

DATED 20 Sep 2024

FLORYN PASSIE LIMITED

and

CORNERSTONE TECHNOLOGIES HOLDINGS LIMITED

**SUBSCRIPTION AGREEMENT
FOR
CONVERTIBLE NOTES
IN
CORNERSTONE TECHNOLOGIES HOLDINGS LIMITED**



27/F Alexandra House
18 Chater Road
Central
Hong Kong SAR
Tel: 2803 3688
Fax: 2803 3618

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THIS AGREEMENT is made on 20 Sep 2024

BETWEEN:

- (1) **FLORYN PASSIE LIMITED**, a company incorporated under the laws of Hong Kong with limited liability (with the business registration number 75400261), and whose registered office is at 18/F, 68 Yee Wo Street, Causeway Bay, Hong Kong (the “Investor”); and
- (2) **CORNERSTONE TECHNOLOGIES HOLDINGS LIMITED**, a company incorporated in the Cayman Islands, listed in The Stock Exchange of Hong Kong Limited (“HKEX”) (Stock Code: 8391.HK), with registered address at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111 Cayman Islands and the principal place of business at Unit 07-11, 11/F, New East Ocean Centre, No.9 Science Museum Road, Tsim Sha Tsui, Hong Kong (the “Company” or “Cornerstone”),

each a “Party” and together the “Parties”.

WHEREAS

- (A) The Company has agreed to issue and the Investor has agreed to subscribe to the Convertible Notes (as defined below) upon and subject to the terms and conditions of this Agreement. Details of the Company as of the date of this Agreement are set out in Schedule 1 of this Agreement.
- (B) The Convertible Notes will be constituted by the Instrument (as defined below) (which will include the Conditions). The Instrument, together with other relevant transaction documents as set out in this Agreement, will be executed by the Company upon signing on this Agreement.

IT IS HEREBY AGREED:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement where the context so admits, the following words and expressions shall have the following meanings:

“**Abax**” means Abax Global Capital (Hong Kong) Limited;

“**Abax Consent**” has the meaning given to it in Clause 4.1(C);

“**Accounts**” means the audited financial statements of the Company (to the extent applicable), comprising the balance sheet, the income statement and the cash flow statement together with the notes thereon, directors' report and auditors' report, as at and for the three financial years ended on the Accounts Date;

"Accounts Date" means 31 December 2023;

"Affiliate" means with respect to a person, any of such other persons described as follows:

- (a) if such person is an individual, such person's parents, spouse, children, siblings and any other person(s) cohabiting as a spouse of such person; and
- (b) if such person is an entity:
 - (i) such person's subsidiaries, holding companies and the fellow subsidiaries of any such holding companies;
 - (ii) the trustees, acting in their capacity as such trustees, of any trust of which such person is a beneficiary or, in the case of a discretionary trust, is (to such person's knowledge) a discretionary object; and
 - (iii) any other person in the equity capital of which (A) such person, (B) such other persons referred to in (b)(i) above, and/or (C) any of the trustees referred to in (b)(ii) above, acting in their capacity as such trustees, taken together are directly or indirectly interested so as to exercise or control the exercise of 50% or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other person which is its subsidiary;

"Applicable Laws" means, in respect of any person, any laws, rules, regulations, directives, decrees, treaties, or orders of any Authority, that are applicable to and binding on such person;

"Approved EV Charging Stations" means the electric vehicle charging stations located at the gas stations operated by Bangchak as approved by the Investor;

"Authorities" means any governments, courts, arbitral tribunals, governmental, regulatory or official authorities, departments or agencies of any governments, statutory or regulatory bodies, stock exchanges whether in Hong Kong or elsewhere and **"Authority"** means any one of them;

"Bangchak" means Bangchak Corporation Public Company Limited;

"Board" means the board of directors of the Company from time to time;

"Business Day" means a day on which commercial banks are open for business in Hong Kong and Singapore (excluding Saturdays, Sundays, public holidays and any week day on which Typhoon Signal No. 8 or higher is hoisted

or a black rain storm warning is given in Hong Kong at any time during 9:00 a.m. to 5:00 p.m.);

"CAPEX" means capital expenditures of the Company;

"Certificate" means the certificate to be issued in respect of the Convertible Notes annexed to the Instrument;

"Claim" means a claim or action for breach of any of the Conditions Precedent and/or Obligors' Warranties and/or any other claim or action whatsoever against the Obligors under or in connection with this Agreement;

"Company's Bank Account" means the bank account of the Company as shall have been notified by the Company to the Investor at least three (3) Business Days before a Completion Date or as otherwise agreed by the relevant Investor and the Company in writing;

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

"Completion" means any of the Tranche 1 Completion, Tranche 2 Completion or Tranche 3 Completion, as the case may be;

"Completion Date" means, any of the Tranche 1 Completion Date, Tranche 2 Completion Date or Tranche 3 Completion Date, as the case may be;

"Confidential Information" has the meaning given to it in Clause 9.3;

"Conditions" means the terms and conditions to be annexed to the Instrument and "Condition" refers to the relative numbered paragraphs of the Conditions;

"Conditions Precedent" means any of the Tranche 1 Convertible Notes Conditions Precedent or Tranche 2 Convertible Notes Conditions Precedent or Tranche 3 Convertible Notes Conditions Precedent (as the case may be);

"control" means in relation to an entity, (a) the ownership or control (directly or indirectly) of more than 50% of the voting share capital or shares of such entity; or (b) the ability to direct the casting of more than 50% of the votes exercisable at general meetings of such entity on all, or substantially all, matters; or (c) the right to appoint or remove directors of such entity holding a majority of the voting rights at meetings of the board on all, or substantially all, matters; or (d) the ability to direct the decisions or the management and the day-to-day operations of such entity;

"Convertible Notes" means the convertible notes in the aggregate principal amount of up to HK\$200,000,000 to be issued by the Company with the benefit of and subject to the Conditions;

"Conversion Shares" means the Shares to be issued by the Company upon conversion of the Tranche 1 Convertible Notes or Tranche 2 Convertible Notes

or Tranche 3 Convertible Notes (as the case may be) pursuant to the Instrument and Certificates;

"Encumbrance" means any claim, charge, mortgage, security, lien, power of sale, hypothecation or other third party rights, retention of title, right of pre-emption, right of first refusal or security interest of any kind; and **"Encumber"** shall be construed accordingly;

"Event of Default" has the meaning given to such term in the Conditions;

"Financial Year" means the financial year of the Company year ended 31 December of each calendar year;

"Group" means the Company together with its subsidiaries (each a **"Group Company"**);

"HK Dollar" or **"HKD"** or **"HK\$"** means Hong Kong Dollars, the lawful currency of Hong Kong;

"HKEX" means The Stock Exchange of Hong Kong Limited;

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

"Indemnified Persons" has the meaning given to it in Clause 7.1;

"Initial CS Subscription Completion" means completion of 711,521 common shares of Spark, representing approximately 35.6% of the issued share capital of Spark on a fully diluted basis by the Company in accordance with Spark Common Shares Subscription Agreement;

"Initial PS Subscription Completion" means completion of 1,185,868 preference shares of Spark, representing approximately 59.3% of the issued share capital of Spark on a fully diluted basis by the Investor in accordance with Spark Preference Shares Subscription Agreement;

"Investor Director" has the meaning given to it in Clause 8.1;

"Instrument" means the instrument constituting the Convertible Notes and in the form set out in Schedule 3;

"Listing Rules" means the Rules governing the Listing of Securities on the Growth Enterprise Market of HKEX;

"Losses" has the meaning given to it in Clause 7.1;

"Material Adverse Change" means: (i) any material adverse change in, or any change in circumstances that has a material adverse effect on, the business, operations, financial position (including any material increase in provisions), earnings, condition or prospects of the Group taken as a whole, and (ii) any change in any relevant Laws in any of the jurisdictions or sectors in which any

Group Company does business (coming into effect between the date of this Agreement and the Completion Date) that could reasonably be expected to materially and adversely affect the Group taken as a whole;

"New Investor" has the meaning given to it in Clause 8.4(A);

"Representative" means, with respect to a particular person, any director, officer, employee, agent, adviser or Affiliates;

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

"Share(s)" means the ordinary shares of the Company;

"Shareholder(s)" means the holder of the Share(s);

"Share Pledge" mean the share pledge of common shares of Spark held by CB Asset One Limited as pledgor to be granted in favour of the Investor as pledgee, pursuant to which the Company agrees to pledge the common shares of Spark to secure the obligations, liabilities and performance of the Company and the pledgor under the Transaction Documents, and in the form as set out in Schedule 4;

"Spark" means Spark EV Company Limited, a company incorporated in Thailand, whose registered office is situated at No.1840 Sukhumvit Road, Phrakhanong-Tai Sub-District, Phrakhanong District, Bangkok, Thailand;

"Spark Common Shares Subscription" means the subscription of 711,521 common shares in Spark, representing approximately 35.6% of the issued share capital in Spark on a fully diluted basis, by the Company;

"Spark Common Shares Subscription Agreement" means the definitive documentation entered into between Spark and the Company on or around the date of this Agreement in connection with the Spark Common Shares Subscription;

"Spark Preference Shares Subscription" means the subscription of 1,185,868 preference shares in Spark, representing approximately 59.3% of the issued share capital in Spark on a fully diluted basis, by the Investor;

"Spark Preference Shares Subscription Agreement" means the definitive documentation entered into between Spark and the Investor on or around the date of this Agreement in connection with the Spark Preference Shares Subscription;

"Specific Mandate" means the specific mandate to be granted by the Shareholders to the directors of the Company at the extraordinary general meeting of the Company to allot and issue the Conversion Shares up to an aggregate number of 400,000,000 Conversion Shares upon exercise of the conversion rights attached to the Convertible Notes in full, representing

approximately 41.95% of the number of Shares in issue as at the date of this Agreement, in accordance with the relevant provisions of the Listing Rules;

"Subscription" means the subscription of the Convertible Notes by the Investor in consideration of the payment of the Subscription Price by the Investor;

"Tax" means any form of taxation, levy, duty, charge, contribution, or withholding of whatever nature (including any related fine, penalty, surcharge or interest) imposed, collected or assessed by, or payable to, any national, provincial, municipal or local government or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function;

"Trading Days" means days on which trading is conducted on the HKEX;

"Total Subscription Price" means the aggregate amount of up to HK\$200,000,000 payable by the Investor to the Company for subscription of the Convertible Notes;

"Tranche 1" means completion of the initial 240 Approved EV Charging Stations;

"Tranche 1 Convertible Notes" means the first tranche of the Convertible Notes in principal amount of Tranche 1 Subscription Price to be issued by the Company under this Agreement;

"Tranche 1 Convertible Notes Conditions Precedent" means the conditions precedent for Tranche 1 Completion as set out in Clause 4.1,

"Tranche 1 Completion" means the completion of the Tranche 1 Convertible Notes;

"Tranche 1 Completion Date" means the date which is the tenth (10th) Business Day after the date (not being later than the Tranche 1 Long Stop Date) upon which the last of the Condition Precedent in Clause 4.1 has been satisfied or waived (or if already satisfied or waived before such date, remain satisfied or waived as of such date) but excluding any Conditions Precedent to be satisfied on the Tranche 1 Completion Date (if applicable), or on such other date as the Parties shall agree in writing;

"Tranche 1 Long Stop Date" means 30 November 2024 or such other date as the Investor and the Company may agree in writing;

"Tranche 1 Subscription Price" has the meaning given to it in Clause 2.1;

"Tranche 2" means completion of the additional 200 Approved EV Charging Stations following Tranche 1;

"Tranche 2 Convertible Notes" means the second tranche of the Convertible Notes in principal amount of Tranche 2 Subscription Price to be issued by the Company under this Agreement;

"Tranche 2 Convertible Notes Conditions Precedent" means the conditions precedent for Tranche 2 Completion as set out in Clause 4.2,

"Tranche 2 Completion Date" means the date which is the tenth (10th) Business Day after the date (not being later than the Tranche 2 Long Stop Date) upon which the last of the Condition Precedent in Clause 4.2 has been satisfied or waived (or if already satisfied or waived before such date, remain satisfied or waived as of such date) but excluding any Conditions Precedent to be satisfied on the Tranche 2 Completion Date (if applicable), or on such other date as the Parties shall agree in writing;

"Tranche 2 Completion" means the completion of the Tranche 2 Convertible Notes;

"Tranche 2 Long Stop Date" means 31 December 2027 or such other date as the Investor and the Company may agree in writing;

"Tranche 2 Subscription Price" has the meaning given to it in Clause 2.1;

"Tranche 3" means completion of the additional 200 Approved EV Charging Stations following Tranche 1 and Tranche 2;

"Tranche 3 Convertible Notes" means the third tranche of the Convertible Notes in principal amount of Tranche 3 Subscription Price to be issued by the Company under this Agreement;

"Tranche 3 Convertible Notes Conditions Precedent" means the conditions precedent for Tranche 3 Completion as set out in Clause 4.3,

"Tranche 3 Completion" means the completion of the Tranche 3 Convertible Notes;

"Tranche 3 Completion Date" means the date which is the tenth (10th) Business Day after the date (not being later than the Tranche 3 Long Stop Date) upon which the last of the Condition Precedent in Clause 4.3 has been satisfied or waived (or if already satisfied or waived before such date, remain satisfied or waived as of such date) but excluding any Conditions Precedent to be satisfied on the Tranche 3 Completion Date (if applicable), or on such other date as the Parties shall agree in writing;

"Tranche 3 Long Stop Date" means 31 December 2027 or such other date as the Investor and the Company may agree in writing;

"Tranche 3 Subscription Price" has the meaning given to it in Clause 2.1;

"Transaction Documents" means this Agreement, the Instrument, the Certificate, the Share Pledge and such other document(s) designated by the Parties as such;

"US Dollar" or "USD" or "US\$" means the lawful currency of the United States of America;

"Warranties" means the representations and warranties given pursuant to Clause 6 and "Warranty" means any one of them; and

"2023 Abax Loan Agreement" has the meaning given to it in Clause 4.1(C).

1.2 **Modification, etc. of Legislation**

Any references, express or implied, to statutes or statutory provisions shall be construed as references to those statutes or provisions as respectively amended or re-enacted or as their application is modified from time to time by other provisions (whether before or after the date of this Agreement) and shall include any statutes or provisions of which they are re-enactments (whether with or without modification) and any orders, regulations, instruments or other subordinate legislation under the relevant statute or statutory provision.

1.3 **Clauses, Schedules, etc.**

References in this Agreement to Clauses and Schedules are to clauses in, and schedules to, this Agreement (unless the context otherwise requires). The Recitals and Schedules to this Agreement shall be deemed to form part of this Agreement.

1.4 **Headings**

Headings are inserted for convenience only and shall not affect the construction of this Agreement.

1.5 **Subsidiary and Holding Company**

In this Agreement, the expression "**subsidiary**" and "**holding company**" shall have the same meanings as their respective definitions in the Companies Ordinance provided that any reference therein to a company shall be deemed to include a reference to a body corporate incorporated or established outside Hong Kong or under any other statutory provisions.

1.6 **Persons**

References to:

1.6.1 "**persons**" shall include natural person, bodies corporate, unincorporated associations and partnerships (whether or not having separate legal personality);

1.6.2 "**month**" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; and
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and

1.6.3 the word “including” shall be deemed to be followed by “without limitation” or “but not limited to” whether or not they are followed by such phrases or words of like import.

1.7 Writing

References to “writing” or “written” shall include any methods of producing or reproducing words in a legible and non-transitory form.

1.8 Gender

The masculine gender shall include the feminine and neuter and the singular number shall include the plural and *vice versa*.

1.9 Construction of Certain References

1.9.1. In construing this Agreement, the rule known as the ejusdem generis rule shall not apply and, accordingly, general words introduced by the word “other” 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.

1.9.2. This Agreement may not be construed adversely to a Party only because that Party was responsible for preparing it.

1.10 Business Day

Where under this Agreement the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing shall be done on the immediately succeeding Business Day.

2. ISSUE AND SUBSCRIPTION OF THE CONVERTIBLE NOTES

- 2.1 Subject to the satisfaction (or if applicable, waiver) of the Tranche 1 Conditions Precedent, Tranche 2 Conditions Precedent and Tranche 3 Conditions Precedent, the Company shall issue and the Investor shall subscribe for the Convertible Notes in the aggregate principal amount of up to HK\$200,000,000 (the “**Total Subscription Price**”), comprising three tranches with a principal amount of HK\$95,600,000 (“**Tranche 1 Subscription Price**”) for the Tranche 1 Convertible Notes, a principal amount of HK\$51,300,000 (“**Tranche 2 Subscription Price**”) for the Tranche 2 Convertible Notes and a principal

amount of HK\$53,100,000 ("**Tranche 3 Subscription Price**") for the Tranche 3 Convertible Notes in accordance with the provisions of this Agreement and the Instrument.

3. USE OF PROCEEDS

3.1 The Company shall apply the proceeds from the issue of the Tranche 1 Convertible Notes for the following purposes or any such other purposes as approved by the Investor from time to time:

(A) HK\$80,000,000 will be used by the Company to subscribe for 711,521 common shares of Spark, representing approximately 35.6% of the total issued share capital of Spark on a fully diluted basis, which shall be utilized by Spark as CAPEX of building of the Approved EV Charging Stations, initial operational expenses and any relevant expenses of Spark; and

(B) HK\$20,000,000 will be used for the working capital of the Company for its business operation in Hong Kong.

3.2 The Company shall apply the proceeds from the issue of the Tranche 2 Convertible Notes to subscribe for one (1) common share of Spark and Tranche 3 Convertible Notes to subscribe for one (1) common share of Spark, such that the Company shall continue to own approximately 35.6% of the total issued share capital of Spark on a fully diluted basis, which shall be utilized by Spark as CAPEX of building of the Approved EV Charging Stations for each of Tranche 2 and Tranche 3, initial operational expenses and any relevant expenses of Spark.

3.3 The Investor shall have the right (but not obligation) to monitor the use of proceeds from the issue of the Convertible Notes.

4. CONDITIONS PRECEDENT

4.1 Tranche 1 Convertible Notes Conditions Precedent

Completion of the subscription of the Tranche 1 Convertible Notes shall be conditional upon each of the following conditions precedent being satisfied (or if applicable, waived) on or before the Tranche 1 Long Stop Date:

(A) all conditions precedent of the Spark Common Shares Subscription in connection with funding for Tranche 1 having been satisfied (or if applicable, waived) in accordance with the Spark Common Shares Subscription Agreement;

(B) all conditions precedent of the Spark Preference Shares Subscription in connection with funding for Tranche 1 having been satisfied (or if applicable, waived) in accordance with the Spark Preference Shares Subscription Agreement;

- (C) the Company having provided to the Investor the written consent and waiver (the “**Abax Consent**”) from Abax Global Capital (Hong Kong) Limited as the agent (“**Abax**”) pursuant to the facility agreement dated 31 August 2023 entered into among, inter alia, the Company as borrower and Abax (the “**2023 Abax Loan Agreement**”) in connection with:
- (i) the issuance of the Convertible Notes;
 - (ii) the Spark Common Shares Subscription;
 - (iii) the pledge of Spark’s common shares in favour of the Investors as first priority security interest to secure the liabilities and obligations under the Convertible Notes;
- (D) the Company has successfully raised not less than HKD50,000,000 equity, via placement of shares for working capital purposes;
- (E) the Shares remaining listed, traded and are not suspended from trading on the Growth Enterprise Market of HKEX;
- (F) the Company having obtained the approval from the HKEX for the listing of, and permission to deal in the Conversion Shares issued by the Company upon conversion of the Convertible Notes (including the Tranche 1 Convertible Notes, Tranche 2 Convertible Notes and Tranche 3 Convertible Notes), and such approval not having been revoked or cancelled prior to completion of the subscription and conversion of such Convertible Notes by the Investors;
- (G) the Parties having complied with all applicable requirements under the Listing Rules, and/or having completed, obtained and fulfilled all necessary approvals, notices and clearances of any relevant regulatory authorities or other relevant third parties as required (including but limited to requisite shareholders’ approval if so required) in respect of the issuance of the Convertible Notes and the transactions contemplated thereunder, if applicable;
- (H) the Company having obtained the approval of the issuance of the Convertible Notes and the transactions contemplated thereunder, including the grant of the Specific Mandate;
- (I) the Investor having completed the legal, tax, regulatory and business due diligence on the Group in the Investor’s sole and absolute satisfaction;
- (J) all necessary consents or approvals (if any) and the giving of all notifications by the Company (if any) or the Investor (if any) in connection with the Agreement and Subscription having been obtained;
- (K) the Company’s Warranties having remained true and accurate in all respects and not misleading as at Completion;

- (L) since the date of this Agreement, there having been no Material Adverse Change; and
- (M) there having been no Event of Default, and no Event of Default would result from the proposed issued of the Convertible Notes by the Company to the Investor,

provided, however, at any time before Tranche 1 Long Stop Date, the Investor may, at its discretion, waive satisfaction of any of the Conditions Precedent, save for the Conditions Precedent in Clause 4.1(A), 4.1(B), 4.1(C), 4.1(E), 4.1(F), 4.1(G), 4.1(H), 4.1(I) above which shall not be waived.

