concept, state of affairs or thing shall in respect of any jurisdiction other than Hong Kong (including the jurisdiction of incorporation of a member of the Group, whether in the context of the Warranties or otherwise) be deemed to include that which most nearly approximates in that jurisdiction to the Hong Kong statutory provision or legal term or other legal concept, state of affairs or thing;
 - (e) any reference to "**writing**" or "**written**" includes any method of reproducing words or text in a legible and non-transitory form but, for the avoidance of doubt, shall not include e-mail;
 - (f) references to "**indemnify**" and to "**indemnifying**" any person against any Losses by reference to any matter, event or circumstance includes indemnifying and keeping that person indemnified against all Losses from time to time made, suffered or incurred as a direct or indirect consequence of or which would not have arisen but for that matter, event or circumstance;

- (g) references to "**Hong Kong dollars**" or "**HKS**" are to the lawful currency of Hong Kong as at the date of this Agreement;
- (h) references to times of the day are to that time in Hong Kong and references to a day are to a period of 24 hours running from midnight to midnight;
- (i) if a payment or other act must (but for this Clause 1.5 (*Meaning of references*)) be made or done on a day which is not a Business Day, then it must be made or done on the next Business Day; and
- (j) any reference to "**month**" means the period of time elapsing between a given date and the corresponding date of the next month immediately thereafter.

Headings

- 1.6 Clause and paragraph headings and the table of contents are inserted for ease of reference only and shall not affect construction.

Awareness

- 1.7 Where any statement in the Warranties or any confirmation or certificate given by the Company pursuant to this Agreement is qualified by the expression "to the best of the knowledge of the Company" or "so far as the Company is aware" or any similar expression, the Company shall be deemed to have knowledge of anything of which the Company has knowledge.

2. Subscription of Convertible Bonds

Subscription of the Convertible Bonds

- 2.1 Subject to the terms and conditions of this Agreement, the Subscriber (relying on the Warranties and other obligations of the Company under this Agreement) shall subscribe for, and the Company shall, at Completion, issue to the Subscriber, the Convertible Bonds at the Consideration free from all Encumbrances.

Rights attaching to the Conversion Shares

- 2.2 The Conversion Shares shall, upon Conversion, be issued together with all rights attaching to them, including all rights to any dividend or other distribution declared, made or paid after the relevant date of issue of the Conversion Shares.
- 2.3 The Conversion Shares shall rank *pari passu* in all respects with the Shares in issue at the date of issue of the Conversion Shares and shall be allotted and issued by the Company free from all Encumbrances and as fully paid.

3. Consideration

Total consideration

- 3.1 The total price payable to the Company for the subscription of the Convertible Bonds is the Consideration, representing 100% of the face value of the principal amount of the Convertible Bonds.

4. Conditions precedent

Completion Conditions and waiver

- 4.1 The subscription of the Convertible Bonds is conditional on those matters listed in Schedule 2 (*Conditions precedent*). The Subscriber may in its absolute discretion waive either in whole or in part the Completion Conditions set out in paragraphs 4, 5, and 6 of Schedule 2 (*Conditions*

precedent) at any time by notice in writing to the Company. The Completion Conditions set out in paragraphs 1, 2, 3, 7, 8 and 9 of Schedule 2 (*Conditions precedent*) are not waiveable by the Subscriber.

Company's commitments

- 4.2 The Company undertakes to the Subscriber to, so long as it is within its control and power to do so, use its all reasonable endeavours to procure that the Completion Conditions are fulfilled to the reasonable satisfaction of the Subscriber as soon as reasonably practicable and in any event by the Long-stop Date.

Failure to fulfil Completion Conditions

- 4.3 In the event that any of the Completion Conditions shall not have been fulfilled (or waived pursuant to Clause 4.1 (*Completion Conditions and waiver*), on or prior to the Long-stop Date, then the Subscriber shall not be bound to proceed with the transactions contemplated under this Agreement and this Agreement shall cease to be of any effect save for this Clause 4 (*Conditions precedent*) and Clause 1 (*Definitions and interpretation*), Clause 8 (*Disclosure and announcements*), Clause 9 (*Counterparts*), Clause 11 (*Variation, waiver and consent*), Clause 12 (*Entire agreement*), Clause 13 (*Notices*), Clause 14 (*Costs*), Clause 16 (*Severability*), Clause 17 (*Governing law and submission to jurisdiction*) and Clause 19 (*Governing language*) (which shall remain in force) and save in respect of claims arising out of any antecedent breach of this Agreement.

Fulfilment of Conditions expressed in the negative

- 4.4 The Conditions in Clauses 4, 5, 6, 7, 8 and 9 of Schedule 2 (*Conditions precedent*) shall be treated as fulfilled for so long as, to the reasonable satisfaction of the Subscriber, no circumstances have arisen to trigger them.

5. Subscriber's Undertaking

Subscriber's Undertaking

- 5.1 The Subscriber hereby undertakes to the Company to provide all information in respect of matters, opinion and intention relating to the Subscriber and any parties acting in concert with it required to be included in the announcement(s) and/or circular to be issued by the Company relating to the transactions contemplated under this Agreement in a timely manner upon request.

6. Completion

Timing and Location

- 6.1 Subject to the fulfilment (or waiver, where applicable) of all Completion Conditions on or before the Long-stop Date, Completion shall take place on the Completion Date at the principal place of business of the Company in Hong Kong (Suite 1104, 11th Floor, Tower 6, The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong) starting at 10:00 a.m. (or any other places and time the Parties may mutually agree from time to time in writing) when all (but not some only) of the events detailed in this Clause 6 (*Completion*) shall occur.

The Company's obligations at Completion

- 6.2 At Completion, the Company shall perform its obligations as set out in Part 1 of Schedule 3 (*The Company's obligations at Completion*).

The Subscriber's obligations at Completion

- 6.3 At Completion, the Subscriber shall perform its obligations as set out in Part 2 of Schedule 3 (*The Subscriber's obligations at Completion*).

Failure by the Company to complete

- 6.4 Without prejudice to any other remedies available to the Subscriber, if the obligations of the Company under provisions of Part 1 of Schedule 3 (*The Company's obligations at Completion*) are not complied with by the Company in any respect on the Completion Date, the Subscriber shall not be obliged to complete the Subscription or pay any of the Consideration and the Subscriber may in its absolute discretion (in addition and without prejudice to any other right or remedy available to it) by written notice to the Company:
- (a) defer Completion by a period of not more than 28 days to such other date as the Subscriber may specify in such notice (and so that the provisions of this Clause 6 (*Completion*) other than Clause 6.1 as regards the Completion Date shall apply to Completion as so deferred); or
 - (b) waive all or any of the requirements contained or referred to in Part 1 of Schedule 3 (*The Company's obligations at Completion*) in respect of Completion at its discretion (and without prejudice to its rights under this Agreement) and proceed to Completion so far as practicable; or
 - (c) terminate this Agreement without liability on its part provided that termination of this Agreement shall be without prejudice to any rights or remedies accrued to any Party prior to its termination.

Failure by the Subscriber to complete

- 6.5 Without prejudice to any other remedies available to the Company, if the obligations of the Subscriber under the provisions of Part 2 of Schedule 3 (*The Subscriber's obligations at Completion*) are not complied with by the Subscriber in any respect on the Completion Date, the Company shall not be obliged to complete the Subscription. The Company may in its absolute discretion (in addition and without prejudice to any other right or remedy available to it) by written notice to the Subscriber:
- (a) defer Completion by a period of not more than 28 days to such other date as it may specify in such notice (and so that the provisions of this Clause 6 (*Completion*) other than Clause 6.1 as regards the Completion Date, shall apply to Completion as so deferred);
 - (b) waive all or any of the requirements contained or referred to in Part 2 of Schedule 3 (*The Subscriber's obligations at Completion*) in respect of Completion at its discretion (and without prejudice to its rights under this Agreement) and proceed to Completion so far as practicable; or
 - (c) terminate this Agreement without liability on its part provided that termination of this Agreement shall be without prejudice to any rights or remedies accrued to any Party prior to its termination.

7. Warranties

Representations and Warranties of the Company

- 7.1 The Company represents and warrants to the Subscriber that each of the statements set out in Schedule 4 (*Warranties*) is and will be true and correct and not misleading in any material

respects on the date of this Agreement and at Completion (by reference to the facts and circumstances existing at the relevant time).

7.2 The Company represents and warrants to the Subscriber that, on the date of this Agreement and at Completion, as follows:

- (a) the Company is duly incorporated and validly existing under the laws of the place of its incorporation with power to conduct its business in the manner presently conducted;
- (b) the Company has full power, authority and capacity to enter into and, subject to Independent Shareholders' approval being obtained and approval of the issue of the Convertible Bonds and listing of and permission to deal in the Conversion Shares having been granted and not withdrawn or revoked, perform this Agreement and to carry out the transactions contemplated hereunder and that in entering into this Agreement, the Company does not do so in breach of any existing obligation, applicable legislation or other applicable law;
- (c) the entering into of this Agreement will not infringe and will not be contrary to any laws or regulations of any governmental or regulatory body of Hong Kong or elsewhere, and will not result in any breach of the terms of the memorandum or articles of association of the Company, the effect of such breach shall materially and adversely affect the ability of the Company to perform its obligations under this Agreement;
- (d) this Agreement when duly executed will constitute legal, valid and binding obligations of the Company enforceable against the Company in accordance with their respective terms, subject to any principles of equity or insolvency law; and
- (e) the facts and information relating to the Company set out in the Recitals are true and correct.

Reliance upon the Warranties

7.3 The Company acknowledges that the Subscriber has entered into this Agreement on the basis of and in reliance upon (among other things) the Warranties and has been induced by them to enter into this Agreement. The Subscriber acknowledges that it has not been induced to enter into this Agreement by any representation or warranty other than the Warranties.

Warranties separate

7.4 Each of the Warranties shall be separate and independent and, save as expressly provided to the contrary in this Agreement, shall not be limited by reference to or inference from any other Warranty or anything in this Agreement.

No breach of Warranties before Completion

7.5 The Company shall procure that (save only as may be necessary to give effect to this Agreement) neither the Company nor any member of the Group (where applicable) shall do, allow or procure any act or omission before Completion which would constitute a breach of any of the Warranties.