4.2 Tranche 2 Convertible Notes Conditions Precedent

Completion of the subscription of the Tranche 2 Convertible Notes shall be conditional upon each of the following conditions precedent being satisfied (or if applicable, waived) on or before the Tranche 2 Long Stop Date:

- (A) the conditions precedent as set forth in Clause 4.1 (E) to (M) for the Tranche 1 Convertible Notes shall repeat herein and remain subsisting, valid, and not having been revoked or cancelled prior to Tranche 2 Completion Date;
- (B) completion of Tranche 1 Convertible Notes having taken place in accordance with the terms and conditions of this Agreement;
- (C) all conditions precedent of the Spark Common Shares Subscription in connection with funding for Tranche 2 having been satisfied (or waived) in accordance with the Spark Common Shares Subscription Agreement;
- (D) all conditions precedent of the Spark Preference Shares Subscription in connection with funding for Tranche 2 having been satisfied (or waived) in accordance with the Spark Preference Shares Subscription Agreement,

provided, however, at any time before Tranche 2 Long Stop Date, the Investor may, at its discretion, waive satisfaction of any of the Conditions Precedent, save for the Conditions Precedent in Clause 4.1(E), 4.1(F), 4.1(G), 4.1(H), and 4.1(I) (as repeated pursuant to Clause 4.2(A)), and Clause 4.2(B), 4.2(C) and 4.2(D) above which shall not be waived. For the avoidance of doubt, the waiver of Conditions Precedent in Tranche 1 Convertible Notes shall not be an implied waiver of Conditions Precedent in Tranche 2 Convertible Notes.

4.3 Tranche 3 Convertible Notes Conditions Precedent

Completion of the subscription of the Tranche 3 Convertible Notes shall be conditional upon each of the following conditions precedent being satisfied (or if applicable, waived) on or before the Tranche 3 Long Stop Date:

- (A) the conditions precedent as set forth in Clause 4.1 (E) to (M) for the Tranche 1 Convertible Notes shall repeat herein and remain subsisting, valid, and not having been revoked or cancelled prior to Tranche 3 Completion Date.
- (B) completion of Tranche 1 Convertible Notes and Tranche 2 Convertible Notes in accordance with the terms and conditions of this Agreement;
- (C) all conditions precedent of the Spark Common Shares Subscription in connection with funding for Tranche 3 having been satisfied (or waived) in accordance with the Spark Common Shares Subscription Agreement;
- (D) all conditions precedent of the Spark Preference Shares Subscription in connection with funding for Tranche 3 having been satisfied (or waived) in accordance with the Spark Preference Shares Subscription Agreement,

provided, however, at any time before Tranche 3 Long Stop Date, the Investor may, at its discretion, waive satisfaction of any of the Conditions Precedent, save for the Conditions Precedent in Clause 4.1(E), 4.1(F), 4.1(G), 4.1(H), and 4.1(I) (as repeated pursuant to Clause 4.3(A)), and Clause 4.3(B), 4.3(C) and 4.3(D) above which shall not be waived. For the avoidance of doubt, the waiver of Conditions Precedent in Tranche 1 Convertible Notes and Tranche 2 Convertible Notes shall not be an implied waiver of Conditions Precedent in Tranche 3 Convertible Notes.

- 4.4 The Company shall use its best endeavours to procure the fulfilment of the Conditions Precedent in Clauses 4.1, 4.2 and 4.3 and to the extent practicable, shall keep the Investor duly informed of its progress towards obtaining fulfilment of the Conditions Precedent, including, providing to the Investor copies of relevant notifications and communications to, or received from, any relevant Government Authority, and relevant supporting evidence of fulfilment of the Conditions Precedent.
- 4.5 Should the Company become aware of anything which will or is reasonably likely to prevent any of the Conditions Precedent from being satisfied, it shall forthwith disclose the same to the Investor.
- 4.6 If any Condition Precedent has not been waived in accordance with Clause 4.1, 4.2 or 4.3 (as the case may be) or has not been satisfied by the respective Tranche 1 Long Stop Date or Tranche 2 Long Stop Date or Tranche 3 Long Stop Date (as the case may be), this Agreement shall automatically terminate with immediate effect and Clause 5.7 shall apply.

5. COMPLETION

5.1 Tranche 1 Completion

- 5.1.1 Subject to the fulfilment or waiver (as applicable) of the Tranche 1 Convertible Notes Conditions Precedent in Clause 4.1, Tranche 1 Completion shall take place at or before 5:00 p.m. (Hong Kong time) on

the Tranche 1 Completion Date at the offices of Howse Williams or at such other place as the Parties may mutually agree on.

5.1.2 At Tranche 1 Completion, simultaneous with the compliance by the Investor of their obligations under Clause 5.1.3, the Company shall issue to the Investor the Tranche 1 Convertible Notes at full value of Tranche 1 Subscription Price and free from any Encumbrances and deliver to the Investor (if the same has not been delivered to the Investor):

- (i) a copy of the resolutions of the directors of the Company approving and authorising the execution, performance and completion of this Agreement by the Company, the issue of the Convertible Notes to the Investor, the entry of the name of the Investor or its nominee into the register of convertible noteholders of the Company, the appointment of the persons nominated by the Investor as the directors of the Company, and the issue and allotment of the Conversion Shares upon the exercise of the conversion rights, pursuant to the terms and conditions of this Agreement, certified as true and complete by a director of the Company;
- (ii) a certified true copy of the resolutions passing by the requisite Shareholders at the general meeting of the Company required under the Listing Rules (if any) to approve the transactions contemplated under this Agreement, including without limitation the grant of the specific mandate to be sought from the Shareholders at such general meeting of the Company for the issue and allotment of the Conversion Shares with respect to the Convertible Notes;
- (iii) a certified copy of the register of convertible noteholders of the Company showing the Investor as the registered holder of the Tranche 1 Convertible Notes, certified as true and complete by a director of the Company;
- (iv) the original Instrument duly signed by the Company in favour of the Investor (as the initial holder of the Convertible Notes) and the original Certificate duly issued in favour of the Investor reflecting the Investor as the holder of Tranche 1 Convertible Notes at full value of Tranche 1 Subscription Price;
- (v) a copy of the written approval granted by the Listing Committee of the HKEX regarding the listing of, and a permission to deal in, the Conversion Shares;
- (vi) an original of the Share Pledge duly executed by CB Asset One Limited as pledgor and all relevant deliverables as required upon execution of the Share Pledge.

- 5.1.3 At Tranche 1 Completion, simultaneous with the compliance by the Company of its obligations under Clause 5.1.2, the Investor shall pay the Tranche 1 Subscription Price to the Company in HKD by wire transfer of immediately available funds to the Company's Bank Account, such payment obligations of the Investor shall be deemed satisfied by delivery to the Company of an MT103 form from the Investor's bank to evidence that such payment has been irrevocably and unconditionally transferred to the Company's Bank Account.

5.2 Tranche 2 Completion

- 5.2.1 Subject to the fulfilment or waiver (as applicable) of the Tranche 2 Convertible Notes Conditions Precedent in Clause 4.2, Tranche 2 Completion shall take place at or before 5:00 p.m. (Hong Kong time) on the Tranche 2 Completion Date at the offices of Howse Williams or at such other place as the Parties may mutually agree on.
- 5.2.2 At Tranche 2 Completion, simultaneous with the compliance by the Investor of their obligations under Clause 5.2.3, the Company shall issue to the Investor the Tranche 2 Convertible Notes at full value of the Tranche 2 Subscription Price and free from any Encumbrances and shall deliver to the Investor (if the same has not been delivered to the Investor):
- (i) a certified copy of the register of convertible noteholders of the Company showing the Investor as the registered holder of the Tranche 2 Convertible Notes, certified as true and complete by a director of the Company;
 - (ii) the original Certificate duly issued in favour of the Investor reflecting the Investor as the holder of Tranche 2 Convertible Notes at full value of the Tranche 2 Subscription Price;
- 5.2.3 At Tranche 2 Completion, simultaneous with the compliance by the Company of its obligations under Clause 5.2.2, the Investor shall pay the Tranche 2 Subscription Price to the Company in HKD by wire transfer of immediately available funds to the Company's Bank Account, such payment obligations of the Investor shall be deemed satisfied by delivery to the Company of an MT103 form from the Investor's bank to evidence that such payment has been irrevocably and unconditionally transferred to the Company's Bank Account.

5.3 Tranche 3 Completion

- 5.3.1 Subject to the fulfilment or waiver (as applicable) of the Tranche 3 Convertible Notes Conditions Precedent in Clause 4.3, Tranche 3 Completion shall take place at or before 5:00 p.m. (Hong Kong time) on the Tranche 3 Completion Date at the offices of Howse Williams or at such other place as the Parties may mutually agree on.

5.3.2 At Tranche 3 Completion, simultaneous with the compliance by the Investor of their obligations under Clause 5.3.3, the Company shall issue to the Investor the Tranche 3 Convertible Notes at full value of the Tranche 3 Subscription Price and free from any Encumbrances and shall deliver to the Investor (if the same has not been delivered to the Investor):

- (iii) a certified copy of the register of convertible noteholders of the Company showing the Investor as the registered holder of the Tranche 3 Convertible Notes, certified as true and complete by a director of the Company;
- (iv) the original Certificate duly issued in favour of the Investor reflecting the Investor as the holder of Tranche 3 Convertible Notes at full value of the Tranche 3 Subscription Price;

5.3.3 At Tranche 3 Completion, simultaneous with the compliance by the Company of its obligations under Clause 5.3.2, the Investor shall pay the Tranche 3 Subscription Price to the Company in HKD by wire transfer of immediately available funds to the Company's Bank Account, such payment obligations of the Investor shall be deemed satisfied by delivery to the Company of an MT103 form from the Investor's bank to evidence that such payment has been irrevocably and unconditionally transferred to the Company's Bank Account.

5.4 If:

- (A) Completion does not take place on the date set for Completion in Clause 5.1 or 5.2 or 5.3 (as the case may be) as a result of any Party failing to comply fully with any of its/his obligations under Clause 5.1.2 to 5.1.3, or Clause 5.2.2 to 5.2.3, or Clause 5.3.2 to 5.3.3 (as the case may be); or
- (B) at any time before Completion any Party becomes aware that any of the Warranties is incorrect, inaccurate or misleading, or any obligations of any Party hereunder has not been or is (in the reasonable opinion of the other Party) incapable of being carried out,

the non-defaulting Party may at its option by notice to the other Party elect to:

- (i) proceed to Completion in so far as reasonably practicable;
- (ii) postpone Completion to a date (being a Business Day) falling not more than thirty (30) Business Days after the date set for Completion in accordance with Clause 5.1 or 5.2 or 5.3 (as the case may be); or
- (iii) terminate this Agreement, without prejudice to the rights accrued to the Parties prior to such termination (including without limitation any rights, claims or remedies a Party may have against the other Party for any breach or non-fulfilment of any obligations),

and if the non-defaulting Party elects to postpone Completion in accordance with (ii) above, then the provisions of this Agreement shall apply as if the date set for Completion in Clause 5.1 or 5.2 or 5.3 (as the case may be) were the date to which Completion is so postponed.

5.5 Each Party is not obliged to complete the Tranche 1 Completion unless:

(A) the Initial CS Subscription Completion for Spark Common Shares Subscription and Initial PS Subscription Completion for Spark Preference Shares Subscription completed simultaneously with the Completion and issuance of Tranche 1 Convertible Notes under this Agreement; and

(B) each Party complies with all its obligations under this Clause 5.1.

5.6 Each Party is not obliged to complete the Tranche 2 Completion and Tranche 3 Completion unless each Party complies with all its obligations under Clause 5.2 and 5.3, respectively.

5.7 If the non-defaulting Party terminates this Agreement in accordance with Clause 5.4(ii), each Party's further rights and obligations cease immediately on termination, except that Clauses 7, 9, 10 and 11 shall survive the termination of this Agreement and shall continue in full force and effect. Termination does not affect a party's accrued rights and obligations as at the date of termination.

6. WARRANTIES

6.1 The Company represents and warrants to the Investor that each of the warranties set out in Schedule 2 as at the date of this Agreement, and will at each of the Tranche 1 Completion, Tranche 2 Completion and Tranche 3 Completion (as the case may be) be, true and accurate in all respects and not misleading.

6.2 The Investor represents and warrants to the Company that each of the following statements is as at the date of this Agreement, and will at each of the Tranche 1 Completion, Tranche 2 Completion and Tranche 3 Completion (as the case may be) be, true and accurate in all respects and not misleading:

(A) it is a company duly incorporated, validly existing and in good standing under the laws of its jurisdiction of incorporation;

(B) it has the legal right and full power and authority to enter into and perform this Agreement, which when executed will constitute valid and binding obligations on it, in accordance with their respective terms;

(C) the execution and delivery of, and the performance by the Investor, of its obligations under this Agreement do not and will not, (i) breach or conflict with any provisions of its constitutional documents, or any existing Applicable Laws; and (ii) do not and will not breach or constitute a default under any agreement, contract, arrangement, mortgage or other instrument to which the Investor is a party or by which its properties or

assets are bound; which conflict, breach or default could materially and adversely affect the legality, validity and enforceability of this Agreement and the transactions contemplated thereunder; and

- (D) it has not been subject to any other event analogous to the foregoing in any jurisdiction.

6.3 If at any time before or at the Completion, the Company becomes aware that any of the Company's Warranties may have been breached or may be untrue or is misleading in any respects, it shall as soon as reasonably practicable:

- (A) notify the Investor in sufficient detail to enable the Investor to make a reasonable assessment of the situations; and
- (B) if requested by the Investor, use its best endeavours to prevent or remedy the notified occurrence,

provided that no such changes or further disclosures shall affect the Company's Warranties made as at the date of this Agreement and as at the Completion.

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

7. INDEMNITY

7.1 The Company shall indemnify the Investor, its Affiliates and their officers, directors, shareholders, employees and authorized persons (collectively, the "**Indemnified Persons**") against any losses, claims, damages, liabilities, judgments, fines, obligations, expenses and liabilities of any kind or nature whatsoever, including but not limited to any investigative, legal and other expenses incurred in connection with, and any amounts paid in settlement of, any pending or threatened legal action or proceeding (collectively, "**Losses**") that the Indemnified Persons may at any time become subject to or liable for in connection with:

- (A) any breach of any Warranty by the Company;
- (B) any failure by the Company to comply with any covenant or agreement under any Transaction Document;
- (C) any losses liabilities, claims, damages or expenses relating to the Convertible Notes and related transactions;
- (D) any claims by any third party by reason of the status of the Investor as an investor or shareholder in the Company; and
- (E) any losses, costs, expenses, liabilities arising from any claims in connection with the Outstanding Litigation.

- 7.2 Any payments made by the Company to an Indemnified Person in connection with any indemnity claim shall be made free and clear of all deductions or withholdings as may be required under Applicable Laws. In the event that any such deductions or withholding are required to be made by the Company or if such payment is otherwise subject to any Tax payable by the Indemnified Person, the Company shall pay to the Indemnified Person an additional amount such that the Indemnified Person receives (after taking into account any such deductions, withholding or other Tax on such additional amount) an amount equal to what the Indemnified Person would have received absent such deduction, withholding or other Tax.

8. UNDERTAKINGS OF THE COMPANY

8.1 Board Seat

- (A) For as long as the Investor holds any Convertible Notes, following Tranche 1 Completion, the Investor shall have the right to nominate and appoint one (1) non-executive director and two (2) independent non-executive directors of the Company (the "**Investor Directors**").
- (B) The right to appoint an Investor Director conferred on the Investor shall include the right of the Investor to remove at any time from office such person appointed by the Investor as the Investor Director and to appoint forthwith another Investor Director.

8.2 Pre-completion undertakings

From the date of this Agreement to (and including) each of the Tranche 1 Completion Date, Tranche 2 Completion Date and Tranche 3 Completion Date (as the case may be), the Company agrees and undertakes that:

- (i) neither it nor any person acting on its behalf will (without the prior written consent of the Investor) take, directly or indirectly, any action designed to or which would constitute or which might reasonably be expected to cause or result in an adjustment to the Conversion Price (as defined in the Conditions) if such action were taken after the Completion Date;
- (ii) no dividend or any other distribution to any holder of Shares (whether in cash or otherwise) will be made or declared;
- (iii) it shall not, and shall procure its Affiliates not to, take any action that would otherwise constitute an Event of Default under the Note Conditions;
- (iv) it will ensure that the memorandum of association and articles of association or equivalent constitutional documents of any Group Company are not amended, repealed or altered in a manner which would have, or would be reasonably likely to have, an

adverse impact on: (a) the Convertible Notes or the rights of the holders of the Convertibles Notes (as if the Convertible Note was being issued on the date of this Agreement); or (b) any holder of issued Shares;

- (v) it will procure that no substantial change is made to the general nature of the business of any Group Company from that carried on as at the date of this Agreement;
- (vi) if any offer is made to all holders of Shares (or such holders other than the offeror and/or any company controlled by the offeror and/or persons associated or acting in concert with the offeror) to acquire all or a portion of the Shares and such offer comes to the knowledge of the Company, it will give notice of such offer to the Investor immediately upon the publication of the announcement in relation to such offer;
- (vii) it will procure that none of the Group Companies will make any reduction of its ordinary share capital or any uncalled liability in respect thereof or of any share premium account or capital redemption reserve fund (except, in each case, as required by Applicable Law);
- (viii) except for the conversion of the Convertible Notes or the conversion of its outstanding convertible securities that were issued prior to the date of this Agreement, it will procure that none of its securities are converted into or exchanged for Shares, that there will be no issue of new Shares and that no rights or warrants to subscribe for or purchase Shares are exercised (except to the extent that such terms are amended as a result of and as required by any change in the Applicable Laws);
- (ix) it will not, and will procure that none of the Group Companies will, undertake any demerger or corporate reorganisation or any steps for the purposes thereof unless with the prior written consent of the Investor;
- (x) it will not take, and will procure that none of the Group Companies takes, any steps or actions to effect a winding up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Group Company or any solvent liquidation, amalgamation, merger or reorganisation of any Group Company, or to enter into a composition, assignment or arrangement with any creditor of any Group Company; and
- (xi) it will not, and will procure that the Group Companies will not, consolidate with, merge or amalgamate into or dispose or transfer all or a substantial part of its assets as an entirety to any

corporation or convey or transfer its properties and assets substantially as an entirety to any person.

8.3 Information Rights

From the date of this Agreement up to and until the date on which the Investor ceases to hold any outstanding portion of the Convertible Notes, the Company shall provide the Investor with, and/or procure that the Company is being provided with:

- (A) all information reasonably requested by the Investor; and
- (B) access to the following:
 - (i) the officers and senior management of the Group, at such times as reasonably requested by the Investor for consultation with the Investor or its designated representative with respect to matters relating to the business of the Group from time to time; and
 - (ii) any of the properties or premises of the Group and the books and records of each Group Company, at such times as the Investor shall reasonably request,

provided that any request for access pursuant to this Clause 8.3 shall not disrupt the ordinary course of business operations of the relevant Group Company and shall be made with at least five (5) Business Day's prior written notice.

8.4 Most Favoured Nation

- (A) If the Company enters into any agreement or arrangement with any other person ("**New Investor**") in relation to the financing of any Group Company, and such agreement or arrangement grants to such person more favourable terms or treatment than those granted to the Investor under the Transaction Documents, the Company shall notify the Investor as soon as possible but in any event not later than ten (10) Business Days of the entry of the agreement or arrangement and provide to the Investor the relevant details of such more favourable terms and such further details as the Investor may reasonably request. The Company shall offer (or procure to offer) such more favourable terms or treatment to the Investor, and the Investor shall have the right, at its sole discretion, to elect to receive such favourable terms or treatment.
- (B) The Company shall at its own costs, execute all such documents and take all such actions, including refunding to the Investor any difference in the subscription price received, to give effect to this provision.

8.5 Listing of the Shares

The Company shall maintain the listing of its Shares on the HKEX for so long as any portion of the Convertible Notes remain outstanding. The Company shall comply with the Listing Rules and otherwise comply with any undertakings given by it from time to time to the HKEX (or any other relevant Authority) in connection with the listing of any Shares on the HKEX and, without prejudice to the generality of the foregoing, shall furnish or procure to be furnished to the HKEX (or any other relevant Authority) all the information which the HKEX (or any other relevant Authority) may require in connection with the listing on the HKEX of any Shares.

8.6 Listing of Shares issued upon conversion of the Convertible Notes

The Company shall procure and maintain the listing on the HKEX of any Conversion Shares issued upon conversion of the Convertible Notes (including any of the Tranche 1 Convertible Notes, Tranche 2 Convertible Notes and Tranche 3 Convertible Notes), and it shall pay all the expenses in relation to the issue of and obtaining a listing for the Conversion Shares on the HKEX.

8.7 Trading of the Shares

The Company agrees and undertakes to ensure that trading in the Shares on the HKEX is not suspended for two (2) or more consecutive Trading Days and, in the event that such suspension is (i) due to the pending announcement of any transaction or proposed transaction by any Group Company which constitutes or will constitute a notifiable transaction of the Company referred to in Chapter 19 of the Listing Rules or a connected transaction of the Company referred to in Chapter 20 of the Listing Rules, or (ii) to comply with the Hong Kong Code on Takeovers and Mergers, trading in the Shares on the HKEX is not suspended for five (5) or more consecutive Trading Days.

8.8 Compliance

The Company agrees and undertakes to ensure that each Group Company is at all times in compliance with and is operating its business in compliance with all Applicable Laws of the relevant jurisdiction in which it operates or to which it is subject (including but not limited to the Listing Rules, the Codes on Takeovers and Mergers and Share Buybacks and the Securities and Futures Ordinance(Chapter 571 of the Laws of Hong Kong)) and, without prejudice to the generality of the foregoing, will furnish or procure to be furnished all the information which such the HKEX (or any other relevant authority or authorities) may require in connection with the listing or trading of any Shares on such stock exchange; and further will ensure that each Group Company and their respective directors and executive officers, when acting for or on behalf of each Group Company, do not engage in any activity prohibited by the Applicable Law.

8.9 Cooperation

- (A) If the Investor and/or any of its Affiliates proposes to transfer any portion of the Convertible Note held by it, the Company shall, and shall procure its directors and members of its management to, cooperate with and

provide assistance to the Investor (at its request) in respect of any such transfer.

- (B) Each Party hereto shall execute, or procure to be executed, all such documents and to do or procure to be done all such other acts and things as may be necessary to give all parties the full benefit of this Agreement.

9. ANNOUNCEMENTS AND CONFIDENTIALITY

9.1 No public announcement or communication of any kind shall be made or issued in respect of the subject matter of this Agreement by any Party, save:

- (A) with the prior written consent of the other Party which may not be unreasonably withheld or delayed; or
- (B) to the extent required by Applicable Laws (including but not limited to the Listing Rules), provided the Party required to make or issue an announcement or communication has, if and to the extent practicable, first consulted (giving a reasonable amount of information and time to) the other Party and taken into account the reasonable requirements of the other Party.

9.2 Where any announcement or disclosure is made in reliance on the exception in Clause 9.1, the Party making the announcement or disclosure shall so far as practicable consult with the other Party whose prior written approval is required in advance (such approval shall not be unreasonably refused or delayed) as to the form, content and timing of the announcement or disclosure.

9.3 Each Party shall at all times keep confidential, treat as privileged, and not directly or indirectly make or allow to be made any disclosure or use of any oral or written information relating to the other Party or the existence or subject matter of this Agreement ("**Confidential Information**"), except to the extent:

- (A) required by Applicable Laws and then only after advising the other Party of that requirement and consulting (giving a reasonable amount of information and time to) such Party in respect of the relevant matter and taking into account the reasonable requirements of such Party;
- (B) necessary to obtain the benefit of, or to carry out obligations under, this Agreement, which shall include the ability to disclose Confidential Information to any employees or advisers who need to have it for purposes directly connected with the transactions provided for in this Agreement, provided that the disclosing Party shall advise such employees or advisers of the confidential nature of the Confidential Information and shall use all reasonable best endeavours to procure that such persons keep the relevant Confidential Information strictly confidential and shall indemnify the other Party in respect of all costs, claims, actions, proceedings, losses and liabilities in connection with any

unauthorised disclosure or use of the Confidential Information by such persons; or

- (C) that the information is or becomes available in the public domain without breach by a Party of its confidentiality obligations under this Clause 9 or under any Applicable Laws.

9.4 Each Party shall, on request by the other Party at any time, return to such other Party any Confidential Information which it holds (in whatever form) in respect of that other Party.

10. EXPENSES

10.1 Subject to Clause 10.2 and except where this Agreement or the Spark Preference Shares Subscription Agreement or the relevant document provides otherwise, each Party shall pay its own costs relating to the negotiation, preparation, execution and performance by it of this Agreement and of each document referred to it.

10.2 The Parties agree and acknowledge that after the Tranche 1 Completion, the Company shall, or shall procure Spark, to reimburse up to US\$350,000 to the Investor for:

- (A) costs and expenses (including legal fees) incurred by the Investor in connection with the preparation, negotiation and execution of the Transaction Documents, the transaction documents relating to the Spark Common Shares Subscription and the transaction documents relating to the Spark Preference Shares Subscription and the conduct of related due diligence; and
- (B) reasonable costs including for an updated background checks.

11. NOTICES

11.1 Any notice or other communication under or in connection with this Agreement shall be in writing and shall be left at or sent by pre-paid registered post (if posted from and to an address in Hong Kong), pre-paid registered airmail (if posted from or to an address outside Hong Kong) or email transmission to the Party due to receive the notice or communication at its respective address (including email) set out below or to such other address and / or number as may have been last specified by such Party by written notice to the other Party.

To the Investor:

Address: 18/F, 68 Yee Wo Street, Causeway Bay, Hong Kong

Email: herbinkoh@gawcapital.com

Attention: Mr. Herbin Koh

To the Company:

Address: Office Units 1107-11, 11/F, New East Ocean Centre, 9 Science Museum Road, Kowloon, Hong Kong

Email: karl.ho@cstl.com.hk/ alvin.lee@cstl.com.hk

Attention: Karl Ho/ Alvin Lee

- 11.2 In the absence of evidence of earlier receipt, a notice or other communication is deemed given:
- (a) if delivered personally, when left at the address referred to in Clause 11.1;
 - (b) if sent by registered post except air mail, two (2) days after posting;
 - (c) if sent by registered air mail, six (6) days after posting; and
 - (d) if sent by email, on completion of its transmission.
- 11.3 In proving the giving of a notice by mail, it shall be sufficient to prove that the envelope containing such notice was properly addressed and posted.
- 11.4 In proving service by email, it shall be sufficient to produce an activity or other report from the sender's email account in respect of the notice or other written communication showing the email was sent to the recipient.

12. GENERAL

- 12.1 **No prejudice to rights / waiver:** No failure to exercise, or delay in exercising, any right or remedy under this Agreement will operate as a release or waiver of such right or remedy or any other right or remedy, nor will any single or partial exercise of any right or remedy under this Agreement or provided by law preclude any other or further exercise of it or the exercise of any other right or remedy. A waiver of any breach of this Agreement or any right of remedy under this Agreement shall not be effective, or implied, unless that waiver is in writing and is signed by the Party against whom that waiver is claimed.
- 12.2 **Entire agreement:** This Agreement supersedes any previous agreement between the Parties and the Parties acknowledge that no claim shall arise in respect of any agreement so superseded by this Agreement. This Agreement (together with the documents referred to herein) contains the entire agreement between the Parties relating to the transactions provided for herein and there are no other warranties, conditions or terms applicable thereto whether express or implied.
- 12.3 **Variations in writing:** Save for ministerial amendments, no alterations, amendments or other changes in terms and conditions unless agreed in writing and signed by all Parties.

- 12.4 **Severability:** If any term in or provision of this Agreement shall be held to be illegal or unenforceable, in whole or in part, under any enactment or rule of law, the term or provision shall to that extent be deemed not to form part of this Agreement and the enforceability of the remainder of this Agreement, to the extent that it continues to represent the Parties' original intention as set out in this Agreement had the aforesaid term or provision not been held illegal or unenforceable, shall not be affected.
- 12.5 **Rights cumulative:** The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.
- 12.6 **Survival:** The rights and obligations contained in this Agreement remain in force after Completion, except to the extent that they have been fully performed or where this Agreement provides otherwise. The rights and remedies of the Parties in respect of this Agreement (including without limitation in respect of any breach of the Warranties) shall not be affected by Completion (which the Warranties shall, except in so far as they are fully performed on Completion, survive).
- 12.7 **Further assurances:** Each Party shall execute such further documents and perform and procure such acts and things as may reasonably be required to give full effect to its obligations under this Agreement.
- 12.8 **Counterparts:** This Agreement may be executed in any number of counterparts each of which when executed and delivered is an original, but all the counterparts together constitute the same document.
- 12.9 **Assignment:** This Agreement shall be binding on and enure for the benefit of each party's successors in title. No Party shall, without the consent of the other parties, assign, transfer, grant any security interest over or create any trust in respect of, or purport to assign, transfer, grant any security interest over or create any trust in respect of, any of its rights or obligations under this Agreement, provided that the Investor shall not be restricted from transferring or assigning any of its rights to any of its Affiliates or to any other person (in this context meaning either individually or a group of persons acting together for this purpose) to whom it transfers any of the principal amount of the Convertible Notes without the prior written consent of the Company.
- 12.10 **Rights of third parties:** No person (being a natural person or legal entity), other than the Parties has, or may or will have, any rights under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce, make or pursue any claim, or enjoy any benefit under any provisions of this Deed. Application of the Contracts (Rights of Third Parties) Ordinance is hereby expressly excluded.

13. GOVERNING LAW, JURISDICTION AND DISPUTE RESOLUTION

- 13.1 This Agreement shall be governed by and construed in accordance with the laws of Hong Kong and each Party hereby submits to the non-exclusive

jurisdiction of the courts of Hong Kong as regards any claim or matter arising out of or in connection with this Agreement.

SCHEDULE 1

DETAILS OF THE COMPANY

Company name:	Cornerstone Technologies Holdings Limited 基石科技控股有限公司		
Stock code:	8391		
Company number:	319211		
Business Registration number:	68041397		
Place of incorporation:	Cayman Islands		
Date of incorporation:	24 January 201		
Address of registered office:	Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111 Cayman Islands		
Head office and principal place of business:	Office Units 1107 - 11 11th Floor New East Ocean Centre No. 9 Science Museum Road Kowloon, Hong Kong		
Type of company:	Registered non-Hong Kong company		
Total issued shares:	953,575,399 shares with par value of HKD 0.01		
Shareholders and their respective shareholdings:	Name	No. of shares held	% shareholding
	Mr. Wu Jianwei	298,511,225 (of which 235,603,225 shares are held by Global Fortune Global Limited, which Mr. Wu exercise 51% of control and including 10,400,000 outstanding share options)	31.30%
	Mr. Liang Zihao	254,803,225 (of which 235,603,225 shares are held by Global Fortune Global Limited, which Mr. Liang	26.72%

		exercise 49% of control and including 10,400,000 outstanding share options)	
	Mr. Li Man Keung Edwin	114,504,613 (including 89,392,000 shares are held by entities which Mr. Li exercise 100% control and 10,400,000 outstanding share options)	12.01%
Directors:	<p>Executive Directors:</p> <p>(1) Mr. LIANG Zihao</p> <p>(2) Mr. LI Man Keung Edwin</p> <p>(3) Mr. SAM Weng Wa Michael</p> <p>(4) Mr. PAN Wenyuan</p> <p>(5) Ms. WU Yanyan</p> <p>(6) Mr. YIP Shiu Hong</p> <p>Non-executive Director:</p> <p>(7) Mr. WU Jianwei</p> <p>Independent non-executive Directors:</p> <p>(8) Mr. TAM Ka Hei Raymond</p> <p>(9) Mr. YUEN Chun Fai</p> <p>(10) Ms. ZHU Xiaohui</p> <p>(11) Mr. KO Shu Ki Kenneth</p>		
Company Secretary:	Mr. Chu Pui Ki Dickson		
Registered Charges:	<p>Charge Registration No. 2023010437</p> <p>Charge Registration No. 2023010436</p> <p>Charge Registration No. 2023010435</p>		

SCHEDULE 2

Company's Warranties

1. General Information and powers of the Group

- 1.1 Each Group Company is duly incorporated and validly existing in good standing under the laws of its incorporation.
- 1.2 The Company has the power under its constitutional documents to issue for the Convertible Notes on the terms and conditions of this Agreement and the Instrument.
- 1.3 The Company has the authority to enter into of this Agreement and the Instrument and perform its obligations hereunder and that the Company is not in breach of any Applicable Laws for entering into of this Agreement and the Instrument or performing its obligations hereunder, and this Agreement and the Instrument constitutes valid, binding and enforceable obligations of the Company.
- 1.4 The execution and delivery of, and the performance by the Company of its obligations under this Agreement and the Instrument do not and will not, (i) breach or conflict with any provisions of its constitutional documents, or any existing Applicable Laws; and (ii) do not and will not breach or constitute a default under any agreement, contract, arrangement, mortgage or other instrument to which the Company is a party or by which its properties or assets are bound; which conflict, breach or default could materially and adversely affect the legality, validity and enforceability of this Agreement and the transactions contemplated thereunder.
- 1.5 As far as each Group Company is concerned, all necessary consents, authorisations, and approvals of and all necessary registrations and filings with any governmental or regulatory agency or body required in, Hong Kong or elsewhere for or in connection with this Agreement and the Instrument and the performance of the terms thereof have been obtained or made or will have been obtained or made by Completion.
- 1.6 All information set out in this Agreement is true, accurate and not misleading.

2. Corporate Matters

- 2.1 Each member of the Group is a limited liability company or corporation duly incorporated or established under the laws of the jurisdiction of its incorporation and has been validly existing since formation and incorporation, and each of their constitutional documents are in full force and effect and each of their books and records (including board and shareholders' minutes) have been properly and accurately maintained and completed.
- 2.2 The particulars of the Company in Schedule 1 are true, accurate and not misleading, and accurately shows the percentage of the issued and outstanding

Shares held by each of all the shareholders of the Company as the legal and beneficial owner. Such Shares have been duly authorized and validly issued, are fully paid, are free and clear of all Encumbrances, and none of the shareholders of the Group is subject to any obligation to transfer or dispose of such Shares.

- 2.3 There is no Encumbrance and there is no agreement, arrangement or obligation to create or give an Encumbrance, in relation to any shares or equity interest or unissued shares or equity interest in the capital of any Group Company. No person has claimed to be entitled to an Encumbrance in relation to any shares or equity interest or unissued shares or equity interest in the capital of any Group Company.
- 2.4 Each Group Company has, at all times, carried on its operations and conducted its affairs in all material respects in accordance with its memorandum and articles of association and/or other constitutional documents, (where relevant) its business licence and all Applicable Laws.
- 2.5 The current listing of the Shares on the HKEX have not been cancelled or withdrawn, and neither the HKEX nor the SFC have indicated that it will or may qualify, object to, suspend or cancel or withdraw such listing and/or dealings in the Shares.
- 2.6 The existing Shares are validly issued and are fully paid and non-assessable. The existing Shares are duly listed, and have been admitted to trading, on the HKEX, and they are freely transferrable and are free and clear of all Encumbrances.
- 2.7 The Conversion Shares, when being issued and allotted by the Company pursuant to the terms of the Conditions, will be fully paid up and rank pari passu in all respects with other Shares in issue on the relevant date of such transfer, including the right to receive all dividends and distributions which may thereafter be declared, made or paid from time to time; will be duly listed, and be admitted to trading, on the HKEX; and will be freely transferrable and will be free and clear of all Encumbrances.
- 2.8 The trading in the Shares on the HKEX is not and has not been suspended two (2) or more consecutive Trading Days and, in the event that such suspension is (i) due to the pending announcement of any transaction or proposed transaction by any Group Company which constitutes or will constitute a notifiable transaction of the Company referred to in Chapter 19 of the Listing Rules or a connected transaction of the Company referred to in Chapter 20 of the Listing Rules, or (ii) to comply with the Hong Kong Code on Takeovers and Mergers, trading in the Shares on the HKEX is not suspended for five (5) or more consecutive Trading Days.

3. The Convertible Note

- 3.1 The Convertible Note, when issued in accordance with the terms of this Agreement and the Instrument, will be duly authorized and properly issued. The

obligations of the Company arising under the Convertible Note constitute general, direct, unsubordinated, unconditional and unsecured obligations of the Company and rank, and will rank equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company and including the outstanding indebtedness under the existing 2023 Abax Loan Agreement, except for obligations accorded preference by mandatory provisions of the Applicable Laws. The payment obligations of the Company under the Convertible Note shall, save for such exceptions as may be provided by the Applicable Laws, at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.

- 3.2 On Completion, the Company will have full power, authority and capacity to issue the Convertible Note and upon the exercise of the conversion rights by the Investor from time to time, the Shares so issued upon conversion of the Convertible Note shall rank *pari passu* in all respects with all other existing fully paid Shares at the date of the conversion notice, be freely transferable and listed on the HKEX and be entitled to all dividends and other distributions the record date of which falls on a date on or after the date of the conversion notice.
- 3.3 Other than this Agreement and the transactions as contemplated thereunder there is no agreement, arrangement or obligation requiring the creation, allotment, issue or redemption of, or the grant to a person of the right (conditional or not) to require the allotment, issue or redemption of, any convertible note, bond, share or an equity interest in the capital of any Group Company (including, without limitation, an option or right of pre-emption or conversion).
- 3.4 No Event of Default is continuing or would reasonably be expected to result from the making of any issue of the Convertible Notes or the entry into, the performance of, or any transaction contemplated by, this Agreement. No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or any member of the Group or to which its or any member of the Group's assets are subject.
- 3.5 All of the Convertible Notes, when issued and delivered to the Investor in accordance with the terms of this Agreement, will be duly and validly issued, free from any Encumbrance, any pre-emptive rights, rights of first refusal or any other similar rights, and will be free of restrictions on transfer and be issued in compliance with the requirements of all Applicable Laws.

4. Consents

- 4.1 Save for the permission by the HKEX for the listing of, and dealing in, the Conversion Share, no Approval of, or registration, qualification, designation, declaration or filing with, any Authority or any party to a contract to which any of the Group Company is bound by or any other third party is required on the part of the Company in connection with the valid execution, delivery and performance of this Agreement or any other Transaction Documents or the consummation of the transactions contemplated hereby and thereby including the offer, sale, transfer, issue or reservation for issue of the Convertible Notes.

5. Accounts

5.1 The Accounts:

- (A) have been prepared in accordance with generally accepted accounting principles in Hong Kong or in place of incorporation of any Group Company;
- (B) give a true and fair view of the state of affairs of the Company as at the Accounts Date;

5.2 Since the Accounts Date, there has been no material adverse change in the business operations, financial performance and financial position of the business of the Group, except as a result of market conditions and other factors generally affecting similar businesses.

6. Compliance with Applicable Laws and General Regulatory Matters

- 6.1 The Company has not, within the last three (3) years, received written notice from any governmental or regulatory body that it is, in relation to the Group's business, in violation of, or in default with respect to, any statute, regulation, order, decree or judgment of any court or governmental agency of the jurisdiction in which it is incorporated, where such violation or default would have a material adverse effect on the Group.
- 6.2 So far as the Company is aware, it has not, within the last three (3) years, done or omitted to do anything in relation to the Group's business, the doing or omission of which amounts to a contravention of any statute, order, regulation or the like giving rise to any material fine, penalty or other liability or sanction on the part of the Company.
- 6.3 No Group Company has: (a) induced a person to enter into an agreement or arrangement with any member of the Group by means of an unlawful payment, contribution, gift, or other unlawful inducement; (b) offered or made an unlawful payment, contribution, gift or other unlawful inducement to any government official; or (c) directly or indirectly made an unlawful contribution to a political activity.
- 6.4 The Company has complied in all material respects with all applicable rules, regulations and requirements of the HKEX (including all filing, notification and disclosure requirements under the Listing Rules and the Code on Corporate Governance Practices contained in the Listing Rules).
- 6.5 Each of the Group Companies has obtained all permits, licenses, concessions, and other governmental authorisations, certificates, consents and approvals necessary to conduct the business and operate its assets as presently conducted and operated and own its assets ("Permits").

6.6 All such Permits are legally obtained and maintained and are in full force and effect and can be legally and properly renewed in the ordinary course of business. To the Company's knowledge, information or belief, no Permit will be revoked, suspended, cancelled, varied or not renewed. No Group Company is in violation of the material terms and conditions of any Permit.

6.7 No Group Company has operated without the necessary Permits required, the effect of which would have made its operations and practices to be in breach of any Applicable Law, and which breach would have a material and adverse impact on such Group Company.

7. Litigation

7.1 No Group Company or the Guarantor are involved, or have been involved within the last five (5) years in civil, criminal, arbitration, administrative or other proceedings or any investigation, enquiry, proceeding, notice, decree, judgment, fine or penalty of or imposed by, any court, tribunal, arbitrator or Authority in relation to any Group Company or its operations in any jurisdiction which has or is reasonably likely to have a material adverse effect on the Group (the "Proceedings").