Representations and Warranties of the Subscriber

7.6 The Subscriber represents and warrants to the Company that, on the date of this Agreement and at Completion, as follows:

- (a) it is duly incorporated and validly existing under the laws of the place of its incorporation with power to conduct its business in the manner presently conducted;

- (b) it has full power, authority and capacity to enter into and perform this Agreement and to carry out the transactions contemplated hereunder and that in entering into this Agreement, it does not do so in breach of any existing obligation, applicable legislation or other applicable law;
- (c) the entering into of this Agreement will not infringe and will not be contrary to any laws or regulations of any governmental or regulatory body of Hong Kong or elsewhere, and will not result in any breach of the terms of its memorandum or articles of association, bye-laws or other constitutional documents;
- (d) this Agreement when duly executed will constitute legal, valid and binding obligations of it, enforceable against it in accordance with its terms, subject to any principles of equity or insolvency law; and
- (e) the facts and information relating to itself set out in the Recitals are true and accurate.

7.7 The Subscriber acknowledges that the Company has entered into this Agreement on the basis of and in reliance upon (among other things) the warranties set out in Clause 7.6 and have been induced by them to enter into this Agreement.

8. Disclosure and announcements

Prior approval

8.1 No disclosure or announcement relating to the existence or subject matter of this Agreement shall be made or issued by or on behalf of the Company and the Subscriber without the prior written approval of the other Party (which approval may be subject to reasonable conditions but shall otherwise not be unreasonably withheld or delayed) provided that these restrictions shall not apply to any disclosure or announcement if required by any law, applicable securities exchange, supervisory, regulatory or governmental body.

Consultation

8.2 The Party making the disclosure or announcement relating to the existence or subject matter of this Agreement shall use its reasonable endeavours to consult with the other Party in advance as to the form, content and timing of the disclosure or announcement.

9. Counterparts

This Agreement may be executed in any number of counterparts and by the Parties on separate counterparts and each such counterpart shall constitute an original of this Agreement but all of which shall together constitute one and the same instrument. This Agreement shall not be effective until each Party has executed at least one counterpart.

10. Further assurance

10.1 The Company agrees (at its own cost) to perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents, as may be required by law or as the Subscriber may reasonably require, whether on or after Completion, to implement and/or give effect to this Agreement and the transactions contemplated hereunder and for the purpose of vesting in the Subscriber the full benefit of the assets, rights and benefits to be vested in the Subscriber under or pursuant to this Agreement including the legal and beneficial ownership of the Convertible Bonds.

10.2 The Subscriber agrees (at its own cost) to perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents, as may be required by law or as the Company may reasonably require, whether on

or after Completion, to implement and/or give effect to this Agreement and the transactions contemplated hereunder.

11. Variation, waiver and consent

- 11.1 No variation or waiver of any provision or condition of this Agreement shall be effective unless it is in writing and signed by or on behalf of each of the Parties (or, in the case of a waiver, by or on behalf of the Party waiving compliance).
- 11.2 Unless expressly agreed, no variation or waiver of any provision or condition of this Agreement shall constitute a general variation or waiver of any provision or condition of this Agreement, nor shall it affect any rights, obligations or liabilities under or pursuant to this Agreement which have already accrued up to the date of variation or waiver, and the rights and obligations of the Parties under or pursuant to this Agreement shall remain in full force and effect, except and only to the extent that they are so varied or waived.
- 11.3 Any consent granted under this Agreement shall be effective only if given in writing and signed by the consenting Party and then only in the instance and for the purpose for which it was given.

12. Entire agreement

Subject to any terms implied by law, this Agreement represents the whole and only agreement between the Parties in relation to the Subscription and supersedes any previous agreement (whether written or oral) between the Parties in relation to the subject matter of any such document save that nothing in this Agreement shall exclude any liability for, or remedy in respect of, fraudulent misrepresentation.

13. Notices

- 13.1 Save as otherwise provided in this Agreement, any notice, demand or other communication ("**Notice**") to be given by any Party under, or in connection with, this Agreement shall be in writing, in English and signed by or on behalf of the Party giving it. Any Notice shall be served by sending it by fax to the number set out in Clause 13.2 (*Notices*), or delivering it by hand to the address set out in Clause 13.2 (*Notices*) and in each case marked for the attention of the relevant party set out in Clause 13.2 (*Notices*) (or as otherwise notified from time to time in accordance with the provisions of this Clause 13 (*Notices*)). Any Notice so served by fax or hand shall be deemed to have been duly given or made as follows:

- (a) if sent by fax, at the time of transmission; or
- (b) in the case of delivery by hand, when delivered,

provided that in each case where delivery by fax or by hand occurs after 6 p.m. on a Business Day or on a day which is not a Business Day, service shall be deemed to occur at 9 a.m. on the next following Business Day.

References to time in this Clause 13 (*Notices*) are to local time in the country of the addressee.

- 13.2 The addresses and fax numbers of the Parties for the purpose of Clause 13.1 (*Notices*) are as follows:

(a) **The Company**

Century Sunshine Group Holdings Limited

Address: Suite 1104, 11th Floor, Tower 6, The Gateway, 9 Canton Road,
Tsim Sha Tsui, Kowloon, Hong Kong

Fax: (852) 2802 2697

For the attention of: Board of directors

(b) The Subscriber

China Century Sunshine Group Investment Company Limited

Address: Suite 1104, 11th Floor, Tower 6, The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong

Fax: (852) 2802 2697

For the attention of: Mr. Chi Wenfu (池文富)

13.3 A Party may notify the other Party to this Agreement of a change to its name, relevant addressee, address or fax number for the purposes of this Clause 13 (*Notices*), provided that such notice shall only be effective on:

- (a) the date specified in the notification as the date on which the change is to take place; or
- (b) if no date is specified or the date specified is less than five (5) Business Days after the date on which notice is given, the date following five (5) Business Days after notice of any change has been given.

13.4 In proving service it shall be sufficient to prove that the envelope containing the Notice was properly addressed and delivered to the address shown thereon or that the fax transmission was made and a fax confirmation report was received, as the case may be.

14. Costs

Each of the Parties shall be responsible for its own legal, accountancy and other costs, charges and expenses incurred in connection with the negotiation, preparation and implementation of this Agreement and any other document incidental to or referred to in this Agreement.

15. Continuing effect

Each provision of this Agreement shall continue in full force and effect after Completion, except to the extent that a provision has been fully performed on or before Completion.

16. Severability

If any provision of this Agreement is held by a court of competent jurisdiction to be illegal, invalid or unenforceable in any respect under the law of any jurisdiction, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in this Agreement but without invalidating any of the remaining provisions of this Agreement. Any provision of this Agreement held illegal, invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held illegal, invalid or unenforceable. The Parties shall then use all reasonable endeavours to replace the illegal, invalid or unenforceable provision(s) by a legal, valid and enforceable substitute provision the effect of which is as close as possible to the intended effect of the illegal, invalid or unenforceable provision.

17. Governing law and submission to jurisdiction

Governing law

- 17.1 This Agreement (including this Clause 17 (*Governing law and submission to jurisdiction*)) shall be governed by, and construed in accordance with, the laws of Hong Kong.

Submission to jurisdiction

- 17.2 The Parties hereby irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts as regards any proceeding, claim, dispute or matter arising (or which may arise) out of or in connection with or relating to this Agreement or any document to be executed pursuant to this Agreement.

18. Process agent

The Subscriber irrevocably appoints Mr. Chi Wenfu of Suite 1104, 11th Floor, Tower 6, The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong as its process agent to receive on its behalf service of any writ, summons, order, judgment or other notice of legal process in Hong Kong. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Subscriber). If for any reason such process agent ceases to be able to act as process agent, or no longer has an address in Hong Kong, the Subscriber irrevocably agrees to appoint a substitute process agent having an address in Hong Kong and to deliver to the Company a copy of the new process agent's acceptance of that appointment within seven (7) days.

19. Governing language

The official text of this Agreement, and any notices given thereunder shall be in English. In the event of any dispute concerning the construction or interpretation of this Agreement, reference shall be made only to the relevant document as written in English and not to any translation into any other language.

20. No third party rights

A person who is not a party to this Agreement shall not have any rights under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce, or to enjoy the benefit of, any term of this Agreement.

IN WITNESS whereof the Parties have signed this Agreement at the end of the Schedules on the date first above written.

Executed as an agreement

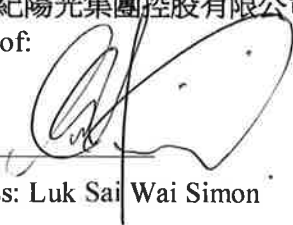
THE COMPANY

SIGNED by

for and on behalf of

**CENTURY SUNSHINE GROUP HOLDINGS
LIMITED (世紀陽光集團控股有限公司)**

in the presence of:



Name of witness: Luk Sai Wai Simon

Address of witness:

Suite 1104, 11th Floor, Tower 6, The Gateway,
9 Canton Road, Tsim Sha Tsui, Kowloon,
Hong Kong

)

)

)



)

Name: Shum Sai Chit

)

Title: Director

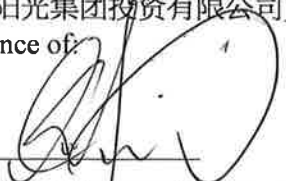
THE SUBSCRIBER

SIGNED by
for and on behalf of

**CHINA CENTURY SUNSHINE
GROUP INVESTMENT COMPANY LIMITED**

(中国世纪阳光集团投资有限公司)

in the presence of:


Name of witness: Luk Sai Wai Simon

Address of witness:

Suite 1104, 11th Floor, Tower 6, The Gateway,
9 Canton Road, Tsim Sha Tsui, Kowloon,
Hong Kong

)

)

)



)

Name: Chi Wenfu

)

Title: Director

Schedule 1: Form of the Convertible Bonds

FORM OF THE CONVERTIBLE BONDS

CENTURY SUNSHINE GROUP HOLDINGS LIMITED (世紀陽光集團控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

Principal amount: HK\$/insert/

Certificate No.: insert

HK\$300,000,000 8% COUPON CONVERTIBLE BONDS DUE 2022

Issued pursuant to the articles of association of Century Sunshine Group Holdings Limited (世紀陽光集團控股有限公司) (the "**Issuer**") and resolutions of its board of directors passed on insert/ 2020. The Bond or Bonds in respect of which this Certificate is issued, the identifying numbers of which are noted above, are in registered form and form part of a series designated as specified in the title (the "**Bonds**") of the Issuer. The Bonds are issued on the date stated below with the benefit of and subject to the terms and conditions attached hereto ("**Conditions**") which shall form an integral part of this Certificate.

THIS IS TO CERTIFY that

CHINA CENTURY SUNSHINE GROUP INVESTMENT COMPANY LIMITED

(中国世纪阳光集团投资有限公司)

, a company incorporated in the British Virgin Islands (registered number 1882590) whose registered office is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands, is, at the date hereof, entered in the Issuer's register of Bondholders as the holder of the Bonds in the principal amount of HK\$[300,000,000] (which amount is also set out on the top left hand side of this certificate (this "**Certificate**"). For value received, the Issuer by such entry promises to pay the person who appears at the relevant time on the register of Bondholders as holders of the Bonds in respect of which this Certificate is issued such amount or amounts as shall become due in respect of such Bonds in accordance with the Conditions and each of the Issuer and the Bondholder mentioned above agree to comply with the Conditions.