7.2 No Proceedings in any jurisdiction is pending or threatened or expected and there are no facts or circumstances which are likely to give rise to any such Proceedings, by or against any Group Company or the Guarantor or any person for whose acts or defaults any Group Company or the Guarantor may be vicariously liable.

7.3 There is no outstanding judgment, order, decree, arbitral award or decision of a court, tribunal, arbitrator or governmental agency in any jurisdiction against any Group Company or the Guarantor or any person for whose acts or defaults any Group Company or the Guarantor may be vicariously liable which has or is reasonably likely to have a material adverse effect on the Group.

7.4 There were no circumstances that would result in the Company incurring material liability to address defects and deficiencies at its own cost and/or compensate the damages suffered due to delay in completion in the projects and commercial projects undertaken by the Group

8. Information

8.1 All written materials provided by the Company to the Investor are true and accurate and not misleading. All information contained or referred to in the transaction agreements is true and accurate on the terms thereunder and not misleading.

8.2 No material information concerning any Group Company has been withheld from the Investor.

8.3 All information released by the Company pursuant to the Listing Rules (including, without limitation, interim and annual accounts of the Group) in Hong

Kong or elsewhere, in each case as amended or supplemented, was true and accurate and not misleading when released, and did not at the time of release contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made.

9. Intellectual Property Rights

9.1 So far as the Company is aware, all intellectual property rights used by the Group for the purpose of carrying on its business are vested solely and beneficially in or are licensed to the Group.

9.2 So far as the Company is aware, there is no outstanding infringement claim or threat of any claim for infringement of any intellectual property rights referred to in paragraph 9.1 above by it.

10. Insolvency

10.1 Each Group Company is not insolvent under any Applicable Laws or unable to pay its debts as they fall due and that it has not stopped paying its debts as they fall due.

10.2 No circumstances or events have arisen or occurred or are likely to arise or occur such that any person is (or could, with the giving of notice or lapse of time or fulfilment of any condition or the making of any determination, become) entitled to repayment of any material indebtedness prior to its due date for payment by any Group Company, or to take any step to enforce any security for any such indebtedness of Group Company and no person to whom any indebtedness for borrowed money of any Group Company which is payable on demand is owed has demanded or threatened to demand repayment of the same; none of the Group Company is party to or under any obligation which is material and which is of any unusual or materially onerous nature.

10.3 No petition has been presented, no order has been made or resolution passed for the winding up of any Group Company or for the appointment of a liquidator or a provisional liquidator to any Group Company. No receiver or administrative receiver has been appointed, nor any notice given of the appointment of any such person, over the whole or part of any member of the Group's business or assets.

10.4 No order (including an administrative order) has been made, petition presented or application for bankruptcy presented to a court of competent jurisdiction or the appointment of a receiver to the Company has been made.

10.5 The Group has not any time during the two (2) years immediately prior to the date of this Agreement entered into a transaction with any person at an undervalue or been given a preference by, or given a preference to, any person.

SCHEDULE 3
Form of the Instrument

DATED 2024

CORNERSTONE TECHNOLOGIES HOLDINGS LIMITED

INSTRUMENT

constituting

**SECURED CONVERTIBLE NOTE
IN THE AGGREGATE PRINCIPAL AMOUNT OF HK\$200,000,000**



27/F Alexandra House
18 Chater Road
Central
Hong Kong SAR
Tel: 2803 3688
Fax: 2803 3618

THIS INSTRUMENT is executed by way of deed poll on _____ 2024 by

CORNERSTONE TECHNOLOGIES HOLDINGS LIMITED, a company incorporated in the Cayman Islands, listed in The Stock Exchange of Hong Kong Limited ("**HKEX**") (Stock Code: 8391.HK), with registered address at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111 Cayman Islands and the principal place of business at Unit 07-11, 11/F, New East Ocean Centre, No.9 Science Museum Road, Tsim Sha Tsui, Hong Kong (the "**Company**" or "**Cornerstone**") for the benefit of the person(s) in whose name the Convertible Notes are registered from time to time,

in favour of

THE PERSONS for the time being and from time to time registered as holders of the Convertible Notes referred to below (the "**Convertible Note Holders**" and each a "**Convertible Note Holder**").

WHEREAS:

- (A) The Company has resolved to issue the Convertible Notes in the aggregate principal amount of HK\$200,000,000 to the Convertible Note Holders and to enter into the Subscription Agreement with some or all of the Convertible Note Holders pursuant to a resolution of its board of directors passed on or around the date of this Instrument.
- (B) The Convertible Notes will be in registered form and will be represented by individual certificate(s) in the form as scheduled to this Instrument in Schedule 1 (the "**Certificate(s)**").
- (C) This Instrument is executed by the Company by way of deed poll to set out the rights and interests of the Convertible Note Holders.
- (D) **Floryn Passie Limited**, a company incorporated under the laws of Hong Kong with limited liability (with business registration number 75400261) and whose registered office is at 18/F, 68 Yee Wo Street, Causeway Bay, Hong Kong (the "**Investor**");

THIS DEED NOW WITNESSES as follows:

1. INTERPRETATION

1.1 References to Conditions

In this Instrument, "**Conditions**" means the terms and conditions of the Convertible Notes (as scheduled to this Instrument in Schedule 2 and as modified from time to time in accordance with its terms), and any reference to a numbered "**Condition**" is to the correspondingly numbered provision thereof.

1.2 References to Instrument

Any reference to this Instrument includes, without limitation, the Conditions.

1.3 Other Defined Terms

Terms defined in the Conditions have the same meanings when used in this Instrument.

1.4 References to Clauses, Paragraphs and Schedules

Any reference in this Instrument to a Clause, Paragraph or Schedule, unless specifically provided otherwise, is a reference to a clause or paragraph of, or schedule to, this Instrument.

1.5 Headings

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Instrument.

1.6 Legislation

Any reference in this Instrument to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

2. ISSUE OF THE CONVERTIBLE NOTES

The Company hereby constitutes the Convertible Notes which have the terms and conditions provided in the Conditions and covenants in favour of each Convertible Note Holder that it will duly perform and comply with the obligations expressed to be undertaken by it in each Certificate and in the Conditions (and for this purpose any reference in the Conditions to any obligation or payment under or in respect of the Convertible Notes shall be construed to include a reference to any obligation or payment under or pursuant to this provision).

3. DEPOSIT OF INSTRUMENT

The Company hereby acknowledges the right of every Convertible Note Holder to the production of this Instrument and shall ensure that copies of this Instrument are available for inspection by any Convertible Note Holder during office hours at Office Units 1107-11, 11th Floor, New East Ocean Centre, No. 9 Science Museum Road, Kowloon, Hong Kong.

4. STAMP DUTIES AND TAXES

The Company shall promptly pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution and delivery of this Instrument, and shall upon demand indemnify each Convertible Note Holder against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which such Convertible Note Holder incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same by the Company.

5. BENEFIT OF INSTRUMENT

5.1 Deed Poll

This Instrument shall take effect as a deed poll for the benefit of the Convertible Note Holder(s) from time to time.

5.2 Benefit

Provided that the Convertible Note Holder is in compliance with Clause 5.3 below, this Instrument shall enure to the benefit of such Convertible Note Holder and its (and any subsequent) successors, assigns and transferees, each of which shall be entitled severally to enforce this Instrument against the Company.

5.3 Assignment

The Company shall not be entitled to assign or transfer all or any of its rights, benefits and obligations under this Instrument.

6. PARTIAL INVALIDITY

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

7. NOTICES

All notices and other communications to the Company hereunder shall be made in accordance with Condition 19 (*Notices*).

8. GOVERNING LAW AND JURISDICTION

8.1 This Instrument is governed by and construed in accordance with Hong Kong laws.

8.2 The courts of Hong Kong have non-exclusive jurisdiction to settle any dispute, controversy, claim or difference of any kind whatsoever arising out of or in connection with this Instrument or its subject matter, existence, negotiation, validity, termination or enforceability (including any non-contractual obligation arising out of or in connection with the Convertible Notes).

9. MODIFICATION

9.1 Without prejudice to Clause 9.2, all or any of the rights for the time being attached to the Convertible Notes may from time to time (whether or not the Company is being dissolved or wound up) be altered or abrogated with the Convertible Note Holder(s)' approval and shall be effected by an instrument by way of deed poll executed by the Company and expressed to be supplemental to this Instrument.

9.2 Any Convertible Note Holder may, by notice in writing to the Company, request for modifications to the Instrument which are of a formal, minor or technical nature, or made to correct a manifest error, and in each case not affecting adversely the

rights of the other Convertible Note Holder(s), if any, and upon receipt of such notice in writing the Company shall effect such modifications by an instrument by way of deed poll executed by the Company and expressed to be supplemental to this Instrument and notify all the Convertible Note Holder(s) in respect of the modifications. Any such modifications shall be binding on the Convertible Note Holder(s) and the Company.

IN WITNESS whereof this Instrument has been executed by the Company and is intended to be and is hereby delivered on the date first before written.

Schedule 1
FORM OF CERTIFICATE

Certificate No: [•]

Date of Issue: [•]

THIS CONVERTIBLE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR ANY SECURITIES LAW OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO A REGISTRATION STATEMENT OR IN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

CORNERSTONE TECHNOLOGIES HOLDINGS LIMITED
(Incorporated in Cayman Islands)

SECURED CONVERTIBLE NOTES IN THE AGGREGATE PRINCIPAL AMOUNT OF
HK\$200,000,000

This Certificate is issued in respect of the Secured Convertible Notes in the aggregated principal amount of HK\$200,000,000 (the "**Convertible Notes**") of Cornerstone Technologies Holdings Limited (the "**Company**"). The Convertible Notes are constituted by a Convertible Notes Instrument dated _____ entered into by the Company (the "**Instrument**") and have the terms and conditions attached to this Certificate (in each case, as amended and/or supplemented from time to time) and, subject to the memorandum of association and articles of association of the Company.

THIS IS TO CERTIFY that the Convertible Note Holder named below is the registered holder of the Convertible Notes (with such principal amount as specified in this Certificate). The Company promises to pay the person who appears at the relevant time on the Register as holder of the Convertible Notes in respect of which this Certificate is issued such amount or amounts as shall become due in respect of the Convertible Notes and otherwise to comply with the Conditions.

This Certificate is issued pursuant to the Instrument. Words and expressions used in the Instrument and the Conditions have the same meanings when used in this Certificate.

Name of Convertible Note Holder: [•]
Address of Convertible Note Holder: [•]
Principal amount of Convertible Notes: [•]

This Certificate is governed by, and shall be construed in accordance with the laws of Hong Kong.

In witness whereof the Company has caused this Certificate to be signed on its behalf by its directors.

Dated the day of

EXECUTED and DELIVERED)
as a DEED under the)
COMMON SEAL of)
CORNERSTONE TECHNOLOGIES)
HOLDINGS LIMITED)
and SIGNED by [*])
in the presence of:)
)

THE CONVERTIBLE NOTES ARE NOT TRANSFERABLE UNLESS THE RELEVANT PROVISIONS OF THE INSTRUMENT AND THE CONDITIONS HAVE BEEN COMPLIED WITH. A COPY OF THE INSTRUMENT AND THE CONDITIONS MAY BE OBTAINED ON REQUEST FROM THE COMPANY AT ITS REGISTERED OFFICE. THE SCHEDULES PRINTED ON THE FOLLOWING PAGES FORM PART OF THIS CERTIFICATE.

Schedule 2

TERMS AND CONDITIONS OF THE CONVERTIBLE NOTES

The issue of the Secured Convertible Notes in the aggregated principal amount of HK\$200,000,000 (the "**Convertible Notes**") of Cornerstone Technologies Holdings Limited (the "**Company**"), a company incorporated in Cayman Islands with limited liability, was authorised by a resolution of the board of directors of the Company dated _____. The Convertible Notes are constituted by a Convertible Notes Instrument (as amended and/or supplemented from time to time, the "**Instrument**") dated _____ 2024 (the "**Issue Date**") and entered into by the Company and are subject to the terms set out in these terms and conditions (the "**Conditions**"). Unless otherwise defined in these Conditions, terms defined in the Subscription Agreement have the same meaning when used in these Conditions.

1. **Form, Interest, Status and Security**

1.1 *Form and denomination*

The Convertible Note is issued in registered form in a minimum denomination of HK\$500,000 or integral multiples thereof (each, an "**Authorised Holding**"). A Certificate will be issued to each Convertible Note Holder in respect of its registered holding of the Convertible Notes. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Convertible Note Holder(s) kept by the Company.

1.2 *Status of the Convertible Notes*

The Convertible Notes constitute direct, general, unsubordinated, unconditional and unsecured obligations of the Company which will at all times rank *pari passu* without any preference or priority among themselves. The Convertible Notes shall rank *pari passu* with the outstanding indebtedness under the existing 2023 Abax Loan Agreement in terms of payment priority and rights.

1.3 *Security*

1.3.1 CB Asset One Limited, which is a wholly-owned subsidiary of the Company, shall pledge its entire equity interest in Spark as first priority security interest to the Investor (the "**Spark Security**"). The payment obligations and the performance of all of the obligations of the Company under the Convertible Notes are secured by the Share Pledge in respect of the Spark Security .

1.3.2 In the event of the occurrence of an Event of Default or in any other event where the Spark Security becomes enforceable, the Investor may, in accordance with the Share Pledge, enforce the Spark Security (including, without limitation, by taking possession or disposing of or realising the property charged under the Share Pledge in addition to, or in lieu of taking such other action as may be permitted against the Company).

2. **Register, Title and Transfers**

2.1 *Register*

The register of Convertible Note Holder(s) (the “**Register**”) shall be kept and maintained at the Registered Office and the Company shall enter in the Register:

- 2.1.1 the name and address of each Convertible Note Holder for the time being;
- 2.1.2 the amount of Convertible Notes held by each Convertible Note Holder;
- 2.1.3 the date on which the name of each Convertible Note Holder is entered in the Register in respect of the Convertible Notes registered in its name; and
- 2.1.4 the date on which the Convertible Notes is redeemed.

Any change in the name or address of any Convertible Note Holder shall give written notice to the Company by the Convertible Note Holder as soon as reasonably practicable following such change by notice in accordance with Condition 19 (*Notices*), following which the Company shall update the Register accordingly. Each Convertible Note Holder or any person authorised by a Convertible Note Holder shall be entitled at all times during office hours upon one (1) Business Days’ notice to inspect the Register and to take copies of or extracts from it.

2.2 *Title*

Title to the Convertible Note passes only by transfer and registration in the Register. Each Convertible Note Holder shall (except as otherwise required by Applicable Laws) be treated as the absolute owner of such Convertible Notes registered under its name for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Certificate relating thereto or any notice of any previous loss or theft of such Certificate). Every subsequent Convertible Note Holder shall be recognised by the Company as entitled to its Convertible Note free from any equity, set off or cross claim on the part of the Company against the original or any intermediate holder of such Convertible Note.

2.3 *Transfers, Redemption and Conversion*

A Convertible Note may only be transferred, redeemed or converted:

- 2.3.1 surrender at the Specified Office of the Certificate issued in respect of that Convertible Note with the endorsed form of transfer (in the form set out in Exhibit C to the Instrument) duly completed and signed by the Convertible Note Holder or his attorney duly authorised in writing. For the avoidance of doubt, a transfer of the Convertible Note, wholly or partially, made pursuant to this Condition 2.3.1, can be made freely without the consent from the Company. The transferor shall be deemed to remain the Convertible Note Holder of the relevant Convertible Note until the name of the transferee is entered in the Register in respect of the Convertible Note;
- 2.3.2 in the case of a conversion, in accordance with the requirements under Condition 6 (*Conversion*); and

2.3.3 in the case of a redemption, in accordance with the requirements under Condition 11 (Redemption at Maturity) and Condition 12 (Redemption upon Event of Default),

provided, however, that a Convertible Note may not be redeemed or converted unless the principal amount of Convertible Note redeemed or converted is an Authorised Holding, except where the redemption or conversion relates to a Convertible Note Holder's entire holding of Convertible Note.

Where not all the Convertible Note represented by the surrendered Certificate are the subject of the transfer, redemption or conversion, a new Certificate in respect of the balance of the Convertible Note will be issued and delivered to the transferor in Hong Kong by or on behalf of the Company within five (5) Business Days of the surrender of that Certificate.

The Company shall, within two (2) Business Days of a transfer, conversion or redemption record any such transfer, redemption or conversion made in accordance with these Conditions in the Register.

2.4 *Registration and delivery of the Certificates*

Within two (2) Business Days of the surrender of a Certificate in accordance with Condition 2.3 (Transfers, Redemption and Conversion), the Company will register the transfer in question and within five (5) Business Days of such surrender deliver a new Certificate in respect of the principal amount of the Convertible Note transferred to each relevant holder at the Specified Office or (at the request of any such relevant holder) by courier to the Hong Kong address specified for the purpose by such relevant holder.

2.5 *No charge*

The transfer, redemption or conversion of a Convertible Note will be effected without charge by or on behalf of the Company.

2.6 *Closed period*

No Convertible Note Holder may require the transfer of a Convertible Note to be registered during the period of three (3) Business Days ending on (and including) the Maturity Date.

2.7 *Loss or destruction of Certificates*

The Company shall waive production of any Certificate in respect of a transfer, redemption or conversion (as the case may be) upon provision of evidence of the loss or destruction of such certificate as it may reasonably require (including a deed of indemnity to the Company). The Company may not decline any transfer, redemption or conversion and must register and perform its obligations with respect to such transfer, redemption or conversion of the Convertible Note(s) in accordance with these Conditions.

3. **Maturity date**

The maturity date of the Convertible Notes shall be the date falling on the fifth (5th) anniversary of the Issue Date, or if such date is not a Business Day, the Business Day immediately following such date (the "**Maturity Date**").

4. **Covenants**

4.1 *Notice of Event of Default*

The Company shall, as soon as possible and in any event within three (3) Business Days after the Company becomes aware of any Event of Default or potential Event of Default, deliver to the Convertible Note Holder(s) a written notice signed by a Director setting forth the details of the Event of Default or potential Event of Default, and the action which the Company proposes to take with respect thereto.

4.2 *General Covenants relating to the Convertible Notes*

For so long as any portion of the Convertible Notes remains outstanding, the Company undertakes that, except with the prior written consent of the Convertible Note Holder(s), it will:

4.2.1 in a timely manner, obtain all such consents and approvals, and take any such other action, as may be necessary to enable the Convertible Note Holder(s) to exercise its rights under the Convertible Notes and to ensure the continuing validity of the Convertible Notes, to the maximum extent permitted under Applicable Laws from time to time, and will comply with these Conditions; and

4.2.2 obtain and/or maintain all applicable consents and approvals which are required for the performance of its obligations under the Convertible Notes and the Instrument and will not take any action for the purpose of avoiding or seeking to avoid the performance of any of the terms to be observed or performed under these Conditions.

4.3 *Use of Proceeds*

4.3.1 The Company shall apply the proceeds from the issue of the Tranche 1 Convertible Notes for the following purposes or any such other purposes as approved by the Investor from time to time:

(a) HK\$80,000,000 will be used by the Company to subscribe for 711,521 common shares of Spark, representing approximately 35.6% of the total issued capital of Spark, which shall be utilized by Spark as capital expenditure of building of the Approved EV Charging Stations, initial operational expenses and any relevant expenses of Spark; and

(b) HK\$20,000,000 will be used for the working capital of the Company for its business operation in Hong Kong.

4.3.2 The Company shall apply the proceeds from the issue of the Tranche 2 Convertible Notes to subscribe for one (1) common share of Spark and Tranche 3 Convertible Notes to subscribe for one (1) common share of

Spark, such that the Company shall continue to own approximately 35.6% of the total issued share capital of Spark on a fully diluted basis, which shall be utilized by Spark as capital expenditure of building of the Approved EV Charging Stations for each of Tranche 2 and Tranche 3, initial operational expenses and any relevant expenses of Spark.

4.4 *General Covenants*

4.4.1 For so long as any Convertible Notes remain outstanding, the Company undertakes that, except with the prior written approval of the Investor:

- (a) it will ensure that the memorandum of association and articles of association or equivalent constitutional documents of the Company, or of any Group Company, are not amended, repealed or altered in a manner which would have, or would likely to have, an adverse impact on the Convertible Notes or the rights of the Convertible Note Holders or Shareholders;
- (b) it will maintain the listing of its Shares on the HKEX. The Company will comply with applicable rules of and any undertakings given by it to the HKEX (or any other relevant authority or authorities) in connection with the listing of any Shares on the HKEX and, without prejudice to the generality of the foregoing, will furnish or procure to be furnished all the information which such the HKEX (or any other relevant authority or authorities) may require in connection with the listing or trading of any Shares on such HKEX;
- (c) it will ensure that trading in the Shares on the HKEX is not suspended for two (2) or more consecutive Trading Days and, in the event that such suspension is (i) due to the pending announcement of any transaction or proposed transaction by any Group Company which constitutes or will constitute a notifiable transaction of the Company referred to in Chapter 19 of the Listing Rules or a connected transaction of the Company referred to in Chapter 20 of the Listing Rules, or (ii) to comply with the Hong Kong Code on Takeovers and Mergers, trading in the Shares on the HKEX is not suspended for five (5) or more consecutive Trading Days;
- (d) it will pay all the expenses in relation to the issue of and obtaining a listing for the Conversion Shares on the HKEX;
- (e) it will keep available (i) sufficient headroom under the Specific Mandate; and (ii) free from pre-emptive or other rights, out of its authorised but unissued Shares, such number of Shares as would be required to be issued upon conversion of all the Convertible Notes from time to time remaining unexercised and to satisfy in full all other rights of exercise, conversion into or exchange or subscription for Shares and shall ensure that all Shares to be issued upon the exercise of all the Convertible Notes will be duly and validly issued as fully paid and free from any Encumbrance and rank at least *pari passu* with all other Shares then in issue. If at any time there is insufficient headroom under the Specific Mandate or the number of authorised but unissued Shares shall not be sufficient to effect the

Conversion Rights in full, the Company will take such corporate action as may be necessary to increase its headroom under the Specific Mandate or authorised but unissued Shares to such number of Shares (as the case may be) as shall be sufficient for such purpose; unless required by Applicable Laws (including under the Listing Rules) it will not close its register of members or take any other action which prevents the transfer of its Shares generally except for the purpose of determining relevant Shareholders entitled to exercise shareholders' rights such as voting rights or rights as to annual or interim dividends unless, under the Laws of Cayman Islands and Hong Kong as then in effect, the Convertible Notes may be converted legally and Shares may (subject to any limitation imposed by Law) be transferred (as between transferor and transferee although not as against the Company) at all times during the period of such closure or while such other action is effective, nor take any action which prevents the conversion of the Convertible Notes or the issue of Shares (following the conversion of the Convertible Notes) in respect thereof;

- (f) it will not take any action which would result in an adjustment of the Conversion Price if, after giving effect thereto, the Conversion Price would be decreased to such an extent that the Shares to be issued on conversion of any Convertible Notes could not, under any Applicable Laws then in effect, be legally issued as fully paid;
- (g) it will, in a timely manner, obtain all such consents and approvals, and take any such other action, as may be necessary to enable the Convertible Note Holders to exercise their rights under the Convertible Notes and to ensure the continuing validity of the Convertible Notes, to the maximum extent permitted under Applicable Laws from time to time, and will comply with these Conditions;
- (h) it will obtain and/or maintain all applicable consents and approvals which are required for the performance of its obligations under the Convertible Notes and the Instrument and will not take any action for the purpose of avoiding or seeking to avoid the performance of any of the terms to be observed or performed under these Conditions;
- (i) it will ensure that the Conversion Shares to be issued upon the conversion of all the Convertible Notes will rank at least pari passu with all other Shares then outstanding, free and clear of all Encumbrances;
- (j) it will not do anything which would, or could be reasonably expected to, result in Shares being issued to the Convertible Note Holders at a discount to their nominal value;
- (k) subject to the requirements of Applicable Laws (including the Listing Rules), it will procure the Company to, at all times, provide as soon as practicable to the Convertible Note Holders all material information provided to its Shareholders (including but not limited to financial accounts, shareholders' circulars, details of material

contracts, acquisitions or disposals of assets and project progress updates), and in this regard, the foregoing obligation may be satisfied by the Company making the relevant information available on its or the HKEX's websites;

- (l) it will procure that no substantial change is made to the general nature of the business of the Company or any Group Company from that carried on as at the date of the Instrument;
- (m) if any offer is made to all Shareholders (or such holders other than the offeror and/or any company controlled by the offeror and/or persons associated or acting in concert with the offeror) to acquire all or a portion of the Shares and such offer comes to the knowledge of the Company, it will give notice of such offer to the Convertible Note Holders immediately upon the publication of the announcement in relation to such offer. It will also use all reasonable endeavours to procure that a like offer is extended in respect of the Convertible Notes or of any Shares issued upon an exercise of the Conversion Right during the period of the offer (whether such offer is by way of proposal to Convertible Note Holders or otherwise) and if such offer to Shareholders as aforesaid would otherwise give rise to an adjustment of the Conversion Price in accordance with Condition 7 (Adjustments to the Conversion Price), no such adjustment shall be effected if a like offer is extended to Convertible Note Holders or to holders of Shares that have been issued upon an exercise of the Conversion Right during the period of the offer as aforesaid. In the event that the offer becoming unconditional results in the listing of the Shares on the HKEX being withdrawn, the obligations of the Company under this Condition shall lapse;
- (n) it will procure that the Company and the Group Companies will not, make any reduction of its ordinary share capital or any uncalled liability in respect thereof or of any share premium account or capital redemption reserve fund (except, in each case, as required by Applicable Laws);
- (o) except for the conversion of the Convertible Note or the conversion of its outstanding convertible securities that were issued prior to the date of the Subscription Agreement, it will procure that no securities of the Company are converted into or exchanged for Shares, and that no rights or warrants to subscribe for or purchase Shares are exercised (except to the extent that such terms are amended as a result of and as required by any change in the Law of Hong Kong);
- (p) it will not, and will procure that none of the Company and the Group Companies will, undertake any demerger or corporate reorganisation or any steps for the purposes thereof unless the Convertible Note Holders receive replacement convertible notes or other rights acceptable to the Convertible Note Holders which in any event shall be on terms no less favourable to the Convertible Note Holders than those under these Conditions (and the Convertible Note Holders shall be entitled to obtain an opinion at the Company's expense from

an Expert confirming the terms of such replacement convertible notes or other rights);

- (q) it will not take, and will procure that none of the Company and the Group Companies takes, any steps or actions to effect a winding up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of it, or any of the Group Companies (as the case may be) or any solvent liquidation, amalgamation, merger or reorganisation of it, or any of the Group Companies (as the case may be), or to enter into a composition, assignment or arrangement with any creditor of it, or any creditor of the Group Companies (as the case may be); and
- (r) it will not, and will procure that each of the Company and the Group Companies will not, consolidate with, merge or amalgamate into or dispose or transfer all or a substantial part of its assets as an entirety to any corporation or convey or transfer its properties and assets substantially as an entirety to any person.

4.5 *Indemnification*

4.5.1 The Company shall indemnify the Investor, its Affiliates and their officers, directors, shareholders, employees and authorized persons (collectively, the "**Indemnified Persons**") against any losses, claims, damages, liabilities, judgments, fines, obligations, expenses and liabilities of any kind or nature whatsoever, including but not limited to any investigative, legal and other expenses incurred in connection with the Convertible Notes, the Instruments and the transaction contemplated thereunder.

5. **Interest**

5.1 The Convertible Notes shall accrue interest at the rate of 6% per annum (the "**Rate of Interest**") on the outstanding principal amount of the Convertible Notes and shall be payable annually starting from the end of 2nd anniversary of the initial drawdown (each, an "**Interest Payment Date**").

5.2 Without prejudice to any other provision of the Transaction Documents, for the period commencing on the date of occurrence of any Event of Default and ending on the date on which such Event of Default is remedied (if it is capable of being remedied), the Rate of Interest shall be automatically increased by 10% per annum (the "**Default Rate of Interest**") on the outstanding principal and accrued interest, payable on demand, with effect from the date of such occurrence, provided that all the other relevant Conditions in relation to payment of interest shall continue to apply. For the avoidance of doubt, if the relevant Event of Default is not capable of being remedied or is not remedied (if it is capable of being remedied), the Default Rate of Interest shall apply until the Convertible Note is converted, fully repaid, purchased and cancelled or redeemed in accordance with Condition 5.3.

5.3 Each Convertible Note will cease to bear interest where:

5.3.1 the Conversion Right in respect of such Convertible Note has been exercised, from and including the Conversion Date; or

5.3.2 where the Convertible Note has been fully repaid, purchased and cancelled or redeemed in accordance with these Conditions or otherwise as agreed between the Convertible Note Holders and the Company,

from the day on which all sums due in respect of such Convertible Note up to that day are received by or on behalf of the relevant Convertible Note Holder.

5.4 If interest is required to be paid in respect of a Convertible Note on any date other than an Interest Payment Date, the interest payable in respect of a Convertible Note shall be calculated by applying the Rate of Interest (and the Default Rate of Interest, as the case may be) to the principal amount of such Convertible Note, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest cent (half a cent being rounded upwards), where "**Day Count Fraction**" means, in respect of any period, the number of days in the relevant period divided by 365 (being the number of days to be calculated on the basis of a year of 365 days).

6. Conversion

6.1 Automatic Conversion

6.1.1 Subject to the Conversion Restriction, prior to the Maturity Date, the principal and unpaid accrued interests of the Convertible Notes shall be automatically converted into fully paid Shares of the Company listed and traded on HKEX at the Conversion Price upon the occurrence of the following (the "**Automatic Conversion**"):

- (a) Consolidated EBITDA is higher than zero(0) for a Relevant Period, and;
- (b) the Company has completed the build-out of the 1,000 Approved EV Charging Stations, and;
- (c) the total capital expenditure for building the Approved EV Charging Stations does not exceed HK\$770 million, and;
- (d) the 90 days VWAP (prior to the date of occurrence of the last Milestone) is not less than HK\$1.0 per Share (subject to adjustment, from time to time in accordance with Condition 7 (Adjustments to the Conversion Price),

(each, the "**Milestone**", and collectively the "**Automatic Conversion Milestones**").

6.1.2 Upon the occurrence of all the Automatic Conversion Milestones, the Company shall, within three (3) Business Days, complete, execute and deliver to each Convertible Note Holder an automatic conversion notice in respect of the Automatic Conversion (the "**Automatic Conversion Notice**"). The Convertible Note Holder shall deliver the relevant Conversion Notice (in the form as set out in Exhibit A1(b) to the Instrument) with the information required under the Conversion Notice (including the information of CCASS participant) to the Company no later than forty (40) Business Days following the date of the Automatic Conversion Notice, together with the Certificate

in respect of such Convertible Note, the Company shall, within two (2) Business Days following the date of the Conversion Notice, allot and issue, the Conversion Shares to the Convertible Note Holder or, subject to the Company's prior written consent, other allottees designated by the Convertible Note Holder(s) in accordance with these Conditions.

6.2 Voluntary Conversion

Without prejudice to the conversion of the Convertible Notes as set out in Condition 6.1, subject to and upon compliance with these Conditions and the Conversion Restrictions (as defined below), at any time during the Conversion Period, each Convertible Note Holder shall have the right, but not the obligation, to convert the principal and unpaid accrued interest of Convertible Notes into fully-paid Shares of the Company listed and traded on HKEX.

6.3 Conversion Price, Conversion Ratio and Conversion Period

6.3.1 Conversion Price

The price at which the Conversion Shares will be issued upon conversion (the "**Conversion Price**") shall be the lower of 80% of the 90-days VWAP or HK\$0.50 per Share (subject to any adjustments, from time to time in accordance with Condition 7 (Adjustments to the Conversion Price)).

6.3.2 Conversion Ratio

The number of Shares to be issued upon exercise of the Conversion Right attaching to any Convertible Notes shall be determined by dividing the principal amount and unpaid accrued interest of the Convertible Notes by the Conversion Price in effect on the Conversion Date.

6.3.3 Conversion Period

The "**Conversion Period**" in respect of any Convertible Note shall be the period beginning on, and including, the Issue Date and ending on, and including, the earlier to occur of:

- (a) 5:00 p.m. on the Maturity Date; and
- (b) if such Convertible Note has been called for redemption before the Maturity Date in accordance with Condition 11 (Redemption at Maturity) or Condition 12 (Redemption upon Event of Default), as the case may be, 5:00 p.m. on the day which is five (5) Business Days before the date fixed for redemption thereof,

provided, however, that:

- (i) if the Company shall default in making payment in full in respect of such Convertible Notes on the date fixed for redemption thereof, any Convertible Notes is not redeemed on the Maturity Date in accordance with Condition 11 (Redemption at Maturity), or any Convertible Note has become due and payable prior to the Maturity Date by reason of the occurrence of an Event of Default in accordance with Condition 12 (Redemption upon Event of Default),

the relevant Conversion Period shall continue up to and including the date upon which the full amount of the moneys payable in respect of such Convertible Note has been duly received by the Convertible Note holder in accordance with Condition 11 (Redemption at Maturity) or Condition 12 (Redemption upon Event of Default), as the case may be; and

- (ii) in any such case, if the last day of the Conversion Period would otherwise be a day which is not a Business Day, the last day of the Conversion Period shall be the immediately preceding Business Day.

6.4 Conversion Restrictions

6.4.1 The Company shall only allot the Convertible Shares to the Convertible Note Holder if immediately following the exercise of Conversion Rights by the Convertible Note Holder:

- (a) the Company will be able to satisfy the public float requirement under the Listing Rules;
- (b) the Convertible Note Holder and persons acting in concert with them will not be required to make a general offer under Rule 26 of the Code on Takeovers and Mergers or such obligations having been waived (regardless of whether the obligation to make general offer arises from the allotment and issue of Conversion Shares upon the exercise of the Conversion Rights under the Convertible Notes); and
- (c) the Convertible Note Holder will not be in breach of any relevant laws, rules and regulations, including but not limited to the Listing Rules and Code on Takeovers and Mergers,

(the "**Conversion Restrictions**").

6.5 Cash Settlement Top Up

6.5.1 This Condition 6.5 (*Cash Settlement Top Up*) applies if any Conversion Shares are issuable upon a Convertible Note Holder's exercise of its Conversion Right in relation to any Convertible Notes or the Automatic Conversion, and, in each case, the total number of new Shares issuable upon such exercise would otherwise exceed the then maximum number of Shares that the Company may issue at that time pursuant to the Specific Mandate or would result in a breach of any Conversion Restriction (such excess Shares, the "**Excess Shares**").

6.5.2 For the avoidance of doubt, the cash settlement top-up pursuant to this Condition 6.5 (*Cash Settlement Top Up*) (the "**Cash Settlement Top-Up**") shall apply only in respect of the Excess Shares.

6.5.3 Within the same Business Day as the date on which the Company receives a Conversion Notice from the Convertible Note Holder (such date being the "**Relevant Exercise Date**"), the Company shall send a written notice in writing in accordance with Condition 19 (*Notices*) to such Convertible Note Holder, setting out:

- (a) the principal amount and unpaid accrued interest of the Convertible Notes in respect of which the Conversion Right has been exercised;
- (b) the principal amount and unpaid accrued interest of the Convertible Notes in respect of which the Cash Settlement Top-Up applies; and
- (c) the amount of cash settlement sum payable by the Company to such Convertible Note Holder, being an amount arrived at by multiplying (a) the number of Excess Shares; by (b) the then applicable Current Market Price on the Relevant Exercise Date (the "**Cash Settlement Top-Up Amount**").

6.5.4 The Company shall pay the Cash Settlement Top-Up Amount by transfer of funds no later than two (2) Business Days immediately following the Relevant Exercise Date to the bank account of the relevant exercising Convertible Note Holder as notified by such Convertible Note Holder to the Company and in accordance with Condition 14 (Payments).

6.6 Conversion Procedure

6.6.1 *Deposit of Conversion Notice:* To exercise the Conversion Right attaching to any Convertible Note, the Convertible Note Holder must complete, execute and deposit at the Convertible Note Holder's own expense during normal business hours on any Business Day during the Conversion Period at the Specified Office a Conversion Notice, together with the Certificate in respect of such Convertible Note (such date, the "**Exercise Date**"). A Conversion Notice once deposited shall not be withdrawn without the consent in writing of the Company.

6.6.2 *Conversion Expenses:* The Company will pay all costs and expenses, including all duty, stamp, issue, registration or other similar taxes, levies, fees and duties (including any interests and penalties thereon or in connection therewith) arising in connection with the issue of the Convertible Notes, the issue of the Conversion Shares on conversion of the Convertible Note, their transfer and delivery to or to the order of the converting Convertible Note Holder (either physically or through the relevant Clearing System) and any expenses of obtaining a listing for such Conversion Shares on the HKEX, in each case as applicable, directly to the relevant authorities, and shall indemnify each Convertible Note Holder against any claim, demand, action, liability, damages, cost, loss or reasonable expense (including, without limitation, legal fees and any applicable value-added tax) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

6.6.3 *Conversion Date:* The conversion date in respect of a Convertible Note (the "**Conversion Date**") shall be the Trading Day immediately following the Exercise Date.

6.7 Registration

6.7.1 Upon the Conversion Date, the Company will, in the case of Convertible Notes converted on exercise of the Conversion Right and in respect of which a duly completed Conversion Notice has been delivered and the

relevant Certificate deposited as required by Condition 6.6.1 (*Deposit of Conversion Notice*), register the person or persons designated for the purpose in the Conversion Notice or otherwise notified in writing by the relevant Convertible Note Holder as holder(s) of the relevant number of Conversion Shares in the Company's register of members and will, if the Convertible Note Holder has also requested in the Conversion Notice or otherwise notified in writing by the relevant Convertible Note Holder, take all necessary actions to procure that the Conversion Shares are delivered through the relevant Clearing System; or, if so requested in the relevant Conversion Notice or otherwise notified in writing by the relevant Convertible Note Holder, will make a certificate or certificates in respect of the Conversion Shares available for collection at the office of the Company's share registrar in Hong Kong notified to Convertible Note Holders in accordance with Condition 19 (*Notices*) or, if so requested in the relevant Conversion Notice or otherwise notified in writing by the relevant Convertible Note Holder, will cause its share registrar to deliver by courier at the request of such person such certificate or certificates to the person and at the place specified in the Conversion Notice or otherwise notified in writing by the relevant Convertible Note Holder, 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 Applicable Laws to effect the transfer thereof, in which case a single certificate will be issued in respect of all Shares issued on conversion of the Notes subject to the same Conversion Notice and which are to be registered in the same name.

- 6.7.2 If the Conversion Date in relation to any Convertible Note shall be on or 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 (*Adjustments to the Conversion Price*), but before the relevant adjustment becomes effective under the relevant Condition, upon the relevant adjustment becoming effective the Company shall procure the issue to the converting Convertible Note Holder (or in accordance with the instructions contained in the Conversion Notice or otherwise notified in writing by the relevant Convertible Note Holder (subject to applicable exchange control or other Applicable Laws), such additional number of Conversion Shares (if any) as, together with the Shares issued or to be issued on conversion of the relevant Note, is equal to the number of Conversion Shares which would have been required to be issued on conversion of such Convertible Note if the relevant adjustment to the Conversion Price had been made and become effective on or immediately after the relevant record date.
- 6.7.3 The person or persons designated in the Conversion Notice or otherwise notified in writing by the relevant Convertible Note Holder will become the holder of record of the number of Conversion Shares issuable upon conversion with effect from the date he is or they are registered as such in the Company's register of members (the "**Registration Date**"). Save as set out in these Conditions (including but not limited to Condition 6.7.4), a holder of Shares issued on conversion of the Note shall not be entitled to any rights the record date for which precedes the relevant Registration Date. Upon delivery of the Conversion Shares in satisfaction of the Conversion

Right of any converting Convertible Note Holder and the completion of such registration in accordance with this Condition 6.7 (*Registration*), the right of such converting Convertible Note Holder to repayment of the principal of the Convertible Notes so converted shall extinguish.

- 6.7.4 If the record date for the payment of any dividend or other distribution in respect of the Conversion Shares is on or after the Conversion Date in respect of any Note but before the Registration Date, the Company will pay to the Convertible Note Holder or his designee the equivalent of an amount equal to the value of any such dividend or other distribution to which he would have been entitled had he on that record date been such a Shareholder of record in accordance with Condition 14 (*Payment*).

7. Adjustment to Conversion Price

7.1 Distributions

- 7.1.1 *Adjustment Event*: If and whenever the Company shall distribute any Distribution to the Shareholders, the Conversion Price shall be subject to adjustment in accordance with this Condition 7.1 (Distributions).

- 7.1.2 *Effective Date*: For the purposes of this Condition 7.1 (Distributions), the "Effective Date" means the first date on which the Shares are traded ex-the relevant Distribution on the HKEX or, in the case of a purchase, redemption or buy back of Shares or any depositary receipts (or any other receipts or certificates) representing Shares, the date such purchase, redemption or buy back is made or, in the case of a Spin-Off, the first date on which the Shares are traded ex-the relevant Spin-Off on the HKEX or (in any such case), if later, the date upon which the Fair Market Value of the relevant Distribution is capable of being determined as provided herein.