The Bonds in respect of which this Certificate is issued are convertible into fully-paid ordinary shares with a par value of HK\$0.02 each in the capital of the Issuer subject to and in accordance with the Conditions.

This Certificate is evidence of entitlement only. Title to the Bonds passes only on due registration on the register of Bondholders ("**Register of Bondholders**") and only the duly registered holder is entitled to payments on Bonds in respect of which this Certificate is issued.

This Certificate shall not be valid for any purpose until executed by the Issuer.

This Certificate is governed by, and shall be construed in accordance with, the laws of the Hong Kong Special Administrative Region of the People's Republic of China.

Executed as a Deed)
by affixing the common seal of)
Century Sunshine Group Holdings Limited)
(世紀陽光集團控股有限公司))
in the presence of)

Print name:
Director/Secretary

(For endorsement in the event of partial conversion or repurchase)

Date

Amount Converted/Repurchased

Amount Outstanding

Note:

The Bonds cannot be transferred to bearer on delivery and is transferable only to the extent permitted by Condition 4 of the Conditions. This Certificate must be delivered to the Company Secretary of Century Sunshine Group Holdings Limited (世紀陽光集團控股有限公司) for cancellation and reissue of an appropriate certificate in the event of any such transfer.

Terms and Conditions of the Bonds

The following is the text of the Terms and Conditions of the Bonds which will appear on the reverse of each definitive certificate evidencing the Bonds.

The issue of HK\$300,000,000 in aggregate principal amount of convertible Bonds due 2022 (the "**Bonds**") of Century Sunshine Group Holdings Limited (世紀陽光集團控股有限公司) (the "**Issuer**"), a company incorporated in the Cayman Islands, on the issue date of the Bonds (the "**Issue Date**") was authorised by a resolution of the Board passed on 2020.

1. Definitions and Interpretation

- 1.1 For the purpose of these Conditions, the words and expressions set out below shall have the meaning attributed to them below unless the context otherwise requires:

"**Approved Financial Adviser**" means an independent reputable accounting firm, merchant bank or other reputable financial institution appointed by the Issuer, and approved by the Bondholders, at the cost of the Issuer.

"**Board**" means the board of directors of the Issuer from time to time.

"**Bondholder(s)**" means the holder(s) of the Bonds from time to time.

"**Business Day**" means a day (other than a Saturday and a Sunday and a day on which a tropical cyclone warning number 8 or above or a "black rainstorm warning signal" is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are open for general banking business in Hong Kong throughout their normal business hours.

"**Capital Distribution**" means: (i) any distribution of assets in specie by the Issuer for any financial period whenever paid or made and however described (and for these purposes a distribution of assets in specie includes without limitation an issue of Shares or other securities credited as fully or partly paid (other than Shares credited as fully paid) by way of capitalisation of reserves); and (ii) any cash Dividend or distribution of any kind by the Issuer for any financial period (whenever paid and however described)

"**CCASS**" means the Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited.

"**Certificate**" has the meaning given to it in Condition 3.1.

"**Closed Conversion Period**" has the meaning given to it in Condition 7.1.

"**Closed Period**" has the meaning given to it in Condition 4.5.

"**Conversion Date**" has the meaning given to it in Condition 7.7.

"**Conversion Period**" has the meaning given to it in Condition 7.1.

"**Conversion Price**" has the meaning given to it in Condition 7.4.

"**Conversion Right**" has the meaning given to it in Condition 7.1.

"Conversion Shares" means the Shares to be issued by the Issuer upon conversion of any Bond.

"Conversion Notice" has the meaning given to it in Condition 7.6.

"Current Market Price" means in respect of the Shares on a particular date, the average closing price per Share (being a Share carrying full entitlements to dividends) quoted on the daily quotation sheets of the Stock Exchange for the five Trading Days immediately preceding such date; provided that if at any time during the said five Trading Day period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:

- (a) if the Shares to be issued in such circumstances do not rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of the amount of that dividend per Share; or
- (b) if the Shares to be issued in such circumstances rank for the dividend in question and in any other case, the quotations on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by the amount equal to the Fair Market Value of that dividend per Share,

and provided further that if the Shares on each of the said five Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued in such circumstances do not rank for that dividend, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share.

"Day Count Fraction" has the meaning given to it in Condition 5.4.

"Designated Office" means the Issuer's principal place of business in Hong Kong at Suite 1104, 11th Floor, Tower 6, The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

"Dividend" means any dividend or distribution, whether of cash, assets or other property, and whenever paid or made and however described (and for these purposes a distribution of assets includes, without limitation, an issue of Shares or other securities credited as fully or partly paid-up) provided that where a cash Dividend is announced which is to be, or may at the election of a holder or holders of Shares be, satisfied by the issue or delivery of Shares or other property or assets, then, the Dividend in question shall be treated as a cash Dividend of an amount equal to the greater of: (a) the cash Dividend so announced; and (b) the Current Market Price on the date of announcement of such Dividend, of such Shares or the Fair Market Value of other property or assets to be issued or delivered in satisfaction of such Dividend (or which would be issued if all holders of Shares elected therefore, regardless of whether any such election is made).

"Encumbrance" means any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same and **"Encumber"** and **"Encumbrancer"** shall be construed accordingly.

"Event of Default" has the meaning given to it in Condition 12.

"Fair Market Value" means, with respect to any assets, security, option, warrants or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by two Approved Financial Advisers (acting as experts); provided that: (a) the fair market value of a cash Dividend paid or to be paid per Share shall be the amount of such cash Dividend per Share determined as at the date of announcement of such Dividend; and (b) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such Approved Financial Advisers) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five Trading Days on the relevant market commencing on the first such Trading Day on which such options, warrants or other rights are publicly traded.

"Group" means the Issuer and its Subsidiaries from time to time, and **"members of the Group"** shall be construed accordingly.

"Hong Kong" means the Hong Kong Special Administrative Region of the PRC.

"Interest Payment Date" has the meaning given to it in Condition 5.1(b).

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

"Maturity Date" means the second anniversary of the Issue Date, [*] 2022.

"PRC" means the People's Republic of China but excluding, for the purposes of these Conditions, Hong Kong, Taiwan and Macau.

"Rate of Interest" means 8% per annum.

"Redemption Date" means the date of redemption as specified in the notice given by the Issuer pursuant to Condition 6.2 or any Bondholder pursuant to Condition 6.3 (as the case may be).

"Register of Bondholders" has the meaning given to it in Condition 3.3.

"Registration Date" has the meaning given to it in Condition 7.9(c).

"Relevant Group" means the Group excluding the REMT Group, and **"members of the Relevant Group"** shall be construed accordingly.

"REMT" means Rare Earth Magnesium Technology Group Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are dealt in and listed on the Main Board of the Stock Exchange (stock code: 601).

"REMT Group" means REMT and its Subsidiaries from time to time.

"Shares" means the ordinary shares of an existing par value of HK\$0.02 each in the share capital of the Issuer and listed on the Stock Exchange and all other (if any) stock or shares from time to time and for the time being ranking *pari passu* therewith, and all other (if any) stock or shares resulting from such Shares from time to time or from any sub-division, consolidation, re-classification or re-designation thereof, which as between themselves have no preference in respect

of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Issuer.

"Shareholder(s)" means holder(s) of the Shares.

"Stock Exchange" means The Stock Exchange of Hong Kong Limited.

"Subscription Agreement" means the subscription agreement dated 2020 between the Issuer and China Century Sunshine Group Investment Company Limited (中国世纪阳光集团投资有限公司) in respect of the issuance of and subscription for the Bonds, as varied, amended, modified, supplemented or novated from time to time.

"Subsidiary" has the meaning ascribed to it under the Listing Rules.

"Takeovers Code" means the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs.

"Tax" and "Taxation" means: (a) any form of tax whenever created or imposed and whether of Hong Kong, the PRC or elsewhere, payable to or imposed by any taxation authority and includes, without limitation, profits tax, provisional profits tax, interest tax, salaries tax, property tax, taxes on income, estate duty, capital duty, stamp duty, payroll tax and other similar liabilities or contributions and any other taxes, levies, duties, charges, imposts or withholdings similar to, corresponding with, or replacing or replaced by any of the foregoing and including an amount equal to any deprivation of any relief from taxation; and (b) all charges, interests, penalties and fines, incidental or relating to any Taxation falling within (a) above.

"Total Redemption Amount" means 100% of the outstanding principal amount, together with accrued interest, and all other amounts accrued or outstanding under the Bonds.

"Transaction Documents" means the Subscription Agreement and the Bonds and any other documents entered into as contemplated thereby or in relation thereto from time to time.

"Trading Day" means a day on which trading of the Shares is conducted on the Stock Exchange in accordance with the rules and regulations of the Stock Exchange promulgated from time to time.

1.2 A reference to a **"date of announcement"** shall mean the first date on which the matter or document referred to in the public announcement made under the Listing Rules could have been released and uploaded on the official website of Hong Kong Exchanges and Clearing Limited; and for the avoidance of doubt, where (a) the public announcement is released and uploaded on a day subsequent to the date of the occurrence of the underlying matter or the execution of the underlying document or (b) a public announcement is required to be made under the Listing Rules but is not made, the **"date of announcement"** shall be deemed to be the date of the occurrence of the underlying matter or the execution of the underlying document; and **"announced"** and **"announcement"** shall be construed accordingly.

1.3 A reference to **"outstanding"** in relation to the Bonds shall mean all the Bonds issued other than:

- (a) those which have been redeemed or in respect of which Conversion Rights have been exercised and which have been cancelled in accordance with these Conditions;

- (b) those which have become void or those in respect of which claims have become prescribed under Condition 13; and
 - (c) those which have been purchased and cancelled as provided in Condition 10.
- 1.4 Except as otherwise expressly provided, expressions defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) have the same meanings when used in these Conditions.
- 1.5 A reference to a statute or statutory provision includes a reference:
 - (a) to that statute or provision as from time to time modified or re-enacted; and
 - (b) to any orders, regulations, instruments or other subordinate legislation made under the relevant statute or statutory provision.
- 1.6 References to any Hong Kong statutory provision or legal term for any action, remedy, method of judicial proceeding, legal document, legal statutes, court, official or other legal concept, state of affairs or thing shall in respect of any jurisdiction other than Hong Kong be deemed to include that which most nearly approximates in that jurisdiction to the Hong Kong statutory provision or legal term or other legal concept, state of affairs or thing.
- 1.7 Unless the context otherwise requires:
 - (a) words in the singular include the plural, and vice versa;
 - (b) words importing any gender include all genders; and
 - (c) a reference to a person includes a reference to a body corporate and to an unincorporated body of persons.
- 1.8 Condition headings in these Conditions are included for convenience of reference only and shall not constitute a part of the Bonds for any other purpose. The Exhibits to these Conditions form part of these Conditions and shall be read accordingly.
- 1.9 References to:
 - (a) costs, charges or expenses include any withholding, value added, turnover or similar tax charged in respect thereof; and
 - (b) "Hong Kong dollars" and "HK\$" are to the lawful currency for the time being of Hong Kong.