- 7.1.3 *Adjustment to the Conversion Price*: If and whenever the Company shall distribute any Distribution to the Shareholders, in relation to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

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

where:

A = the Current Market Price of one Share on the Effective Date;
and

B = the Fair Market Value on the Effective Date of the portion of the Distribution attributable to one Share

- 7.1.4 *Distribution per Share*: For the purposes of this Condition 7 (Adjustments to the Conversion Price), the portion of a Distribution attributable to one Share shall be determined by dividing the Fair Market Value of the Distribution by the number of Shares entitled to receive the Distribution (or, in the case of

a purchase, redemption or buy back of Shares or any depositary receipts (or other receipts or certificates) representing Shares, by the number of Shares in issue immediately following such purchase, redemption or buy back, and treating as not being in issue any Shares, or any Shares represented by depositary receipts (or other receipts or certificates), purchased, redeemed or bought back).

7.1.5 *Effect of adjustment:* The Conversion Price as adjusted pursuant to this Condition 7 (Adjustments to the Conversion Price) shall apply, with effect from and including the Effective Date, to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Conditions.

7.2 Bonus Issues

7.2.1 *Adjustment event:* If and whenever the Company shall make any Bonus Issue, the Conversion Price shall be subject to adjustment in accordance with this Condition 7.2 (Bonus Issues).

7.2.2 *Effective Date:* For the purposes of this Condition 7.2 (Bonus Issues), the "**Effective Date**" means the date of issue of the relevant Shares.

7.2.3 *Adjustment to the Conversion Price:* In relation to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

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

where:

A = the number of Shares in issue immediately before the issue of such Shares; and

B = the number of Shares in issue immediately after the issue of such Shares.

7.2.4 *Effect of adjustment:* The Conversion Price as adjusted pursuant to this Condition 7.2 (Bonus Issues) shall apply, with effect from and including the Effective Date, to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Conditions.

7.3 Alteration to Nominal Value

7.3.1 *Adjustment event:* If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation or subdivision, the Conversion Price shall be subject to adjustment in accordance with this Condition 7.3 (Alteration to Nominal Value).

7.3.2 *Effective Date:* For the purposes of this Condition 7.3 (Alteration to Nominal Value), the "Effective Date" means the date on which such alteration becomes effective.

7.3.3 *Adjustment to the Conversion Price:* In relation to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

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

where:

A = the number of Shares in issue immediately before such alteration; and

B = the number of Shares in issue immediately after such alteration.

7.3.4 *Effect of adjustment:* The Conversion Price as adjusted pursuant to this Condition 7.3 (Alteration to Nominal Value) shall apply, with effect from and including the Effective Date, to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Conditions.

7.4 **Shares, Rights and Share-Related Securities Issued to Shareholders**

7.4.1 *Adjustment event:* If and whenever the Company shall issue, grant or offer Shares, Share-Related Securities, Rights in respect of Shares or Rights in respect of Share-Related Securities to all or substantially all of the Shareholders as a class by way of rights as a result of which, in each case, Shareholders have the right to acquire Shares at a Consideration per Share which is less than the Current Market Price of the Shares on the Effective Date, the Conversion Price shall be subject to adjustment in accordance with this Condition 7.4 (Shares, Rights and Share-Related Securities Issued to Shareholders).

7.4.2 *Effective Date:* For the purposes of this Condition 7.4 (Shares, Rights and Share-Related Securities Issued to Shareholders), the "Effective Date" means the first date on which the Shares are traded ex-rights, ex-warrants or ex-options on the HKEX.

7.4.3 *Adjustment to the Conversion Price:* In relation to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

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

(a) where:

- A = the number of Shares in issue on the Business Day immediately preceding the Effective Date;
- B = the number of Shares which the Aggregate Consideration would purchase at the Current Market Price of the Shares on the Effective Date; and
- C = (1) in the case of an issue, grant or offer of Shares, the number of Shares comprised in the issue, grant or offer; or
 (2) in the case of an issue, grant or offer of Share-Related Securities or Rights, the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Share-Related Securities or Rights at the initial price or rate.

7.4.4 *Formula:* If on the date (the "**Specified Date**") of issue, grant or offer of the relevant Share-Related Securities, Rights in respect of Shares or Rights in respect of Share Related Securities, the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Share Related Securities or Rights is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time then, for the purposes of this Condition 7.4 (Shares, Rights and Share-Related Securities Issued to Shareholders), "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such subscription, purchase or acquisition had taken place on the Specified Date.

7.4.5 *Effect of adjustment:* The Conversion Price as adjusted pursuant to this Condition 7.4 (Shares, Rights and Share-Related Securities Issued to Shareholders) shall apply, with effect from and including the Effective Date, to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Conditions.

7.5 Issues of Other Securities to Shareholders

7.5.1 *Adjustment event:* If and whenever the Company shall issue or grant any securities (other than Shares, Share-Related Securities, Rights in respect of Shares, Rights in respect of Share-Related Securities or Spin-Off Securities) to all or substantially all of the Shareholders as a class by way of rights or the Company shall issue or grant any Rights in respect of any securities (other than Shares, Share-Related Securities, Rights in respect of Shares or Rights in respect of Share-Related Securities or Spin-Off Securities) or assets to all or substantially all of the Shareholders as a class, the Conversion Price shall be subject to adjustment in accordance with this Condition 7.5 (Issues of Other Securities to Shareholders).

7.5.2 *Effective Date:* For the purposes of this Condition 7.5 (Issues of Other Securities to Shareholders), "**Effective Date**" means the first date on which the Shares are traded ex-rights, ex-warrants or ex-options on the HKEX.

7.5.3 *Adjustment to the Conversion Price:* In relation to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

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

where:

A = the Current Market Price of one Share on the Effective Date;
and

B = the Fair Market Value on the Business Day immediately preceding the Effective Date of the portion of the rights attributable to one Share.

7.5.4 *Effect of adjustment:* The Conversion Price as adjusted pursuant to this Condition 7.5 (Issues of Other Securities to Shareholders) shall apply, with effect from and including the Effective Date, to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Conditions.

7.6 Issues of Shares at Below Current Market Price

7.6.1 *Adjustment event:* If and whenever the Company shall issue, wholly for cash, any Shares or the Company shall issue or grant, wholly for cash or for no consideration, Rights in respect of Shares or Rights in respect of Share-Related Securities as a result of which, in each case, persons to whom the Shares or Rights are issued or granted have the right to acquire Shares at a Consideration per Share which is less than the Current Market Price of the Shares on the date of the first public announcement of the terms of such issue or grant, the Conversion Price shall be subject to adjustment in accordance with this Condition 7.6 (Issues of Shares at Below Current Market Price). However, if any such issue or grant also falls within the terms of Condition 7.4 (Shares, Rights and Share-Related Securities Issued to Shareholders) or constitutes an issue of Shares consequent upon the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares, the Conversion Price shall not be subject to adjustment in accordance with this Condition 9.6 (Issues of Shares at Below Current Market Price).

7.6.2 *Effective Date:* For the purposes of this Condition 7.6 (Issues of Shares at Below Current Market Price), the "**Effective Date**" means the date of issue of such Shares or, as the case may be, the issue or grant of such Rights.

7.6.3 *Adjustment to the Conversion Price:* In relation to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date, the

Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

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

where:

- A = the number of Shares in issue on the Business Day immediately preceding the date of the first public announcement of the terms of such issue or grant;
- B = the number of Shares which the Aggregate Consideration would purchase at the Current Market Price of the Shares on the date of the first public announcement of the terms of such issue or grant; and
- C = (1) in the case of an issue of Shares, the number of Shares issued; or
(2) in the case of an issue or grant of Rights, the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares and, if applicable, Share-Related Securities pursuant to the terms of such Rights and, if applicable, Share-Related Securities at the initial price or rate.

7.6.4 *Formula:* If on the date (the "**Specified Date**") of issue or grant of the relevant Rights in respect of Shares or Rights in respect of Share-Related Securities the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares and, if applicable, Share-Related Securities pursuant to the terms of such Rights and, if applicable, Share-Related Securities is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time then, for the purposes of this Condition 7.6 (Issues of Shares at Below Current Market Price), "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such subscription, purchase or acquisition had taken place on the *Specified Date*.

7.6.5 *Effect of adjustment:* The Conversion Price as adjusted pursuant to this Condition 7.6 (Issues of Shares at Below Current Market Price) shall apply, with effect from and including the Effective Date, to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Conditions.

7.7 Share-Related Securities Issued Other than to Shareholders

- 7.7.1 *Adjustment event:* If and whenever the Company or any Subsidiary or (pursuant to arrangements with the Company or any of its Subsidiaries) any other person or entity shall issue, wholly for cash or for no consideration, any Share-Related Securities or shall grant to any existing securities so issued such rights as to make such securities Share-Related Securities as a result of which, in each case, persons to whom the Share-Related Securities or such rights are issued or granted have the right to acquire Shares at a Consideration per Share which is less than the Current Market Price of the Shares on the date of the first public announcement of the terms of issue of such Share-Related Securities or the terms of such grant, the Conversion Price shall be subject to adjustment in accordance with this Condition 7.7 (Share-Related Securities Issued Other than to Shareholders). However, if any such issue or grant also falls within the terms of Condition 7.4 (Shares, Rights and Share-Related Securities Issued to Shareholders), Condition 7.5 (Issues of Other Securities to Shareholders) or Condition 7.6 (Issues of Shares at Below Current Market Price), the Conversion Price shall not be subject to adjustment in accordance with this Condition 7.7 (Share-Related Securities Issued Other than to Shareholders).
- 7.7.2 *Effective Date:* For the purposes of this Condition 7.7 (Share-Related Securities Issued Other than to Shareholders) the "**Effective Date**" means the date of issue of the Share-Related Securities or the grant of the relevant rights.
- 7.7.3 *Adjustment to the Conversion Price:* In relation to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

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

where:

- A = the number of Shares in issue on the Business Day immediately preceding the date of the first public announcement of the terms of such issue or grant;
- B = the number of Shares which the Aggregate Consideration would purchase at the Current Market Price of the Shares on the date of the first public announcement of the terms of such issue or grant; and
- C = the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Share-Related Securities at the initial price or rate.

- 7.7.4 *Formula:* If on the date (the "**Specified Date**") of issue of the relevant Share-Related Securities or date of grant of such rights the maximum number of Shares which could be issued upon exercise in full of the rights

to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Share-Related Securities is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time then, for the purposes of this Condition 7.7 (Share-Related Securities Issued Other than to Shareholders), "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such subscription, purchase or acquisition had taken place on the Specified Date.

- 7.7.5 **Effect of adjustment:** The Conversion Price as adjusted pursuant to this Condition 7.7 (Share-Related Securities Issued Other than to Shareholders) shall apply, with effect from and including the Effective Date, to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Conditions.

7.8 **Amendment of Terms of Rights or Share-Related Securities**

- 7.8.1 *Adjustment event:* If and whenever the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of any Rights or Share-Related Securities are amended (other than in accordance with their terms of issue (including terms as to adjustment of such rights)) so that following such amendment the Consideration per Share is (1) reduced and (2) less than the Current Market Price of the Shares on the date of the first public announcement of the proposals for such amendment, the Conversion Price shall be subject to adjustment in accordance with this Condition 7.8 (Amendment of Terms of Rights or Share-Related Securities).
- 7.8.2 *Effective Date:* For the purposes of this Condition 7.8 (Amendment of Terms of Rights or Share-Related Securities), "**Effective Date**" means the date of amendment of such rights.
- 7.8.3 *Adjustment to the Conversion Price:* In relation to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

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

where:

- A = the number of Shares issue on the Business Day immediately preceding the date of the first public announcement of the proposals for such amendment;
- B = the number of Shares which the Aggregate Consideration (calculated taking account of the amended rights) would purchase at the Current Market Price of the Shares on the date of the first public announcement of the proposals for

such amendment (or, if lower, at the subscription, purchase or other acquisition price before the relevant amendment); and

C = the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Rights or Share-Related Securities at the amended subscription, purchase or acquisition price or rate (but giving credit in such manner as shall be Determined by an Expert to be appropriate for any previous adjustment under Condition 7.1 (Distributions), Condition 7.4 (Shares, Rights and Share-Related Securities Issued to Shareholders), Condition 7.7 (Share-Related Securities Issued Other than to Shareholders) or this Condition 7.8 (Amendment of Terms of Rights or Share-Related Securities)).

7.8.4 *Formula:* If on the date (the "Specified Date") of such amendment the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Rights or Share-Related Securities is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time then, for the purposes of this Condition 7.8 (Amendment of Terms of Rights or Share-Related Securities), "C" shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Specified Date and as if such subscription, purchase or acquisition had taken place on the Specified Date.

7.8.5 *Effect of adjustment:* The Conversion Price as adjusted pursuant to this Condition 7.8 (Amendment of Terms of Rights or Share-Related Securities) shall apply, with effect from and including the Effective Date, to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Conditions.

7.9 Demerger

7.9.1 *Adjustment event:* If and whenever the Company or any Subsidiary or (pursuant to arrangements with the Company or any of its Subsidiaries) any other person or entity shall offer any securities in connection with which offer Shareholders as a class are entitled to participate in arrangements whereby such securities may be acquired by them, the Conversion Price shall be subject to adjustment in accordance with this Condition 7.9 (Demerger). However, if any such offer also causes the Conversion Price to be adjusted within the terms of Condition 7.4 (Shares, Rights and Share-Related Securities Issued to Shareholders) or Condition 7.5 (Issues of Other Securities to Shareholders) (or would cause the Conversion Price to be so adjusted if the relevant Consideration per Share was less than the Current Market Price per Share on the relevant day), the Conversion Price shall not be subject to adjustment in accordance with this Condition 7.9 (Demerger).

7.9.2 *Effective Date*: For the purposes of this Condition 7.9 (Demerger), the "Effective Date" means the first date on which the Shares are traded ex-rights on the HKEX.

7.9.3 *Adjustment to the Conversion Price*: In relation to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in effect immediately prior to the Effective Date by the following fraction:

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

where:

A = the Current Market Price of one Share on the Business Day immediately preceding the date of the first public announcement of such offer; and

B = the Fair Market Value, on the date of the first public announcement of such offer, of the portion of such offer attributable to one Share (or if such date is not an Business Day, the immediately preceding Business Day).

7.9.4 *Effect of adjustment*: The Conversion Price as adjusted pursuant to this Condition 7.9 (Demerger) shall apply, with effect from and including the Effective Date, to each Convertible Note for which the Conversion Date has not occurred prior to the Effective Date. Any such adjustment shall be subject to any subsequent adjustment pursuant to these Conditions.

7.10 Other Events; Contemporaneous Events

7.10.1 *Adjustment event*: If any Convertible Note Holder reasonably determines that:

- (i) an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in Condition 7.1 (Distributions) to Condition 7.9 (Demerger) (even if the relevant event or circumstance is specifically excluded from the operation of Condition 7.1 (Distributions) to Condition 7.9 (Demerger)); or
- (ii) more than one event which gives rise or may give rise to an adjustment to the Conversion Price has occurred or will occur within such a short period of time that a modification to the operation of the adjustment provisions is required in order to give the intended result; or
- (iii) one event which gives rise or may give rise to more than one adjustment to the Conversion Price has occurred or will occur such that a modification to the operation of the adjustment provisions is required in order to give the intended result,

it shall notify the Company and the Company shall, at its own expense, use all reasonable endeavours to procure that such adjustment (if any)

to the Conversion Price as is fair and reasonable to take account thereof and the date on which such adjustment should take effect shall be Determined by an Expert provided that the Conversion Price may not be increased pursuant to this Condition 7.10 (Other Events; Contemporaneous Events).

7.10.2 *Effective Date*: Upon such determination, the Company shall procure that such adjustment (if any) shall be made and shall take effect in accordance with such determination.

7.10.3 *Certificate of Expert*: If any doubt shall arise as to any appropriate adjustment to the Conversion Price, the Company shall use all reasonable endeavours to procure that the appropriate adjustment shall be Determined by an Expert and a certificate from the relevant Expert as to the appropriate adjustment to the Conversion Price shall, in the absence of fraud and manifest error, be conclusive and binding on all concerned.

7.11 General Provisions regarding Adjustments

- (a) *Rounding and adjustments of less than 0.1%*: On any adjustment of the Conversion Price, the resultant Conversion Price, if not an integral multiple of HK\$0.001, shall be rounded down to the nearest whole HK\$0.001. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than 0.1% of the Conversion Price then in effect. Any adjustment not required to be made, and any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment but such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time.
- (b) *Share Option Scheme*: No adjustment shall be made to the Conversion Price where Shares or other securities (including rights, warrants or options) are issued, offered, exercised, allotted, appropriated, modified or granted to or for the benefit of, or are subscribed, purchased or otherwise acquired pursuant to the share option scheme.
- (c) *Adjustments not permitted by Law*: The Conversion Price may not be adjusted so that exercise of the Conversion Right would require Shares to be issued in circumstances not permitted by Applicable Laws.
- (d) *No upward adjustments*: The Conversion Price may not be increased pursuant to this Condition 7 (Adjustments to the Conversion Price). To the extent that an adjustment event under Condition 7 (Adjustments to the Conversion Price) is triggered and such adjustment would result in an increase to the Conversion Price, no adjustment shall be made except in the case of a consolidation of the Shares as referred to in Condition 7.3 (Alteration to Nominal Value) only.

7.12 Retroactive Adjustments

7.12.1 *Adjustment Event*: If and whenever the Conversion Price is to be adjusted pursuant to any of Condition 7.1 (Distributions) to Condition 7.9 (Demerger)

and the Conversion Date in relation to any Convertible Note is after the Record Date for any such issue, distribution, grant or offer as is mentioned in the relevant Condition but before the relevant adjustment becomes effective under the relevant Condition the Conversion Right attaching to the relevant Convertible Note shall be subject to adjustment in accordance with this Condition 7.12 (Retroactive Adjustments).

7.12.2 *Adjustment to the Conversion Right:* Upon the date on which the relevant adjustment becomes effective under the relevant Condition (the "**Retroactive Adjustment Date**") the Company shall procure that there shall be issued to the converting Convertible Note Holder or in accordance with the instructions contained in the relevant Conversion Notice such additional number of Shares (the "**Additional Shares**") as, together with the Shares issued or to be issued on conversion of the relevant Convertible Note (together with any fraction of a Share not so issued due to Condition 9 (Fractions)), is equal to the number of Shares which would have been required to be issued on conversion of such Convertible Note if the relevant adjustment to the Conversion Price had in fact been made and become effective immediately before the relevant Conversion Date. In calculating the number of any such Additional Shares the provisions of Condition 9 (Fractions) shall apply mutatis mutandis.

7.12.3 *Shares in uncertificated form:* Such Additional Shares will be delivered in uncertificated form through the relevant Clearing System if the relevant Convertible Note Holder has requested in the Conversion Notice or otherwise notified the Company in writing that it wishes to receive the Shares in uncertificated form. Where Shares are to be issued through the relevant Clearing System, they will be delivered to the account specified by the relevant Convertible Note Holder in the relevant Conversion Notice by not later than five (5) Business Days following the relevant Retroactive Adjustment Date.

7.12.4 *Shares in certificated form:* Where such Additional Shares are to be issued in certificated form, if so requested in the relevant Conversion Notice or otherwise notified in writing by the relevant Convertible Note Holder, the Company will make a certificate or certificates available for collection at the office of the Company's share registrar in Hong Kong or, if so requested in the relevant Conversion Notice or otherwise notified in writing by the relevant Convertible Note Holder, will cause its share registrar to deliver by courier at the request of such person such certificate or certificates to the person and at the place specified in the Conversion Notice or otherwise notified in writing by the relevant Convertible Note Holder, within 28 days following the relevant Retroactive Adjustment Date.

7.12.5 *Rights Arising on Conversion:* In the case of any Additional Shares, each reference in Condition 8.1 (Rights in respect of Shares issued upon conversion) to Condition 8.3 (Voting rights) to the Conversion Date shall be deemed to be a reference to the relevant Retroactive Adjustment Date.

7.13 **Aggregate Consideration and Consideration per Share**

7.13.1 *Applicability of this Condition:* For the purpose of calculating any adjustment to the Conversion Price pursuant to this Condition, in the case of any:

- (i) issue, grant or offer of Shares, Share-Related Securities, Rights in respect of Shares or Rights in respect of Share-Related Securities; or
- (ii) grant to any existing securities issued of such rights as to make such securities Share-Related Securities; or
- (iii) amendment of the terms of any Rights or Share-Related Securities (other than in accordance with their terms of issue),

the "**Aggregate Consideration**" and the "**Number of Shares**" shall be calculated or determined (if necessary) in accordance with the following provisions of this Condition 7.13 (Aggregate Consideration and Consideration per Share) and the "Consideration per Share" shall, in each case, be the relevant Aggregate Consideration divided by the relevant Number of Shares.