2. **Status**

The Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of the Issuer's other present and future direct, unsubordinated, unconditional and unsecured obligations.

3. **Form, Denomination, Title, Register, Certificate**

3.1 *Form and Denomination*

The Bonds are issued in registered form in the denomination of HK\$30,000,000 each. Bond certificate(s) (each, a "**Certificate**") will be issued to each Bondholder in respect of its registered holding of the Bonds. Each Bond and each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the Register of Bondholders (as defined below) which will be kept by the Issuer pursuant to Condition 3.3.

3.2 *Title*

Title to the Bonds will pass only by transfer and registration in the Register of Bondholders as described in Condition 4. The registered holder of any Bond will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, "**Bondholder**" and (in relation to a Bond) "**Holder**" or "**holder**" mean the person in whose name a Bond is registered.

3.3 *Register of Bondholders*

- (a) The Issuer will cause to be kept at its registered office in the Cayman Islands a register (the "**Register of Bondholders**") on which the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and all transfers of the Bonds are entered, and the Issuer shall, subject to Condition 4, update the particulars entered on the Register of Bondholders promptly upon, and in any event within five Business Days after receipt of information about changes of such particulars from the Bondholders.
- (b) Any Bondholder may require a copy of the names and addresses of the Bondholders and the amount of outstanding principal amount of each of such Bondholders as set forth in the Register of Bondholders, and a copy of the Register of Bondholders shall promptly upon, and in any event within five Business Day after, receipt by the Issuer of such requirement, be made available for collection at the specified office of the Issuer or, if so requested by any Bondholder, be mailed by uninsured mail at the risk and cost of the Bondholder entitled.

3.4 *Certificate*

Where only part of a principal amount of the Bonds (being that of one or more Bonds) in respect of which a Certificate is issued is to be transferred, converted, redeemed or repurchased, a new Certificate in respect of the Bonds not so transferred, converted, redeemed or repurchased will, within five Business Days of delivery of the original Certificate together with the other documents required under these Conditions to the Issuer, be made available for collection at the specified office of the Issuer or, if so requested in the form of transfer (the form of which being set out in Exhibit A), be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred, converted, redeemed or repurchased (but free of charge to the holder and at the Issuer's expense) to the address of such holder appearing on the Register of Bondholders.

4. **Transfers of Bonds**

- 4.1 Subject to Conditions 4.2 to 4.4, a Bond may be transferred or exchanged in whole or in part at any

time by delivery of the Certificate issued in respect of that Bond, with the endorsed form of transfer (the form of which being set out in Exhibit A) duly completed and signed by the registered Bondholder or his attorney duly authorised in writing, to the Issuer at the Designated Office. No transfer of title to a Bond will be valid unless and until entered on the Register of Bondholders.

- 4.2 A Bond may only be transferred if such transfer shall be in compliance with these Conditions and further subject to (where applicable) the conditions, approvals, requirements and any other provisions of or under the Listing Rules, the Takeovers Code and all applicable law and regulations and codes.
- 4.3 Each new Certificate to be issued upon a transfer of the Bonds will, within five Business Days of receipt by the Issuer of the original Certificate and the form of transfer duly completed and signed and, if required under applicable laws, stamped, be made available for collection at the specified office of the Issuer or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds (but free of charge to the holder and at the Issuer's expense) to the address specified in the form of transfer.
- 4.4 Registration of a transfer of the Bonds and issuance of new Certificates will be effected without charge by the Issuer, but only upon payment by the relevant holder in respect of any tax or other governmental charges which may be imposed in relation to such transfer.
- 4.5 No Bondholder may require the transfer of the Bonds to be registered (a) during the period of 10 days ending on (and including) the dates for payment of any principal pursuant to these Conditions; (b) during the period of 10 days ending on (and including) the dates for redemption pursuant to Condition 6.2; (c) after a Conversion Notice has been delivered by such Bondholder with respect to such part of the Bonds to be converted under such Conversion Notice; (d) after a redemption notice has been deposited by such Bondholder in respect of such Bonds pursuant to Condition 6.3; and (e) during the period of five days ending on (and including) any Interest Payment Date. Each such period in the immediately preceding sentence is a "**Closed Period**".

5. **Interest**

5.1 *Interest Commencement and Rate of Interest*

- (a) The Bonds bear interest from and including the Issue Date to but excluding the Maturity Date at the Rate of Interest of the outstanding principal amount of the Bonds and calculated in accordance with Condition 5.4.
- (b) Such interest shall be payable monthly in arrears on the last day of each month in each year (each an "**Interest Payment Date**") commencing on [*] 2020, provided that if any Interest Payment Date otherwise falls on a day which is not a Business Day, it shall be brought forward to the previous Business Day. In relation to any Bond the Conversion Right of which has been exercised, the interest accrued from and including the Interest Payment Date last preceding the Conversion Date to but excluding the Conversion Date shall be payable on the Conversion Date.
- (c) Interest in respect of a Bond shall be calculated and paid in Hong Kong dollars.

5.2 *Cessation of Interest Accrual*

Each Bond or portion of a Bond will cease to bear interest on the relevant Redemption Date or Conversion Date subject to actual redemption or conversion (as the case may be) and cancellation of that relevant Bond or portion of a Bond in accordance with the provisions of these Conditions.

5.3 *Principal Amount Not Paid on Due Date*

If, upon due presentation of any Certificate in respect of a Bond or any portion thereof on the due date for redemption, payment of principal is improperly held or refused, such Bond will continue to bear interest at the Rate of Interest (both before and after judgment) until the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder.

5.4 *Interest Amounts*

Any interest in respect of a Bond shall be calculated by adopting the relevant Day Count Fraction and rounding the resulting figure to the nearest HK\$ (half a HK\$ being rounded upwards), where "**Day Count Fraction**" means, in respect of any period, the number of days in the relevant period divided by 365 (the number of days to be calculated on the basis of a year of 365 days).

6. **Redemption**

6.1 *Issuer's Redemption Obligation on the Maturity Date*

Unless previously redeemed, converted or purchased and cancelled as provided herein, the Issuer will redeem the Bonds at its principal amount, plus accrued and unpaid interest, if any, on the Maturity Date.

6.2 *Redemption at the Option of the Issuer*

At any time during the period commencing on the first anniversary of the Issue Date to the date immediately prior to the Maturity Date, the Issuer may, having given not less than 5 nor more than 10 days' notice to the Bondholders (which notice will be irrevocable), redeem all or some only of, the Bonds at their principal amount, plus interest accrued up to but excluding the date of redemption, on the date specified by the Issuer in the notice to be the date of redemption.

6.3 *Redemption at the Option of the Bondholder*

- (a) At any time during the period commencing on the first anniversary of the Issue Date to the date immediately prior to the Maturity Date, any Bondholder may by completing, signing and depositing at the Designated Office during normal business hours not less than 5 nor more than 10 days, a notice of redemption in the form (for the time being current) obtainable from the Designated Office, together with the Certificate in respect of the Bonds being redeemed, request the Issuer to redeem all or some only of the Bonds held by such Bondholder on the date specified by such Bondholder in the notice to be the date of redemption at their principal amount, plus interest accrued up to the date fixed for redemption.
- (b) Any such notice of redemption is subject to the Issuer's written consent (which shall be given no later than three days prior to the specified date for redemption) and will be irrevocable after such written consent is given by the Issuer unless its revocation is

approved in writing by the Issuer not later than one day prior to the date for redemption of the relevant Bonds and will bind the Issuer to redeem the Bonds to which such notice relates. A Certificate once deposited may not be withdrawn without the consent in writing of the Issuer.

7. Conversion

7.1 *Conversion Right*

- (a) Each Bond shall entitle the Bondholder to convert such Bond or part of a Bond into Shares on one or more than one occasion during the Conversion Period in respect of all or part of the outstanding principal amounts under the Bonds in accordance with the provisions of Condition 7. The right of each Bondholder to convert any Bond or any part of a Bond held by it into Shares is referred to as the "**Conversion Right**". The Conversion Right attaching to any Bond may be exercised, at the option of the holder thereof, at any time on and after the first anniversary of the Issue Date up to the date immediately prior to the Maturity Date (both days inclusive), or if such Bond is to be called for redemption by the Issuer before the Maturity Date pursuant to Condition 6.2, then up to the date no later than 10 days prior to the date fixed for redemption thereof or if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 6.3 then up to the date prior to the giving of such notice (the "**Conversion Period**") in accordance with the provisions of these Conditions.
- (b) Conversion Rights may not be exercised in relation to any Bond during any period (a "**Closed Conversion Period**") (a) commencing on the record date for determination of the shareholders of the Issuer entitled to receive notice of the Issuer's annual general shareholders' meeting or any extraordinary shareholders' meeting of the Issuer and ending on the date of such meeting or (b) commencing on the record date for determination of the shareholders of the Issuer entitled to receipt of dividends, rights and other benefits and ending on the date of receipt of such dividend, right or benefit. The Issuer will give notice of such Closed Conversion Period to the Bondholders prior to the beginning of each such period.
- (c) Any exercise of the Conversion Right is subject to such exercise not having directly resulted in:
 - (i) violations by the Issuer of its obligations under the Listing Rules that regulate exercise of securities convertible into Shares; or
 - (ii) less than 25% (or such other minimum percentage threshold as may be prescribed from time to time under the Listing Rules that regulate the required public float of companies listed on the Stock Exchange) of the Issuer's then total issued share capital being held by the public as defined in the Listing Rules for such purpose,

except that if any such result, event or circumstance described in (i) and/or (ii) above arises from or is otherwise due to, wholly or partly and directly or indirectly, act or omission of the Issuer, then the above provisions of this Condition 7.1(c) shall not apply.

7.2 *Number of Shares issuable on Conversion*

The number of Shares to be issued on conversion of a Bond will be determined by dividing the principal amount of the Bond to be converted by the Conversion Price in effect at the Conversion Date. A Conversion Right may be exercised in respect of one or more Bonds or any part of a Bond. If more than one Bond held by the same holder is converted at any one time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amounts of the Bonds to be converted.