7.13.2 Shares for cash: In the case of an issue, grant or offer of Shares for cash:

- (i) the Aggregate Consideration shall be the amount of such cash, provided that in no such case shall any deduction be made for any commissions or any expenses paid or incurred by the Company for any underwriting of the issue or otherwise in connection therewith; and
- (ii) the Number of Shares shall be the number of Shares so issued, granted or offered.

7.13.3 Shares not for cash: In the case of the issue, grant or offer of Shares for a consideration in whole or in part other than cash:

- (i) the Aggregate Consideration shall be the amount of such cash (if any) plus the consideration other than cash, which shall be deemed to be the Fair Market Value thereof or, if pursuant to Applicable Laws such determination is to be made by application to a court of competent jurisdiction, the value thereof as determined by such court or an appraiser appointed by such court, irrespective of the accounting treatment thereof; and
- (ii) the Number of Shares shall be the number of Shares so issued, granted or offered.

7.13.4 Issue of Share-Related Securities: In the case of the issue, grant or offer of Share-Related Securities or Rights in respect of Share-Related Securities or the grant to any securities issued of such rights as to make such securities Share-Related Securities:

- (i) the Aggregate Consideration shall be:
 - (A) the consideration (if any) received by the Company for such Share-Related Securities and (if applicable) Rights or, as the case may be, such grant; plus

(B) the additional consideration (if any) to be received by the Company upon (and assuming) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Share-Related Securities at the initial price or rate and (if applicable) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Share-Related Securities pursuant to the terms of such Rights at the initial price or rate,

the consideration in each case to be determined in the same manner as provided in Conditions 7.13.2 (Shares for cash) and 7.13.3 (Shares not for cash); and

- (ii) the Number of Shares shall be the number of Shares to be issued upon (and assuming) such exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Share-Related Securities at the initial price or rate and (if applicable) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Share-Related Securities pursuant to the terms of such Rights at the initial price or rate.

7.13.5 Amendment of Share-Related Securities/Rights in respect of Share-Related Securities: In the case of the amendment of the terms of any Share-Related Securities and/or Rights in respect of Share-Related Securities (in either case, other than in accordance with their terms of issue):

- (i) the Aggregate Consideration shall be:

(A) the consideration (if any) received by the Company for such amendment; plus

(B) the additional consideration (if any) to be received by the Company upon (and assuming) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Share-Related Securities at the initial price or rate or (in the case of an amendment to the terms of such Share-Related Securities) the amended price or rate and (if applicable) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Share-Related Securities pursuant to the terms of such Rights at the initial price or rate or (in the case of an amendment to the terms of such Rights) the amended price or rate,

the consideration in each case to be determined in the same manner as provided in Conditions 7.13.2 (Shares for cash) and 7.13.3 (Shares not for cash); and

- (ii) the Number of Shares shall be the number of Shares to be issued upon (and assuming) such exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Share-Related Securities at the initial price or

rate or (in the case of an amendment to the terms of such Share-Related Securities) the amended price or rate and (if applicable) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Share-Related Securities pursuant to the terms of such Rights at the initial price or rate or (in the case of an amendment to the terms of such Rights) the amended price or rate.

7.13.6 *Rights in respect of Shares:* In the case of the issue, grant or offer of Rights in respect of Shares or the amendment of the terms of any Rights in respect of Shares (other than in accordance with their terms of issue):

- (i) the Aggregate Consideration shall be:
 - (A) the consideration received by the Company for any such Rights or, as the case may be, such amendment; plus
 - (B) the additional consideration to be received by the Company upon (and assuming) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Rights at the initial price or rate or (in the case of an amendment to the terms of such Rights) the amended price or rate,the consideration in each case to be determined in the same manner as provided in Conditions 7.13.2 (Shares for cash) and 7.13.3 (Shares not for cash); and
- (ii) the Number of Shares shall be the number of Shares to be issued upon (and assuming) the exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Rights at the initial price or rate or (in the case of an amendment to the terms of such Rights) the amended price or rate.

7.13.7 *Currency translation:* If any of the consideration referred to in any of the preceding paragraphs of this Condition 7.13 (Aggregate Consideration and Consideration per Share) is receivable in a currency other than HK\$, such consideration shall be translated into HK\$ for the purposes of this Condition 7.13 (Aggregate Consideration and Consideration per Share):

- (i) in any case where there is a fixed rate of exchange between HK\$ and the relevant currency for the purposes of the issue, grant or offer of the Shares, Share-Related Securities or Rights, the exercise of the rights to subscribe for, purchase or otherwise acquire Share-Related Securities pursuant to the terms of such Rights or the exercise of the rights to subscribe for, purchase or otherwise acquire Shares pursuant to the terms of such Rights or Share-Related Securities, at such fixed rate of exchange; and
- (ii) in all other cases, at the Screen Rate on the date as of which the said consideration is required to be calculated.

7.14 Notice of Adjustment of the Conversion Price

7.14.1 The Company shall give notice to the Convertible Note Holders in accordance with Condition 19 (Notices) of any adjustment of the Conversion Price as soon as reasonably practicable following the determination thereof. Any such notice relating to a change in the Conversion Price shall set forth the event and reasonable details giving rise to the adjustment, the Conversion Price prior to such adjustment, the adjusted Conversion Price and the computations thereof, and the effective date of such adjustment.

8. Rights arising on Conversion

8.1 *Rights in respect of Shares issued upon conversion:* Conversion Shares issued upon exercise of Conversion Rights will be delivered with full title guarantee, will be fully paid, free from any Encumbrance and, subject as provided in Conditions 8.2 (Dividends and other distributions) and 8.3 (Voting rights) and to any mandatory provisions of Applicable Laws:

8.1.1 such Conversion Shares will rank *pari passu* in all respects with all other Shares in issue on the Conversion Date;

8.1.2 such Conversion Shares will be duly listed, and be admitted to trading on the HKEX, and will be freely transferrable; and

8.1.3 the holders of such Conversion Shares will be treated by the Company as Shareholders for all purposes with effect from and including the Conversion Date.

8.2 *Dividends and other distributions:* Conversion Shares issued upon exercise of Conversion Rights will (subject to any mandatory provisions of Applicable Laws) rank *pari passu* in respect of Distributions declared, paid or made, or rights granted, with all other Shares in issue on the Conversion Date except that such Conversion Shares will not rank for any dividend or other distribution declared, paid or made on, or rights granted in respect of, the Shares for which the Record Date precedes the Conversion Date.

8.3 *Voting rights:* Shares issued upon exercise of Conversion Rights will (subject to any mandatory provisions of Applicable Laws) rank *pari passu* in respect of voting rights with all other Shares in issue on the Conversion Date except that they will not rank for any voting rights where the entitlement to voting rights accrues to Shareholders by reference to a Record Date which precedes the Conversion Date.

9. Fractions

No fractions of a Conversion Share will be issued to any Convertible Note Holder upon the conversion of Convertible Notes and the number of Conversion Shares to be issued upon such conversion of Convertible Notes shall be rounded up to the nearest whole number of Conversion Shares. If a Convertible Note Holder holds more than one Certificate upon the conversion of Convertible Notes, the number of Conversion Shares to be issued upon such conversion of Convertible Notes shall be calculated on the basis of the aggregate outstanding principal amount and unpaid accrued interest as of such portion of Convertible Notes stated

in all the Certificates which are subscribed for and rounded up to the nearest whole number of Conversion Shares.

10. Termination of Rights

All rights under the Convertible Notes shall terminate when (i) the entire principal amount and unpaid accrued interest of the Convertible Notes and any other amounts payable in relation to the Convertible Notes have been paid and received or converted in full pursuant to the terms and condition in the Condition.

11. Redemption at Maturity

- 11.1 Unless previously redeemed, or purchased and cancelled or converted as provided in these Conditions (or an outstanding Conversion Notice or EOD Redemption Notice has been served by any Convertible Note Holder/the Company (as the case may be) in accordance with these Conditions), the Convertible Note Holder will have the right to redeem all the outstanding Notes held by it on the Maturity Date, without the need for such Convertible Note Holder to serve any redemption notice, at an amount (the "**Maturity Redemption Amount**") equal to the aggregate of:

11.1.1 the aggregate principal amount of such outstanding Convertible Notes held by such Convertible Note Holder;

11.1.2 any accrued but unpaid interest on such outstanding Convertible Notes;

11.1.3 any interest at the Default Rate of Interest payable;

11.1.4 any costs and expenses actually incurred in relation to such redemption; and

11.1.5 any other amount payable by the Company in connection with or pursuant to the Transaction Documents or the Spark Security Documents.

- 11.2 The Company shall pay to the Convertible Note Holders who are redeeming the Convertible Notes in accordance with this Condition 11 (Redemption at Maturity) the relevant Maturity Redemption Amount on the Maturity Date by transfer of funds for same day value in accordance with Condition 14 (Payments).

12. Redemption upon Event of Default

- 12.1 Save as otherwise consented to or waived by the Convertible Note Holder(s), if any event set out in Condition 12.4 (each an "**Event of Default**") occurs at any time after the Issue Date, subject to the Convertible Note Holder's confirmation in writing that there is occurrence of an Event of Default, any holder of the outstanding Convertible Notes may, at its sole discretion, issue an EoD Redemption Notice to the Company to require the Company to redeem all or part of the outstanding Convertible Notes it holds at that time and such relevant amounts of the Convertible Notes shall immediately become due and repayable at the EoD Redemption Price.

- 12.2 The "**EoD Redemption Price**" payable by the Company to a Convertible Note Holder upon redemption under this Condition 12 (*Redemption upon Event of Default*) due to an Event of Default shall be calculated as follows:

- 12.2.1 the aggregate principal amount of such relevant amount of the Convertible Notes held by such Convertible Note Holder;
 - 12.2.2 any accrued but unpaid interest on such outstanding Convertible Notes;
 - 12.2.3 an amount which would make up an IRR of 16% for such Convertible Note Holder on the initial aggregate principal amount and unpaid accrued interest of the Convertible Note the subject of the redemption held by such Convertible Note Holder as of the Issue Date, calculated from (and including) the Issue Date until (and including) the EoD Redemption Date;
 - 12.2.4 any interest at the Default Rate of Interest payable;
 - 12.2.5 any costs and expenses actually incurred in relation to such redemption; and
 - 12.2.6 any other amount payable by the Company in connection with or pursuant to the Transaction Documents or the Spark Security Documents.
- 12.3 A form of notice (the "**EoD Redemption Notice**") to be issued is set out in Exhibit B of the Certificate. The EoD Redemption Notice shall specify, among other things, the following:
- 12.3.1 a description of the relevant Event of Default, by reference to the relevant paragraph(s) in Condition 12.4;
 - 12.3.2 the relevant amount of the outstanding Convertible Notes required to be redeemed;
 - 12.3.3 the date of redemption (which shall not be later than three (3) days after the delivery of the EoD Redemption Notice) (the "**EoD Redemption Date**"); and
 - 12.3.4 the EoD Redemption Price payable by the Company,
- whereupon the Company shall on the EoD Redemption Date pay or cause to be paid to each Convertible Note Holder which delivers an EoD Redemption Notice the EoD Redemption Price specified in the EoD Redemption Notice. The EoD Redemption Price payable by the Company under this Condition 12 (*Redemption upon Event of Default*) shall be paid in HKD in immediately available funds in accordance with Condition 14 (Payment). An EoD Redemption Notice, once given, shall be irrevocable and shall not be converted into Shares upon completion of Automatic Conversion Milestones in accordance with Condition 6 (Conversion).
- 12.4 An Event of Default means any of the following events:
- 12.4.1 the Company defaults in the performance or observance of any of the terms or its obligations or any covenants under the Conditions of the Convertible Notes, the Subscription Agreement, the Spark Security Documents, the Spark Shareholders Agreement, the Spark Exclusive Management Service Agreement, (including but not limited to any inaccuracy and any breach of representation and warranties by the Company, defaults in the performance of or breach of any covenants by the Company) and fails to remedy such defaults within 30 Business Days from receipt of a written notice from the

Convertible Note Holder setting out reasonable particulars of the default and remedial actions required;

- 12.4.2 any failure by the Company to issue Conversion Shares in accordance with the Instrument, Convertible Notes, the Subscription Agreement and other Transaction Documents;
- 12.4.3 the Company fails to pay any amount of principal in respect of the Convertible Note on the due date for payment thereof or fails to pay any amount of interest, or any other amount in respect of or in connection with the Convertible Note on the due date for payment thereof;
- 12.4.4 if an order is made or an effective resolution is passed or analogous proceedings are taken for the winding up of the Company or all or substantially all of the assets of the Company are expropriated or otherwise placed under the direct control of any government or the Company is unable to pay its debts when due or makes a general assignment for the benefit of its creditors or has a receiver or manager appointed over all of a substantial part of its undertaking or assets or anything similar or analogous to the foregoing occurs;
- 12.4.5 any indebtedness of any Group Company becomes (or becomes capable of being declared) due and payable prior to its stated maturity, or any Group Company fails to pay when due any amount payable by it under any guarantee or indemnity of any indebtedness;
- 12.4.6 one or more judgment(s) or order(s) for the payment of any amount (or its equivalent in any other currency or currencies), whether individually or in aggregate, is rendered against any Group Company and is unsatisfied and unstayed;
- 12.4.7 any litigation, arbitration, or administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened against any Group Company or any of their respective assets (or against the directors of any Group Company or persons designated as senior management personnel in the most recent annual report of the Company acting for and on behalf of the Company) which are reasonably likely to adversely determined;
- 12.4.8 any director or any of the chief executive officer, chief financial officer and chief operating officer of any Group Company commits any act which amounts to fraud, gross negligence or wilful misconduct in the performance of its obligations under any Transaction Document;
- 12.4.9 the conviction by a court of competent jurisdiction of any director or any of the chief executive officer, chief financial officer and chief operating officer of any Group Company for a crime committed in relation to any Transaction Document involving moral turpitude or financial dishonesty;
- 12.4.10 the Shares shall cease to be listed on the HKEX or steps are taken by or on behalf of the Company to effect such cessation or if the Shares are suspended by the HKEX for a period of 10 consecutive trading days or listing of the Shares on the HKEX are being revoked or withdrawn;

- 12.4.11 the auditors of the Company expressing a qualified opinion, or including an emphasis of matter, in the auditor's report in respect of any annual financial statements of the Company;
- 12.4.12 (i) at any time, the Spark Security or any other security is or becomes unlawful or is not, or ceases to be legal, valid, binding or enforceable or otherwise ceases to be effective; or (ii) at any time, the Convertible Note Holders cease to have a first priority security interest in the Spark Security;
- 12.4.13 any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Company lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Convertible Notes, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Transaction Documents or the Spark Security Documents admissible in evidence in the courts of the the Cayman Islands, Thailand and/or Hong Kong is not taken, fulfilled or done;
- 12.4.14 it is or will become unlawful for the Company to perform or comply with any of its obligations under or in respect of the Transaction Documents or the Spark Security Documents;
- 12.4.15 (i) all or any substantial part of the undertaking, assets and revenues of any of the Group Company is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government or (ii) Group Company is prevented by any such person from exercising normal control over all or any substantial part of its undertaking, assets and revenues.

13. Procedure for Redemption of Convertible Notes upon Event of Default

- 13.1 As soon as practicable and in any event not later than three (3) days after receipt of the EoD Redemption Notice given by the Convertible Note Holder(s) in accordance with Condition 12.3, the Company (or its nominee) shall pay the EoD Redemption Price to the Convertible Note Holder(s) on the EoD Redemption Date in accordance with Condition 14 (Payments).
- 13.2 From and after the payment in full by the Company of the relevant EoD Redemption Price for all outstanding Convertible Notes requested to be redeemed by the Convertible Note Holder(s) thereof, the Convertible Notes requested by the Convertible Note Holder(s) thereof to be redeemed will no longer be outstanding or deemed to be outstanding; and all powers, designations, preferences and other rights of the holder thereof as a holder of such Convertible Notes shall cease and terminate.
- 13.3 Notwithstanding anything in Condition 12 (*Redemption upon Event of Default*) to the contrary, each Convertible Note Holder shall retain the right in respect of any outstanding Convertible Notes subject to redemption, until the EoD Redemption Date.

14. Payments

- 14.1 All payments to be made by the Company to each Convertible Note Holder hereunder shall be made by the Company by remitting the amount to be paid in

HKD by delivery of banker's draft or cashier order drawn on a bank licensed in Hong Kong or Singapore to the relevant Convertible Note Holder at its address as specified in the register of Convertible Note Holder(s) or, at the option of the Convertible Note Holder, not later than 11:00 a.m. (Hong Kong time) on the due date in funds which are for value of that same date to the relevant Convertible Note Holder's account with a bank in Hong Kong or Singapore as may be notified by the relevant Convertible Note Holder from time to time.

- 14.2 All payments made by the Company with respect to the Convertible Notes shall be made free from any restriction or condition and be made without deduction or withholding for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Cayman Islands, Hong Kong, Singapore or any other jurisdiction or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law. In such event, the Company shall pay such additional amounts as will result in the receipt by the Convertible Note Holder(s) 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.

15. Expenses

- 15.1 The Company shall pay all administrative costs and expenses, including all stamp, issue, registration, securities transaction or other similar taxes, duties, levies and fees (if any) arising in connection with the redemption of the Convertible Notes and the cancellation and delivery of certificate(s) therefor, in each case as applicable.
- 15.2 The Company shall not be responsible for any tax which may be incurred, or as a result of the holding or dealings of the Convertible Notes and/or the Conversion Shares, by the Convertible Note Holder(s) (whether direct or indirect), including but not limited to (i) income tax, revenue tax, capital gain tax or any other taxes of similar nature which may arise or be incurred by the Convertible Note Holder(s) by reason of or in connection with the place of incorporation or place of origin of the Convertible Note Holder(s) or the place where any profit or gain attributable to the Convertible Notes and/or the Conversion Shares by the Convertible Note Holder(s) has been derived from or (ii) stamp duty, transfer tax, transaction tax or any other taxes of similar nature which may arise or be incurred by the Convertible Note Holder(s) by reason of or in connection with any transfer, sale or dealings of the Convertible Notes and/or the Conversion Shares by Convertible Note Holder(s) (to the extent permitted under applicable Articles of Association and prevailing shareholders' agreement) after completion of the Subscription Agreement (whether direct or indirect).

16. Replacement of Certificate(s)

Should any Certificate be lost, stolen, destroyed, mutilated or defaced, it may be replaced free of charge at the Registered Office upon presentation of such evidence as the Company may reasonably require. Mutilated or defaced Certificate(s) must be surrendered before replacements will be issued.

17. Company Warranties

17.1 General

17.1.1 The statements set out in Schedule 2 to the Subscription Agreement shall apply to these Conditions as if they had been set out in full herein mutatis mutandis (the "**Company Warranties**") and as if any reference therein to the "Investor" have been replaced by "the Convertible Note Holder(s)".

17.1.2 The Company represents, warrants and undertakes to the Convertible Note Holder(s) that each Company Warranty is true and accurate in accordance with their terms and not misleading as at the Issue Date, and shall thereafter be deemed to be repeated each day so long as the Convertible Notes remains outstanding by the Company in favour of the Convertible Note Holder(s) by reference to the facts and circumstances then existing on each day so long as the Convertible Notes remains outstanding.

17.2 Each of the Company Warranty shall be separate and independent and, save as expressly provided, shall not be limited by reference to any other Company Warranty or anything in this Agreement.

17.3 Change in matters represented

17.3.1 The Company shall forthwith notify the Convertible Note Holder(s) of anything which at any time has or may have rendered, or will or may render, untrue or incorrect on the terms thereunder any Company Warranty as if it had been made or given at such time with reference to the facts and circumstances then subsisting.

17.3.2 The Company shall not, and shall use its best endeavours to procure that no member of the Group shall, at any time do or omit to do anything which may cause any of the Company Warranties to be untrue on the terms thereunder.

18. **Convertible Note Holder(s)' Consent**

Where under these terms and conditions, any matter is expressed to require the consent, approval, waiver or determination of Convertible Note Holder(s), such consent, approval, waiver or determination shall be in writing and signed by or on behalf of the holder(s) of Convertible Notes.

19. **Notices**

19.1 A Notice under or in connection with this Instrument shall be:

19.1.1 in writing and in English; and

19.1.2 delivered personally, sent by fax with confirmation receipt followed by mail posted within 24 hours, sent by courier or sent by e-mail to the party due to receive the Notice at the facsimile number, address or e-mail address referred to in Condition 19.2 or such other facsimile number, address or e-mail address as a party may specify by notice in writing to the other parties received before the Notice was despatched.