7.3 *Fractions of Shares*

Fractions of Shares will not be issued on conversion and no cash adjustments will be made in respect thereof. However, if the Conversion Right in respect of more than one Bond is exercised at any one time such that Shares to be issued on conversion are to be registered in the same name, the number of such Shares to be issued in respect thereof shall be calculated on the basis of the aggregate principal amounts of such Bonds being so converted and rounded down to the nearest whole number of Shares. Despite the foregoing, in the event of a consolidation or re-classification of Shares by operation of law or otherwise occurring after the Issue Date which reduces the number of Shares outstanding, the Issuer will upon conversion of the Bonds pay in cash in Hong Kong dollars a sum equal to such portion of the principal amount of the Bond or Bonds evidenced by the Certificate deposited in connection with the exercise of Conversion Rights, aggregated as provided in Condition 7.2, as corresponds to any fraction of a Share not issued as a result of such consolidation or re-classification aforesaid if such sum exceeds HK\$100.00. Any such sum shall be paid not later than five Business Days after the relevant Conversion Date by means of a Hong Kong dollar cheque drawn on, or by a transfer to a Hong Kong dollar account maintained by the payee with, a bank in Hong Kong, in accordance with instructions given by the relevant Bondholder in the relevant Conversion Notice.

7.4 *Conversion Price*

The price at which Shares will be issued upon conversion (the "**Conversion Price**") will initially be HK\$0.1875 per Share which will be subject to adjustment in the manner provided in Condition 7.10.

7.5 *Revival and/or Survival after Default*

Despite the provisions of Condition 7.1, if (a) any Bond has become due and payable prior to the Maturity Date by reason of the occurrence of any of the events under Condition 12, or (b) any Bond is not redeemed on the Maturity Date in accordance with Condition 6.1, then:

- (a) the Conversion Right attaching to such Bond will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date upon which the full amount of the moneys payable in respect of such Bond has been duly received by the Bondholders (the "**payment date**"); and
- (b) any Bond in respect of which the Certificate and Conversion Notice are deposited for conversion prior to the payment date shall be converted on the relevant Conversion Date, notwithstanding that the full amount of the moneys payable in respect of such Bond shall have been received by any Bondholder before such Conversion Date or that the Conversion Period may have expired before such Conversion Date, but provided that arrangements satisfactory to the Issuer and the relevant Bondholder shall have been reached concerning repayment of such funds within 14 Business Days from the payment date.

7.6 *Conversion Notice*

To exercise the Conversion Right attaching to any Bond, the holder thereof must complete, execute and deposit at its own expense during normal business hours at the Designated Office a notice of conversion (a "**Conversion Notice**") in the form scheduled to these Conditions as Exhibit B.

7.7 *Conversion Date*

The conversion date in respect of a Bond (the "**Conversion Date**") must fall at a time when the Conversion Right attaching to that Bond is expressed in these Conditions to be exercisable and will be deemed to be the Trading Day immediately following the date of the surrender of the Certificate in respect of such Bond and delivery of such Conversion Notice.

7.8 *Stamp Duty, etc.*

The Bondholder delivering a Certificate in respect of the Bonds for conversion must pay directly to the relevant authorities: (A) any taxes and capital, stamp, issue, documentary and registration duties arising on conversion (other than any taxes or capital or stamp duties payable in the Cayman Islands and Hong Kong by the Issuer in respect of the allotment and issue of Shares and listing of the Shares on the Stock Exchange on conversion) and (B) all, if any, taxes arising by reference to any disposal or deemed disposal of the Bonds in connection with such conversion. The Issuer will pay all other expenses arising on the issue of Shares on conversion of the Bonds.

7.9 *Registration*

- (a) As soon as practicable, and in any event not later than ten Trading Days after the Conversion Date, the Issuer will, in the case of Bonds converted on exercise of the Conversion Right and in respect of which a duly completed Conversion Notice has been delivered and the relevant Certificate and amounts payable by the Bondholder as required by these Conditions have been paid, register the person or persons designated for the purpose in the Conversion Notice as holder(s) of the relevant number of Shares in the Issuer's register of members and will, if the Bondholder has also requested in the Conversion Notice and to the extent permitted under the rules and procedures of the CCASS effective from time to time, take all necessary action to procure that Shares are delivered through the CCASS for so long as the Shares are listed on the Stock Exchange; or will make such certificate or certificates available for collection at the office of the Issuer's branch share registrar in Hong Kong (currently, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong) or, if so requested in the relevant Conversion Notice, will cause its share registrar to mail (at the risk, and, if sent at the request of such person otherwise than by ordinary mail, at the expense, of the person to whom such certificate or certificates are sent) such certificate or certificates to the person and at the place specified in the Conversion Notice, together (in either case) with any other securities, property or cash required to be delivered upon conversion and such assignments and other documents (if any) as may be required by law to effect the transfer thereof.
- (b) If the Conversion Date in relation to the conversion of any Bond shall be after the record date for any issue, distribution, grant, offer or other event as gives rise to the adjustment of the Conversion Price pursuant to Condition 7.10, but before the relevant adjustment becomes effective under the relevant Condition (a "**Retroactive Adjustment**"), upon the

relevant adjustment becoming effective, the Issuer shall issue to the converting Bondholder (or in accordance with the instructions contained in the Conversion Notice (subject to applicable exchange control or other laws or other regulations)) such additional number of Shares ("**Additional Shares**") as is, together with Shares to be issued on conversion of the Bond(s), equal to the number of Shares which would have been required to be issued on conversion of such Bond if the relevant adjustment to the Conversion Price had been made and become effective on or immediately after the relevant record date, and in such event and in respect of such Additional Shares, references in this Condition 7.9 to the Conversion Date shall be deemed to refer to the date upon which the Retroactive Adjustment becomes effective (notwithstanding that the date upon which it becomes effective falls after the end of the Conversion Period). However, this Condition relating to Retroactive Adjustment shall not apply where an adjustment of the Conversion Price under Condition 7.10 refers to the record date and such adjustment will take effect from the date next following such record date.

- (c) The person or persons specified for that purpose in the Conversion Notice will become the holder of record of the number of Shares issuable upon conversion with effect from the date he is or they are registered as such in the Issuer's register of members (the "**Registration Date**"). The Shares issued upon conversion of the Bonds will be fully-paid and in all respects rank *pari passu* with the Shares in issue on the relevant Registration Date. Save as set out in these Conditions, a holder of Shares issued on conversion of the Bonds shall not be entitled to any rights the record date for which precedes the relevant Registration Date.
- (d) If the record date for the payment of any dividend or other distribution in respect of the Shares is on or after the Conversion Date in respect of any Bond, but before the Registration Date (disregarding any Retroactive Adjustment of the Conversion Price referred to in this sub-paragraph prior to the time such Retroactive Adjustment shall have become effective), the Issuer will calculate and pay to the converting Bondholder or his designee an amount in Hong Kong dollars (the "**Equivalent Amount**") equal to the fair market value of such dividend or other distribution to which he would have been entitled had he on that record date been such a shareholder of record and will make the payment at the same time as it makes payment of the dividend or other distribution, or as soon as practicable thereafter, but, in any event, not later than seven days after it has received from the Bondholder the bank account details as referred hereinafter. For the avoidance of doubt, such payment shall not be taken as a Capital Distribution, shall not trigger any adjustment as contemplated in Condition 7.10 and shall not reduce the amounts of dividend or distribution payable to those Shareholders whose names are on the Issuer's register of members on the record date. The Equivalent Amount shall be paid by transfer to a Hong Kong dollar account maintained by the payee with a bank in Hong Kong, in accordance with instructions given by the relevant Bondholder in the relevant Conversion Notice.
- (e) Bonds which are converted will be cancelled by removal of the Bondholder's name from the Register of Bondholders on the relevant Registration Date

7.10 *Adjustments*

- (a) Subject as hereinafter provided, the Conversion Price shall from time to time be adjusted in accordance with the following relevant provisions and so that if the event giving rise to any such adjustment shall be such as would be capable of falling within more than one of

sub-paragraphs (i) to (x) inclusive of this Condition 7.10, it shall fall within the paragraph that allows the greatest extent of adjustment to the exclusion of the remaining paragraphs:

- (i) *Consolidation, Subdivision or Reclassification:* If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation, subdivision or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

A is the nominal amount of one Share immediately after such alteration; and

B is the nominal amount of one Share immediately before such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

- (ii) *Capitalisation of Profits or Reserves:*

- (a) If and whenever the Issuer shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account) including Shares paid up out of distributable profits or reserves and/or share premium account issued, (other than (1) where Shares are issued in lieu of the whole or any part of a specifically declared cash Dividend or (2) where the Shareholders may elect to receive a cash Dividend in lieu of Shares, in which case Condition 7.10(ii)(b) applies) (the "**Relevant Cash Dividend**"), being a Dividend which the Shareholders concerned would or could otherwise have received and which would not have constituted a Capital Distribution (a "**Scrip Dividend**"), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate nominal amount of the issued Shares immediately before such issue; and

B is the aggregate nominal amount of the issued Shares immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

- (b) In the case of an issue of Shares by way of a Scrip Dividend where the aggregate Current Market Price on the last Trading Day preceding the date of announcement of the terms of such issue of such Shares multiplied by the number of such Shares to be issued, exceeds the amount of the Relevant Cash Dividend or the relevant part thereof, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A+B}{A+C}$$

where:

- A is the number of Shares in issue immediately before such Scrip Dividend;
- B is the number of Shares which the Relevant Cash Dividend would purchase at such Current Market Price; and
- C is the number of Shares to be issued pursuant to such Scrip Dividend.

Such adjustment shall become effective on the date of issue of such Shares or if the number of such Shares is fixed on announcement and a record date is fixed therefor, on such record date.

- (iii) *Capital Distribution:* If and whenever the Issuer shall pay or make any Capital Distribution to the Shareholders (except where the Conversion Price falls to be adjusted under (ii) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the last Trading Day preceding the date on which the Capital Distribution is publicly announced; and
- B is the Fair Market Value on the date of such announcement of the portion of the Capital Distribution attributable to one Share.

Such adjustment shall become effective on the date that such Capital Distribution is made or if a record date is fixed therefor, immediately after such record date.

For the avoidance of doubt, Capital Distribution excludes all cash distributions paid to the Shareholders.

- (iv) *Rights Issues of Shares or Options over Shares:* If and whenever the Issuer shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class, by way of rights, of options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than 95 % of the Current Market Price per Share on the last Trading Day preceding the date of the announcement of the terms of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Shares in issue immediately before such announcement;

B is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued or granted by way of rights and for the total number of Shares comprised therein would purchase at such Current Market Price per Share; and

C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants (as the case may be).

- (v) *Rights Issues of Other Securities:* If and whenever the Issuer shall issue any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares) to all or substantially all Shareholders as a class, by way of rights, or the issue or grant to all or substantially all Shareholders as a class by way of rights, of any options, warrants or other rights to subscribe for or purchase or otherwise acquire, any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Share on the last Trading Day preceding the date on which such issue or grant is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants (as the case may be).

- (vi) *Issues at less than Current Market Price:* If and whenever the Issuer shall issue (otherwise than as mentioned in (iv) above) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of the options granted by the Issuer pursuant to its employee share option schemes, or any other rights of conversion into, or exchange or subscription for, Shares) or the issue or grant of (otherwise than as mentioned in (iv) above and other than the options granted by the Issuer pursuant to its employee share option schemes) options, warrants or other rights to subscribe or purchase Shares in each case at a price per Share which is less than 95% of the Current Market Price on the last Trading Day preceding the date of announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for or purchase any Shares;

B is the number of Shares which the aggregate consideration (if any) receivable by the Issuer for such additional Shares to be issued or otherwise made available or, as the case may be, upon the exercise of any such options, warrants or rights, would purchase at such Current Market Price per Share; and

C is the maximum number of additional Shares issued or the maximum number of Shares that may be issued upon exercise of such options, warrants or rights.

References to additional Shares in the above formula shall, in the case of an issue or grant by the Issuer of options, warrants or other rights to subscribe for or purchase Shares, mean such Shares to be issued, or otherwise made available, assuming that such options, warrants or other rights are exercised in full at the initial exercise price (if applicable) on the date of issue or grant of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the grant of such options, warrants or other rights.

- (vii) *Other Issues at less than Current Market Price:* Save in the case of an issue of securities arising from a conversion or exchange of other existing securities in accordance with the terms applicable to such existing securities themselves falling within the provisions of this (vii), if and whenever the Issuer or any member of the Relevant Group (otherwise than as mentioned in (iv), (v) or (vi) above) or (at the

direction or request of or pursuant to any arrangements with the Issuer or any member of the Relevant Group) any other company, person or entity (otherwise than as mentioned in (iv), (v) or (vi) above) shall issue any securities (other than the Bonds and the options granted by the Issuer pursuant to its employee share option schemes) which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for or purchase of, or to otherwise acquire, Shares issued or to be issued by the Issuer or securities which by their terms may be redesignated Shares receivable upon conversion, exchange, subscription or redesignation at a consideration per Share which is less than 95% of the Current Market Price on the last Trading Day preceding the date of announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Shares in issue immediately before such issue or grant (but where the relevant securities carry rights of conversion into, or rights of exchange or subscription for, or purchase or acquisition of, Shares which have been issued by the Issuer for the purpose of, or in connection with, such issue, less the number of Shares so issued);

B is the number of Shares which the aggregate consideration (if any) receivable by the Issuer for the Shares to be issued or otherwise made available upon conversion or exchange or on exercise of the right of subscription or purchase or acquisition attached to such securities would purchase at such Current Market Price per Share; and

C is the maximum number of Shares to be issued or otherwise made available upon conversion or exchange of such securities or on the exercise of such rights of subscription or purchase or acquisition attached thereto at the initial conversion, exchange or subscription price or rate or, as the case may be, the maximum number of Shares to be issued or to arise or to be made available from any such redesignation.

Such adjustment shall become effective on the date of issue of such securities.

- (viii) *Modification of Rights of Conversion, etc.:* If and whenever there is any modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to any such securities as are mentioned in (vii) above (other than in accordance with the existing terms applicable to such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than 95% of the Current Market Price on the last Trading Day preceding the date of announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the number of Shares in issue immediately before such modification (but where the relevant securities carry rights of conversion into, or rights of exchange or subscription for, or purchase or acquisition of, Shares which have been issued by the Issuer for the purpose of, or in connection with, such issue, less the number of Shares so issued);

B is the number of Shares which the aggregate consideration (if any) receivable by the Issuer for the Shares to be issued, or otherwise made available, on conversion or exchange or on exercise of the right of subscription, purchase or acquisition attached to the securities so modified would purchase at such Current Market Price per Share or, if lower, the existing conversion, exchange, subscription or purchase price of such securities; and

C is the maximum number of Shares to be issued, or otherwise made available, on conversion or exchange of such securities or on the exercise of such rights of subscription, purchase or acquisition attached thereto at the modified conversion, exchange, subscription or purchase price or rate but giving credit in such manner as two leading investment banks of international repute (acting as experts), selected by the Issuer and approved by the Bondholders, consider appropriate (if at all) for any previous adjustment under this (viii) or (vii) above.

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange, subscription, purchase or acquisition attaching to such securities.

- (ix) *Other Offers to Shareholders:* If and whenever the Issuer or any member of the Relevant Group or (at the direction or request of or pursuant to any arrangements with the Issuer or any member of the Relevant Group) any other company, person or entity issues, sells or distributes any securities in connection with an offer pursuant to which the Shareholders generally (meaning for these purposes the holders of at least 50% of the Shares outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under (iv), (v), (vi) or (vii) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue, sale or distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Share on the last Trading Day preceding the date on which such issue is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue, sale or distribution of the securities.

- (x) *Other Events:* If the Issuer determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in any other provisions of this anti-dilution adjustment provision which in either case have or would have an effect on the position of the Bondholders as a class compared with the position of the holders of all the securities (and options, rights and warrants relating thereto) of the Issuer, taken as a class, which is analogous to any of the events referred to in (i) to (ix) (including any demerger, spin-off or similar arrangement in respect of any business of the Issuer and the Relevant Group), then, in any such case, the Issuer shall at its own expense request two leading investment banks of international repute (acting as experts), selected by the Issuer and approved by the Bondholders, to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination provided that where the circumstances giving rise to any adjustment pursuant to this anti-dilution adjustment provision have already resulted or will result in an adjustment to the Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this anti-dilution adjustment provision as may be advised by two leading investment banks of international repute (acting as experts), selected by the Issuer and approved by the Bondholders, to be in their opinion appropriate to give the intended result.

(b) The provisions of Condition 7.10(a) shall not apply to:

- (i) an issue of fully paid Shares upon the exercise of any conversion rights attached to securities convertible into Shares or upon exercise of any rights (including any conversion of any Bond) to acquire Shares (except a rights issue) provided that an adjustment (if required) has been made under this Condition 7.10 in respect of the issue of such securities or granting of such rights (as the case may be);
- (ii) an issue of Shares or other securities of the Issuer wholly or partly convertible into, or options or rights to subscribe for or acquire, Shares to officers or employees of the Issuer or any of its Subsidiaries or other eligible persons, pursuant to any employee or executive share option scheme which has been or may be adopted in accordance with and in compliance with the Listing Rules.

(c) All costs, charges, liabilities and expenses incurred in connection with the appointment, retention, consultation and remuneration of the investment banks appointed under these Conditions shall be borne by the Issuer.

- (d) Any adjustment to the Conversion Price shall be made to the nearest one-tenth of a Hong Kong cent so that any amount under HK\$0.0005 shall be rounded down and any amount of HK\$0.0005 or more shall be rounded up.
 - (e) Despite anything contained in these Conditions, no adjustment shall be made to the Conversion Price in any case in which the amount by which the same would be reduced in accordance with the foregoing provisions of this Condition 7.10 would be less than one-tenth of a cent and any adjustment that would otherwise be required then to be made shall not be carried forward.
 - (f) Despite any other provisions of this Condition 7.10, no adjustment shall be made which would result in the Conversion Price being reduced so that on Conversion, Shares would fall to be issued at a discount to their then nominal value, and in such case an adjustment shall be made to the effect that the Conversion Price will be adjusted to the then nominal value of the Shares.
 - (g) Any adjustment to the Conversion Price shall not involve an increase in the Conversion Price (except upon any consolidation of the Shares pursuant to Condition 7.10(a)(i)).
- 7.11 The Issuer shall give notice to the Stock Exchange and the Bondholders in accordance with Condition 18 of any change in the Conversion Price. Any such notice relating to a change in the Conversion Price shall set forth the event giving rise to the adjustment, the Conversion Price prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.

8. Undertakings

- 8.1 The Issuer undertakes to the Bondholders that at any time and from time to time for so long as any Bond remains outstanding:
- (a) the Issuer has and shall continue from time to time to keep available for issue, free from pre-emptive rights, out of its authorised but unissued capital, sufficient Shares to satisfy in full the allotment and issuance of the Conversion Shares;
 - (b) the Issuer shall use all reasonable endeavours to:
 - (i) maintain a listing for all the issued Shares on the Stock Exchange; and
 - (ii) obtain a listing on the Stock Exchange for all the Conversion Shares before any such Conversion Shares are issued upon exercise of the Conversion Right;
 - (c) it will pay the expenses of the issue and delivery of, and all expenses of obtaining and maintaining the listing for, Shares arising on conversion of the Bonds;
 - (d) the Issuer shall ensure that all Conversion Shares shall be duly and validly issued, fully paid and registered, and free from Encumbrances and all such Shares shall rank *pari passu* in all respects with the fully paid Shares in issue on the relevant Registration Date and shall accordingly entitle the holders thereof to participate in full in all dividends or other distributions the record date for which falls on a date on or after the relevant Registration Date;

- (e) the Issuer shall comply with and procure the compliance of all conditions imposed by the Stock Exchange for approval of the issue of the Bonds or for the listing of and permission to deal in the Shares issued or to be issued on conversion and ensure the continued compliance thereof;
 - (f) the Issuer shall notify the Bondholders in writing immediately upon becoming aware of the occurrence of any Event of Default or any event or circumstance which would, with the giving of notice and/or the lapse of time and/or the issuing of a certificate, become an Event of Default; and
 - (g) the Issuer shall at all times use its best endeavours to ensure that the minimum public float requirement of the Listing Rules is complied with.
- 8.2 A Bondholder shall not exercise the Conversion Right if, as a result of the issue of the relevant Conversion Shares pursuant to the Conversion Right, if exercised, a general offer obligation will be triggered on the part of such Bondholder in respect of the Issuer under Rule 26 of the Takeovers Code and/or, where applicable, REMT pursuant to the chain principle under Note 8 to Rule 26.1 of the Takeovers Code in the event statutory control (as defined in Note 8 to Rule 26.1 of the Takeovers Code) of the Issuer being acquired by such Bondholder or person(s) acting in concert with such Bondholder, unless such Bondholder complies with its general offer obligation(s) under Rule 26 of the Takeovers Code or applicable waiver(s) from general offer obligation(s) having been obtained by such Bondholder pursuant to Rule 26 of the Takeovers Code.

9. Payments

9.1 *Principal Amount and Interest*

- (a) Payment of principal, interest, and any other sums due in respect of the Bonds will be made by transfer to the registered account of the relevant Bondholder in Hong Kong dollars. Payment of principal will only be made after surrender of the relevant Certificate at the Designated Office of the Issuer in Hong Kong.
- (b) Interest on Bonds due on an Interest Payment Date will be paid on the due date for the payment of such interest to the holder shown on the Register of Bondholders at the close of business on the second Business Day before the due date for the payment of such interest. Payment of interest on each Bond will be made by transfer to the registered account of the relevant Bondholder.
- (c) When making payments to Bondholders, fractions of one Hong Kong cent will be rounded down or up (as the case may be) to the nearest Hong Kong cent.

9.2 *Registered Accounts*

For the purpose of this Condition 9, a Bondholder's registered account means the Hong Kong dollar account designated by it from time to time, details of which appear on the Register of Bondholders at the close of business on the second Business Day before the due date for payment.

9.3 *Fiscal Laws*

All payments are subject in all cases to any applicable laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11. No commissions or expenses shall be

charged to the Bondholders in respect of such payments.

9.4 *Payment Initiation*

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a Business Day, for value on the first following day which is a Business Day) will be initiated on the Business Day on which the relevant Certificate is surrendered at the Designated Office of the Issuer in Hong Kong.

9.5 *Delay in Payment*

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day or if a Bondholder is late in surrendering its Certificate (if required to do so).

10. **Cancellation**

- 10.1 All Bonds which are redeemed or converted in accordance with these Conditions will forthwith be cancelled and such Bonds may not be reissued or resold.

11. **Taxation**

- 11.1 All payments made by the Issuer with respect to the Bonds will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future Taxes, other duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Hong Kong, the PRC or any authority thereof or therein having power to tax (each, a "**Taxing Jurisdiction**"), unless deduction or withholding of such Taxes, other duties, assessments or governmental charges is compelled by law. In such event, the Issuer will pay such additional amounts as will result in the receipt by the Bondholders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been required, except that no such additional amount shall be payable in respect of any Bond to a holder (or to a third party on behalf of a holder) who is subject to such Taxes, other duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the Taxing Jurisdiction, otherwise than merely by holding the Bond or by the receipt of amounts in respect of the Bond or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for exemption to the appropriate authority which such holder is legally capable and competent of making but fails to do so.
- 11.2 References in these Conditions to principal and other payments payable by the Issuer shall be deemed also to refer to and include any additional amounts which may be payable under this Condition 11.

12. **Events of Default**

For so long as any Bond remains outstanding, the holders of Bonds may at their sole and absolute discretion give notice to the Issuer that the Bonds are, and they shall accordingly thereby become, immediately due and repayable without further formality at an amount equal to the Total Redemption Amount, if any of the following events (each, an "**Event of Default**") occurs:

- (a) *Non-payment*: there is failure by the Issuer to pay any principal, interest, or any other amount due in respect of the Bonds (except where failure to pay is caused by administrative or technical error proved to the satisfaction of the Bondholders to be occasioned by events or circumstances beyond the Issuer's control, and that payment is made within five Business Days of its due date);
- (b) *Non-delivery of Shares*: there is any failure by the Issuer to deliver any Shares as and when the Shares are required to be delivered following conversion of Bonds;
- (c) *Breach of other obligations*: the Issuer does not perform or comply with any one or more of its other obligations under the Bonds, which default (i) is incapable of remedy or, (ii) if it is capable of remedy, it is not remedied within 14 days after written notice of such default shall have been given to the Issuer by the Bondholders;
- (d) *Cessation of business*: any of the Issuer or any member of the Relevant Group ceases or threatens to cease to carry on its business or a material part;
- (e) *Enforcement of proceedings*: one or more distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer or any member of the Relevant Group if capable of remedy and is not discharged or stayed within 30 days;
- (f) *Cross default*: (i) any other present or future indebtedness (whether actual or contingent) of the Issuer for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or (if a grace period is applicable) within any applicable grace period, or (iii) the Issuer or any member of the Relevant Group fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised; provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition have occurred and after the applicable grace or notice period has expired equals or exceeds HK\$50,000,000 or its equivalent in any currency or currencies;
- (g) *Security enforced*: any mortgage, charge, pledge, lien or other Encumbrance, present or future, created or assumed by the Issuer or any member of the Relevant Group becomes enforceable and any step is taken to *enforce* it (including the taking of possession or the appointment of a receiver, manager or other similar person);
- (h) *Insolvency*: any of the Issuer or any member of the Relevant Group is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of any of the Issuer or any member of the Relevant Group;

- (i) *Winding-up*: an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer or any member of the Relevant Group, or any of them ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Bondholders or (ii) in the case of a member of the Relevant Group, whereby the undertaking and assets of such member are transferred to or otherwise vested in the Issuer or another member of the Relevant Group;
- (j) *Bankruptcy proceedings*: an Encumbrancer takes possession or an administrative or other receiver or an administrator is appointed of the whole or any substantial part of the property, assets or revenues of the Issuer or any member of the Relevant Group;
- (k) *Assets*: any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or any member of the Relevant Group;
- (l) *Approvals, consents, etc.*: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds admissible in evidence in the courts of Hong Kong, is not taken, fulfilled or done;
- (m) *Inability to perform*: it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Transaction Documents; or
- (n) *Analogous events*: any event occurs which under the laws of any relevant jurisdiction has or is likely to have an analogous effect to any of the events referred to in any of the foregoing paragraphs of this Condition 12.

13. Prescription

Claims in respect of amounts due in respect of the Bonds will become prescribed unless made within ten years (in the case of principal) and five years (in the case of interest) from the appropriate relevant date.

For the purpose of this Condition 13, "**relevant date**" means the date on which such payment first becomes due except that if the full amount payable has not been received by the Bondholders on or prior to such due date, it shall mean the date on which, such full amount payable having been so received, notice to that effect shall have been given to the Bondholders.

14. Enforcement

At any time after the Bonds have become due and repayable, the Bondholders may by agreement amongst all Bondholders, at their sole discretion and without further notice, take such proceedings against the Issuer as they may think fit to enforce repayment of the Bonds and to enforce the provisions of these Conditions.

15. Voting

The Bondholders shall not be entitled to attend or vote at any meetings of shareholders of the Issuer by reason only of it being a holder of Bonds.

16. Experts

In giving any certificate or making any adjustment to the Conversion Price, the Approved Financial Adviser appointed shall be deemed to be acting as experts and not as arbitrators and, in the absence of manifest error, their decision shall be conclusive and binding on the Issuer and the Bondholders and all persons claiming through or under them respectively.

17. Replacement Certificate

If any Certificate for the Bonds is lost or mutilated, the relevant Bondholder shall notify the Issuer as soon as practicable and a replacement Certificate shall be issued if the Bondholder provides the Issuer with a declaration by the Bondholder or its officer or director that the original Certificate for the Bonds had been lost or mutilated (as the case may be) or other evidence that the Certificate for the Bonds had been lost or mutilated, together with the mutilated Certificate for the Bonds (if applicable) and upon payment by the claimant of such costs as may be incurred in connection therewith.

The Certificate for the Bonds replaced in accordance with this Condition shall forthwith be cancelled.

18. Notices

18.1 Any notice or other communication to be given or made under the Bonds shall be in writing and shall be given or made by facsimile, by first class pre-paid post, by courier or personally delivered. Any such notice or communication shall be sent to the party to whom it is addressed and must contain sufficient reference and/or particulars to render it readily identifiable with the subject matter of the Bonds. If so given or made by facsimile, such notice or communication shall be deemed received on the date of despatch; if so given or made by post to an address in Hong Kong, shall be deemed to be received two Business Days after the date of despatch; if so given or made by air-mail to an address outside Hong Kong, shall be deemed received seven Business Days after the date of despatch; and if so given or made by courier or personally delivered, shall be deemed received at the time of delivery.

18.2 The relevant address and facsimile number of the Issuer for the purpose of notices and communications are as follows:

<u>Address</u>	<u>Facsimile Number</u>	<u>Attention</u>
Suite 1104, 11th Floor, Tower 6, The Gateway, 9 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong	(852) 2802 2697	Board of directors

18.3 The relevant address, facsimile number and contact person of each Bondholder for the purpose of notices and communications shall be as set out in the Register of Bondholders.

19. Amendment, Modification and Waiver

The terms and conditions of the Bonds may only be varied, modified, expanded or amended by agreement in writing between the Issuer and all of the Bondholders. Any consent or approval in relation to the Bonds or any waiver or authorisation of any breach by the Issuer of the Bonds may only be effected after being sanctioned by agreement amongst all Bondholders.

20. No Waiver of Bondholders' Rights

No omission or delay by any Bondholder in exercising any rights under the Bonds shall operate as a waiver, and the single or partial exercise of any such right or rights shall not preclude any other further exercise of such right or rights.

21. Governing Law and Dispute Resolution

21.1 The Bonds and the Certificate and any obligations arising out of or in connection with them are governed by and shall be construed in accordance with the laws of Hong Kong.

21.2 Any dispute, controversy or claim arising out of or in connection with the Bonds and/or the Certificate shall be submitted to the non-exclusive jurisdiction of the Hong Kong courts.

Exhibit A

FORM OF TRANSFER

CENTURY SUNSHINE GROUP HOLDINGS LIMITED (世紀陽光集團控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

HK\$300,000,000

8% COUPON CONVERTIBLE BONDS DUE 2022 (THE "BONDS")

TRANSFER NOTICE

[CERTIFICATE NUMBER]

FOR VALUE RECEIVED of

.....
(the "**Transferor**") (PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEROR)

hereby transfers to

Name:

Address:

(the "**Transferee**") (PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE)

HK\$[•] principal amount of the Bonds in respect of which the enclosed Certificate is issued, and all rights in respect thereof.

All payments in respect of the Bonds hereby transferred are to be made (unless otherwise instructed by the Transferee) to the following account or, if no account is specified, by cheque posted to the address above:

Name of bank :

HK\$ account number :

For the account of :

The Transferee hereby agrees to take the Bonds transferred hereunder and be bound by the terms and conditions of the Bonds set out therein.

The Certificate in respect of the Bonds hereby transferred shall be [despatched by registered post at the risk and expense of the Transferee to the Transferee to the above address / made available for collection at the specified office of the Issuer.]*

Where applicable, the new Certificate in respect of the Bonds registered in the name of the Transferor and not hereby transferred shall be [despatched by registered post at the risk and expense of the Transferor to the Transferor to the above address / made available for collection at the specified office of the Issuer.]*

Unless otherwise defined herein, terms defined in the terms and conditions of the Bonds shall have the same meaning when used in this transfer notice.

* Delete as appropriate

Dated:

For and on behalf of
[name of Transferor]

For and on behalf of
[name of Transferee]

Name: _____

Name: _____

Notes:

- (a) A representative of the holder of the Bonds should state the capacity in which he signs, e.g. executor.
- (b) This form of transfer should be dated as of the date it is deposited with the Issuer.

Exhibit B

FORM OF CONVERSION NOTICE

CENTURY SUNSHINE GROUP HOLDINGS LIMITED (世紀陽光集團控股有限公司)
(Incorporated in the Cayman Islands with limited liability)

HK\$300,000,000

8% COUPON CONVERTIBLE BONDS DUE 2022

CONVERSION NOTICE

[Date]

To: Century Sunshine Group Holdings Limited (世紀陽光集團控股有限公司) (the "**Issuer**")

Re: Conversion Notice in relation to the HK\$300,000,000 8% Coupon Convertible Bonds due 2022 (the "**Bonds**"), constituted by the Certificate issued in respect of the Bonds as of [●] with an aggregate outstanding, principal amount of HK\$[●].

Dear Sirs,

I/We, [being the holder of the Bonds]/[by or on behalf of the holder or beneficial owner of the Bonds]* in the aggregate principal amount of HK\$[●], hereby deliver this Conversion Notice pursuant to Condition 7 of the Bonds and notify the Issuer of the exercise of the Conversion Rights to convert [all of the outstanding principal amount of the Bonds]/[such principal amount of the Bonds set out below]* at the prevailing Conversion Price set out below. Capitalised terms used herein shall, unless otherwise defined, have the same meanings as given to them in the Certificate and the Conditions.

1. Total principal amount and certificate numbers of Bonds to be converted:

Total principal amount:

Total number of Bonds:

Certificate numbers of Bonds:

N.B. If necessary, the certificate numbers of Bonds attached need not be in consecutive serial numbers.

2. Conversion Price on Conversion Date:

3. Total number of Shares to be issued:

4. Name(s), address(es) and signature(s) of person(s) in whose name(s) the Shares required to be delivered on conversion are to be registered:

Name:

Address:

.....

.....

Signature:

5. (A) The relevant number of Shares be issued in the name(s) of the person(s) whose name(s) stand(s) on the Register of Bondholders as the Bondholder(s) represented by the enclosed Certificate and the certificate for such Shares be delivered to the address of the following participant of the Central Clearing and Settlement System ("CCASS") operated by the Hong Kong Securities Clearing Company Limited:

Participation I.D. of the designated CCASS participant:

CCASS participants contact person:

CCASS participants contact telephone number and fax number:

CCASS participants address for delivery of share certificates:

OR

- (B) I/We hereby request that the certificates for the Shares (or other securities) required to be delivered upon conversion be despatched (at my/our risk) to the person whose name and address is given below and in the manner specified below:

Name :

Address :

Manner of despatch (if other than by ordinary mail):

6. I/We hereby request that a Certificate evidencing the Bonds not so converted be issued in our name and be [made available for collection at the specified office of the Issuer/delivered to the address set out below by ordinary mail]* in accordance with Condition 3.4.

7. I/We designate the following account maintained by me/us with a bank in Hong Kong for the receipt of payments under Condition 7 :

Bank:

Account Number:

Name of account holder:

8. The Certificates representing the Bonds converted hereby accompany this Conversion Notice.

9. I/We hereby declare that all approvals, consents and authorizations (if any) required by the laws to which I am / we are subject and to be obtained by me/us prior to the said conversion have been obtained and are in full force and effect and that any applicable condition thereto has been complied with by me/us.

* (Delete as appropriate)

Name:

Date:

Address:

Signature:

Bonds:

- (i) Despatch of share certificates or other securities or property will be made at the risk of the converting Bondholder.
- (ii) If an adjustment contemplated by the terms and conditions of the Bonds is required in respect of a conversion of Bonds where additional Shares are to be issued, certificates for the additional Shares deliverable pursuant to such adjustment (together with any other securities, property or cash) will be delivered or despatched in the same manner as the Shares, other securities, property and cash previously issued pursuant to the relevant Conversion Notice.

Schedule 2: Conditions precedent

Completion Conditions

The obligations of the Company and the Subscriber to complete the subscription of the Convertible Bonds under this Agreement is conditional on:

1. the passing of resolutions (special or ordinary resolution, as the case may be) by the Independent Shareholders (other than those who are required by the Listing Rules and/or the Takeovers Code to abstain from voting) in general meeting approving and/or ratifying (as the case may be), among other things:
 - 1.1 the execution, consummation and completion of this Agreement (including but not limited to the issue of the Convertible Bonds);
 - 1.2 the Specific Mandate; and
 - 1.3 the Whitewash Waiver.
2. the Listing Committee of the Stock Exchange having granted approval of the issue of the Convertible Bonds and listing of and permission to deal in the Conversion Shares and such approval and granting of permission not having been withdrawn or revoked;
3. the Executive having granted the Whitewash Waiver and such waiver not having been withdrawn or revoked;
4. the Warranties remaining true, correct and not misleading in all material respects at Completion by reference to the facts and circumstances subsisting as at the Completion Date;
5. the Company having performed in all materials respects all of the covenants and agreements required to be performed by it under this Agreement;
6. there being no Material Adverse Change subsisting;
7. the Company having obtained all Consents from third parties (other than Consents from any governmental or regulatory authorities) which are necessary to be obtained on the part of the Company for the execution and performance of this Agreement and any of the transactions contemplated under this Agreement;
8. no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal or regulatory restraint or prohibition preventing the consummation of the transactions contemplated under this Agreement, nor shall any action have been taken by any person seeking any of the foregoing, and no statute, rule, regulation or order shall have been enacted, enforced or deemed applicable to the transactions contemplated under this Agreement, which makes the consummation of which illegal; and
9. no statute, regulation or decision which would reasonably be expected to prohibit or restrict the execution, delivery or performance of this Agreement or the consummation of the transactions contemplated under this Agreement having been enacted or taken by any governmental or official authority whether in Hong Kong, the PRC, or the Cayman Islands.

Schedule 3: Completion

Part 1 - The Company's obligations at Completion

At Completion, the Company shall:

1. duly execute the Convertible Bonds in favour of the Subscriber and deliver or cause to be delivered to the Subscriber certificate(s) for the Convertible Bonds issued in the name of the Subscriber;
2. deliver (or cause to be delivered) to the Subscriber:
 - 2.1 a written confirmation, in the agreed form, by the Company that the Warranties remain true and correct and not misleading in all material respects, the Company has performed in all material respects all of the covenants and agreements required to be performed by it under this Agreement and the Company is not aware of any matter or thing which constitutes a Material Adverse Change as at Completion, as provided in paragraphs 4, 5 and 6 of Schedule 2 (*Conditions precedent*); and
 - 2.2 a copy of the resolutions of the board of Directors:
 - (a) approving the execution and performance of this Agreement and the transactions contemplated under this Agreement;
 - (b) approving, subject to Completion, (i) the execution of the Convertible Bonds and (ii) the allotment and issue of the Conversion Shares (if any) in accordance with the terms and conditions of the Convertible Bonds;
 - (c) approving and authorising the execution and delivery of and the performance by the Company of its obligations under this Agreement and each of the other documents to be executed by it pursuant to this Agreement; and
 - (d) approving any other act or thing which may be necessary or desirable to give full effect to Completion.

Part 2 - The Subscriber's obligations at Completion

At Completion:

1. the Subscriber shall make the payment for the Convertible Bonds at the Consideration under Clause 3 (*Consideration*) in Hong Kong dollars by telegraphic transfer in immediately available funds to the Company's bank account located in Hong Kong with a licensed bank in Hong Kong as notified by the Company in writing to the Subscriber no later than one (1) Business Day before the Completion Date;
2. the Subscriber shall deliver (or cause to be delivered) to the Company a copy of the resolutions of the board of directors of the Subscriber (certified by a duly appointed officer as true and correct) authorising and approving: (i) the execution, consummation and completion of this Agreement; (ii) the performance by the Subscriber of its obligations under this Agreement; and (iii) any necessary action to be undertaken by the board of directors of the Subscriber for the purpose of giving effect to the above resolutions.

Schedule 4: Warranties

1. The Company

- 1.1 The Company has all requisite corporate powers and authority to own its assets.
- 1.2 Subject to the fulfilment (or waiver, where applicable) of all Completion Conditions (Schedule 2), the Company has obtained all approvals and authorisations from applicable governmental or other authorities and other consents, licences, waivers and exemptions required to empower it to perform its obligations under this Agreement.

2. Share capital

Apart from the Outstanding Options and the Convertible Bonds contemplated under this Agreement, there are in existence no other rights to or options for the issue, allotment, subscription, increase, alteration or transfer of any share, share capital or loan capital of the Company nor any rights to convert any loan or share capital into share capital or share capital of a different description.

3. Accounts and financial matters

- 3.1 The Last Accounts give a true and fair view of the state of affairs of the Company and the Group and of their profits or losses at the relevant date of and for the relevant period of the Last Accounts.
- 3.2 The Last Accounts comply with all the requirements of the Companies Ordinance, all other relevant laws and all Relevant Accounting Standards and were properly prepared in accordance with the accounting policies of the Company and the Group and in a manner consistent with that adopted in the preparation of its Accounts for all periods during the last three (3) years prior to the date of this Agreement.

4. Litigation

The Company is not engaged in any claim, litigation, arbitration, prosecution or other legal or government proceedings which may have or have had during the twelve months preceding the date of this Agreement a material adverse effect on the financial position of the Group and, so far as the Company is aware, no claim, litigation, arbitration, prosecution or other legal or government proceedings is threatened or pending; nor does the Company know of any circumstances which may give rise to any such claim, litigation, arbitration, prosecution or proceeding that would have a material adverse effect on the financial position of the Group.

5. No winding up

No order has been made, petition presented or meeting convened for the purpose of considering a resolution for the winding-up of the Company or for the appointment of any provisional liquidator. No petition has been presented for an administration order to be made in relation to the Company, and no administrator or receiver (including any administrative receiver) has been appointed in respect of the whole or any part of any of the property, assets and/or undertaking of the Company.

6. Compliance with laws

The Company is conducting and has conducted its business and corporate affairs in accordance with its articles of association and in all material respects in compliance with all applicable laws and regulations. The Company is not in breach of any order, decree, injunction or judgement of any court or any governmental or regulatory authority which will materially adversely affect its performance or consummation of this Agreement.