19.2 For the purposes of this Condition 19 (*Notices*), a Notice shall be sent to the addresses, facsimile numbers or e-mail addresses and for the attention of those persons set out below:

19.2.1 in the case of the Company:

Address: Office Units 110-11, 11/F, New East Ocean Centre, 9 Science Museum Road, Kowloon, Hong Kong
E-mail address: karl.ho@cstl.com.hk/ alvin.lee@cstl.com.hk
Attention: Karl Ho/ Alvin Lee

19.2.2 in the case of the Convertible Note Holder(s), the address in the Register, or to such other address, or e-mail address as the relevant party may have notified to the other by not less than seven (7) days' written notice to the other party before the Notice was despatched.

19.3 Unless there is evidence that it was received earlier, a Notice is deemed given if:

19.3.1 delivered personally, when left at the address referred to in Condition 19.2;

19.3.2 sent by courier, two (2) Business Days after posting it; or

19.3.3 sent by e-mail, upon receipt.

20. **Governing Law and Jurisdiction**

20.1 The Instrument shall be governed by and construed in accordance with Hong Kong law.

20.2 The courts of Hong Kong have non-exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Instrument or its subject matter, existence, negotiation, validity, termination or enforceability.

21. **Interpretation**

21.1 Unless the context otherwise requires, the terms defined in the Subscription Agreement shall have the same meaning as those in these Conditions.

21.2 In these Conditions, unless the context otherwise requires, the following expressions shall have the following meanings:

"Additional Shares" has the meaning given to it in Condition 7.12.2 (*Adjustment to the Conversion Right*);

"Aggregate Consideration" has the meaning given to it in Condition 7.13 (*Applicability of this Condition*);

"Applicable Laws" means, in respect of any person, any laws, rules, regulations, directives, decrees, treaties, or orders of any Authority, that are applicable to and binding on such person;

"Approved EV Charging Stations" means the electric vehicle charging stations located at the gas stations operated by Bangchak as approved by the Investor;

"Articles of Association" means the memorandum of association and articles of association of the Company as amended, restated or replaced from time to time;

"Authorised Holding" has the meaning given to it in Condition 1.1 (*Form and Denomination*);

"Authorities" means any governments, courts, arbitral tribunals, governmental, regulatory or official authorities, departments or agencies of any governments, statutory or regulatory bodies, stock exchanges whether in Hong Kong or elsewhere and "Authority" means any one of them;

"Automatic Conversion" has the meaning given to it in Condition 6.1.1 (*Automatic Conversion*);

"Automatic Conversion Milestones" has the meaning given to it in Condition 6.1.1;

"Automatic Conversion Notice" has the meaning given to it in Condition 6.1.2 and substantially in the form set out in Exhibit A2 to the Instrument;

"Bonus Issue" means any issue of Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) which does not constitute a Distribution;

"Business Day" means a day on which commercial banks are open for business in Hong Kong and Singapore (excluding Saturdays, Sundays, public holidays and any week day on which Typhoon Signal No. 8 or higher is hoisted or a black rain storm warning is given in Hong Kong at any time during 9:00 a.m. to 5:00 p.m.);

"Capitalised Leases" means all leases that have been or should be, in accordance with HKFRS, recorded as capitalised leases;

"Cash Distribution" means any dividend or distribution of cash and whenever paid or made and however described;

"Cash Settlement Top-Up" has the meaning given to it in Condition 6.5.2;

"Cash Settlement Top-Up Amount" has the meaning given to it in Condition 6.5.3(c);

"CCASS" means the Central Clearing and Settlement System;

"Certificate" means the certificate in the form, or substantially in the form, set out in Schedule 1 to the Instrument;

"Clearing System" means in relation to Shares listed on the HKEX, the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;

"Closing Price" for the Shares for any Trading Day shall be the last-traded price as published in the daily quotation sheet published by HKEX for such day;

"Conditions" has the meaning specified in the preamble to these terms and conditions;

"Consolidated EBITDA" means, with respect to any period, an amount equal to the Consolidated Net Income of the Group for such period plus: (a) the following to the extent deducted in calculating such Consolidated Net Income: (i) Consolidated Interest Charges of the Group for such period; (ii) the provision for income taxes payable by the Group for such period; (iii) depreciation and amortisation expense of the Group for such period; and (iv) other non-recurring expenses of the Group reducing such Consolidated Net Income which do not represent a cash item in such period or any future period; and minus (b) the following to the extent included in calculating such Consolidated Net Income: (i) income tax credits of the Group for such period and (ii) all non-cash items increasing such Consolidated Net Income for such period, all as determined on a consolidated basis;

"Consolidated Interest Charges" means, with respect to any period, the sum of: (a) all interest, premium payments, debt discount, fees, charges and related expenses of the Group in connection with borrowed money (including capitalised interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with HKFRS; and (b) the portion of rent expense of the Group with respect to such period under Capitalised Leases that is treated as interest in accordance with HKFRS, all as determined on a consolidated basis;

"Consolidated Net Income" means, with respect to any period, the net income of the Group (excluding extraordinary gains but including extraordinary losses) for such period as determined on a consolidated basis;

"Convertible Notes" has the meaning specified in the preamble to these Conditions;

"Convertible Note Holder" means a holder of the Convertible Notes and in whose name such Convertible Notes is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof);

"Company" has the meaning specified in the preamble to the Conditions;

"Company Warranties" has the meaning given to it in Condition 17;

"Conversion Date" has the meaning given to it in Condition 6.6.3;

"Conversion Notice" means a notice substantially in the form set out in Exhibit A1(a) or A1(b) to the Instrument;

"Conversion Period" has the meaning given to it in Condition 6.3.3;

"Conversion Price" has the meaning given to it in Condition 6.3.1;

"Conversion Restriction" has the meaning given to it in Condition 6.4.1;

"Conversion Right" means the right of the Convertible Note Holders given to them to convert the Convertible Notes into fully paid Shares pursuant to and in accordance with the terms and conditions of the Conditions;

"Conversion Shares" means such Shares to be issued to the Convertible Note Holder(s) upon a conversion of the Convertible Notes, pursuant to and in accordance with the terms and conditions of the Conditions;

"Current Market Price" means, in respect of a Share at a particular date, the average of the Closing Prices for one Share (being a Share carrying full entitlement to dividend) for the five consecutive Trading Days ending on the Trading Day 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 amount of that dividend per Share; or
- (B) if the Shares to be issued in such circumstances rank for the dividend in question, 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 such similar amount,

and provided further that if the Shares on each of the said five (5) Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued 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 amount of that dividend per Share.

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

"Default Rate of Interest" has the meaning given to it in Condition 5.2;

"Determined by an Expert" means determined in good faith by an Expert acting as an expert;

"Distribution" means any dividend or distribution, whether of cash or assets in specie or other property, and 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 by way of capitalisation of reserves);

"Effective Date" has the meaning given to it in Condition 7.1.2 (Effective Date), 7.2.2 (Effective Date), 7.3.2 (Effective Date), 7.4.2 (Effective Date), 7.5.2 (Effective Date), 7.6.2 (Effective Date), 7.7.2 (Effective Date), 7.8.2 (Effective Date) or 7.9.2 (Effective Date) or 7.10.2 (*Effective Date*) (as the case may be);

"EoD Redemption Date" has the meaning given to it in Condition 12.3.3;

"EoD Redemption Notice" has the meaning given to it in Condition 12.3;

"EoD Redemption Price" has the meaning given to it in Condition 12.2;

"Equity Securities" means the Shares or ownership interests or any options, warrants or other securities that are directly or indirectly convertible into, or exercisable or exchangeable for, such Shares or ownership interests (whether or not such derivative securities are issued by the Company);

"Event of Default" has the meaning given to it in Condition 12.4;

"Excess Shares" has the meaning given to it in 6.5.1;

"Exercise Date" has the meaning given to it in Condition 6.6.1;

"Expert" means, in relation to any matter to be Determined by an Expert, an independent investment bank and/or a firm of accountants, property appraisal firm, technical expert or other relevant type of expert which is, in each case, of international repute with an office situated in Hong Kong and approved by Convertible Note Holders' Approval after consultation with the Company, appointed to act as an expert for the purposes of such matter in accordance with these Conditions;

"Fair Market Value" means,

- (A) with respect to a Cash Distribution or other cash amount the amount of such cash; and
- (B) with respect to any other property on any date, the fair market value of that property as of that date as Determined by an Expert,

provided, however, that in any such case:

- (A) where Spin-Off Securities, options, warrants or other rights are publicly traded in a market which is Determined by an Expert to have adequate liquidity, the fair market value of such Spin-Off Securities, options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such Spin-Off Securities, options, warrants or other rights during the period of five trading days on the relevant market commencing on such date (or, if later, the first such Trading Day such Spin-Off Securities, options, warrants or other rights are publicly traded) or such shorter period as such Spin-Off Securities, options, warrants or other rights are publicly traded;
- (B) any Cash Distribution declared or paid in a currency other than HK\$ shall be translated into HK\$ at the rate of exchange used to determine the amount payable to Shareholders who were paid or are to be paid the Cash Distribution in HK\$;
- (C) any other amount or value in a currency other than HK\$ shall be translated into HK\$ at the Screen Rate on that date; and
- (D) the amount or value shall be determined on a gross basis disregarding any withholding or deduction required to be made on account of tax and disregarding any associated tax credit;

"HKEX" means The Stock Exchange of Hong Kong Limited and its successors in title;

"HKFRS" means the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants;

"Indemnified Persons" has the meaning given to it in Condition 4.5.1;

"Instrument" has the meaning specified in the preamble to the Conditions;

"Investor" means Floryn Passie Limited, the initial Convertible Note Holder;

"Interest Payment Date" has the meaning given to it in Condition 5.1;

"IRR" means, in respect of any portion of the Convertible Note held by a Convertible Note Holder, the annual rate based on a 365-day period used to, at any relevant reference point in time, discount the cash flows in respect of such portion of the Convertible Note (such cash flow to include cash received by the Convertible Note Holder as a result of any redemption of such Convertible Note) to the Issue Date such that the present value of such aggregate cash flows equals zero. In particular:

- (a) the IRR will be calculated with reference to the period from the Issue Date to the later of: (i) the relevant Maturity Date or EOD Redemption Date (as the case may be) and (ii) the date on which all such cash flows in respect of the Convertible Notes are made in full;
- (b) subject to paragraph (d) below, the calculation of the IRR shall take into account the interest amount on the principal amount of the Convertible Note which has accrued and calculated at the Rate of Interest and has been paid pursuant to Condition 5.1 pursuant to the Subscription Agreement;
- (c) the calculation of the IRR shall not take into account any interest paid to a Convertible Note Holder which is calculated at the Default Rate of Interest; and
- (d) the calculation of the IRR shall be net of the any transaction costs and any applicable taxes;

"Issue Date" has the meaning specified in the preamble to the Conditions;

"Maturity Date" has the meaning given to it in Condition 3;

"Maturity Redemption Amount" has the meaning given to it in Condition 11.1 (in the case of redemptions of the Convertible Notes on the Maturity Date pursuant to Condition 11);

"Notice" means a notice given pursuant to the terms of this Instrument and shall be construed in accordance with Condition 19 (*Notices*);

"Number of Shares" has the meaning given to it in Condition 7.13.1 (Applicability of this Condition);

"Record Date" means, in respect of any entitlement to receive any dividend or other distribution declared, paid or made, or any rights granted, the record date or other due date for the establishment of the relevant entitlement;

"Rate of Interest" has the meaning given to it in Condition 5.1;

"Register" has the meaning given to it in Condition 2.1 (*Register*);

"Registered Office" means PO BO 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands on the Issue Date;

"Registration Date" has the meaning given to it in Condition 6.7.3;

"Relevant Exercise Date" has the meaning given to it in Condition 6.5.3;

"Relevant Period" means each period of 12 months ending on the last day of each quarter of the Company's financial year;

"Retroactive Adjustment Date" has the meaning given to it in Condition 7.12.2 (Adjustment to the Conversion Right);

"Rights" means, in respect of any securities or assets, any options, warrants or other rights (other than Share-Related Securities) which by their terms of issue carry a right to subscribe for, purchase or otherwise acquire such securities or assets;

"Share(s)" means any of the issued shares of the Company;

"Shareholders" mean holders of the Shares;

"Share Pledge" means the share pledge of common shares of Spark held by CB Asset One Limited as pledgor to be granted in favour of the Investor as pledgee on or about the Issue Date, pursuant to which the Company agrees to pledge the common shares of Spark to secure the obligations, liabilities and performance of the Company and the pledgor under the Transaction Documents,;

"Share-Related Securities" means any securities (excluding the Convertible Notes) which by their terms of issue:

- (A) carry a right to subscribe for, purchase or otherwise acquire Shares or any securities which by their terms of issue might be redesignated as Shares; or
- (B) might be redesignated as Shares or be redesignated so as to carry a right to subscribe for, purchase or otherwise acquire Shares;

"Specified Date" has the meanings given to it in Conditions 7.4.4 (Formula), 7.6.4 (Formula), 7.7.4 (Formula) and 7.8.4 (Formula);

"Spark" means Spark EV Company Limited, a private company incorporated under the laws of Thailand (with business registration number 0105567007786), whose registered office is at No.1840 Sukhumvit Road, Phrakhanong-Tai Sub-District, Phrakhanong District, Bangkok, Thailand;

"Spark Exclusive Management Service Agreement" means the exclusive management service agreement entered into between the Company and Spark on or about the Issue Date relating to the operation and management of Spark;

"Spark Security" has the meaning specified in Condition 1.3.1;

"Spark Shareholders Agreement" means the shareholders agreement entered into between the Investor, the Company, other shareholders of Spark and Spark on or about the Issue Date;

"Specified Office" means Office Units 1107-11, 11th Floor, New East Ocean Centre, No. 9 Science Museum Road, Kowloon, Hong Kong;

"Spin-Off Securities" means equity share capital of an entity other than the Company or options, warrants or other rights to subscribe for or purchase equity share capital of an entity other than the Company;

"Subscription Agreement" means the subscription agreement entered into among the Investor and the Company dated ____ September 2024 in relation to, among other things, the issue of the Convertible Notes;

"Trading Day" means a day when HKEX is open for dealing business, provided that if no Closing Price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days;

"Tranche 1 Convertible Notes" means the first tranche of the Convertible Notes in principal amount of Tranche 1 Subscription Price to be issued by the Company under the Subscription Agreement;

"Tranche 2 Convertible Notes" means the second tranche of the Convertible Notes in principal amount of Tranche 2 Subscription Price to be issued by the Company under the Subscription Agreement;

"Tranche 3 Convertible Notes" means the third tranche of the Convertible Notes in principal amount of Tranche 3 Subscription Price to be issued by the Company under the Subscription Agreement;

"Transaction Documents" means the Subscription Agreement, the Instrument, the Certificate, the Share Pledge and such other document(s) designated by the Investor and the Company as such;

"VWAP" means the volume weighted average price, in respect of a Share on any Business Day on the HKEX, the order book volume-weighted average price of a Share appearing on or derived from Bloomberg (or any successor service notified to Convertible Note Holder) on such Business Day of HKEX, provided that on any such Business Day of HKEX where such price is not available or cannot otherwise be determined as provided above, the VWAP of a Share in respect of such Business Day of HKEX shall be the VWAP, determined as provided above, on the immediately preceding Business Day of HKEX on which the same can be so determined;

"90-days VWAP" means the weighted average of the VWAP of the Shares traded on the HKEX for the 90 Trading Days prior to the relevant date;

"2023 Abax Loan Agreement" means the facility agreement dated 31 August 2023 entered into among, inter alia, the Company as borrower and Abax Global Capital (Hong Kong) Limited.

- 21.3 A reference to a statute or statutory provision includes a reference:
- 21.3.1 to that statute or provision as from time to time modified or re-enacted;
 - 21.3.2 to any repealed statute or statutory provision which it re-enacts (with or without modification); and
 - 21.3.3 to any orders, regulations, instruments or other subordinate legislation made under the relevant statute or statutory provision.
- 21.4 Unless the context otherwise requires:
- 21.4.1 words in the singular include the plural, and vice versa;
 - 21.4.2 words importing any gender include all genders;
 - 21.4.3 a reference to a person includes a reference to a body corporate and to an unincorporated body of persons;
 - 21.4.4 the calculation of Share numbers "**on a fully-diluted basis**" means that, unless otherwise specified, the calculation is to be made assuming that all outstanding options, warrants and other Equity Securities (including the Convertible Notes and any employee stock option plan) convertible into or exercisable or exchangeable for Shares (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged.
- 21.5 A reference to a Condition, Sub-condition or Schedule is to a condition and a sub-condition of, or a schedule, to this Instrument.
- 21.6 The headings are for convenience only and do not affect interpretation of this Instrument.
- 21.7 References in this Instrument to any matter being "approved" by any person means approval given by that person in writing.

EXHIBIT A1 (a)
FORM OF CONVERSION NOTICE

Date: _____ ("Effective Date")

To: **CORNERSTONE TECHNOLOGIES HOLDINGS LIMITED**
Attention: The Board of Directors

Re: **Conversion Notice in relation to Secured Convertible Notes in the aggregated principal amount of HK\$200,000,000 (the "Convertible Notes") of Cornerstone Technologies Holdings Limited (the "Company")**

Dear Sirs:

Capitalised terms used herein and not otherwise defined shall have the same meanings as those set forth in the convertible note instrument dated _____ 2024 (as amended and/or supplemented from time to time) and entered into by the Company to constitute the Convertible Notes (the "**Instrument**") and the terms and conditions of the Convertible Notes contained in the Instrument (the "**Conditions**") when used in this notice

We, the Convertible Note Holder, hereby deliver this Conversion Notice pursuant to Condition 6.2 of the Conditions and hereby notify the Company of the exercise of the conversion right set forth in Condition 6.2 of the Conditions, with details of such conversion as specified below:

Total principal amount: [•]

Accrued Interest: [•]

Certificate number of Convertible Notes: [•]

Conversion Price: [•]

Total number of Shares to be issued: [•]

Name and address of the person in whose name the Shares required to be delivered on conversion are to be registered: [•]

(A) The relevant number of Shares be issued in the name(s) of the person(s) whose name(s) stand(s) on the Register as the Convertible Note Holder(s) represented by the Certificate(s) and Shares be deposited into the Central Clearing and Settlement System ("**CCASS**") for credit to the following CCASS participant's stock account:

CCASS participant: [•]

CCASS participant I.D: [•]

CCASS participant's contact person: [•]

CCASS participant's contact telephone number and
fax number:

[•]

OR

(B) Issue and despatch of the certificate(s) for the Shares

- (i) The certificate(s) for the Shares be issued to the person whose name and address is given below:

Name: [•]

Address: [•]

- (ii) The certificate(s) for the Shares be despatched to the person whose name and address is given below and in the manner specified below:

Name: [•]

Address: [•]

Manner of despatch: [•]

We agree that the Conversion Shares are issued subject to the memorandum of association and the articles of association of the Company and agree to become [a] member(s) of the Company.

Yours faithfully

For and on behalf of
[Name of the Convertible Note Holder]

Name: _____
Title: _____

EXHIBIT A1 (b)
FORM OF CONVERSION NOTICE

Date: _____ ("Exercise Date")

To: **CORNERSTONE TECHNOLOGIES HOLDINGS LIMITED**
Attention: The Board of Directors

Re: **Conversion Notice in relation to Secured Convertible Notes in the aggregated principal amount of HK\$200,000,000 (the "Convertible Notes") of Cornerstone Technologies Holdings Limited (the "Company")**

Dear Sirs:

Capitalised terms used herein and not otherwise defined shall have the same meanings as those set forth in the convertible note instrument dated _____ 2024 (as amended and/or supplemented from time to time) and entered into by the Company to constitute the Convertible Notes (the "**Instrument**") and the terms and conditions of the Convertible Notes contained in the Instrument (the "**Conditions**") when used in this notice.

We, the Convertible Note Holder, in response to the Automatic Conversion Notice by the Company, hereby deliver this Conversion Notice pursuant to Condition 6.1.2 of the Conditions and hereby notify the Company of the exercise of the Conversion Right set forth in Condition 6.1 of the Conditions, with details of such conversion as specified below:

Total principal amount: [•]

Accrued Interest: [•]

Certificate number of Convertible Notes: [•]

Conversion Price: [•]

Total number of Shares to be issued: [•]

Name and address of the person in whose name the Shares required to be delivered on conversion are to be registered: [•]

(C) The relevant number of Shares be issued in the name(s) of the person(s) whose name(s) stand(s) on the Register as the Convertible Note Holder(s) represented by the Certificate(s) and Shares be deposited into the Central Clearing and Settlement System ("**CCASS**") for credit to the following CCASS participant's stock account:

CCASS participant: [•]

CCASS participant I.D: [•]

CCASS participant's contact person: [•]

CCASS participant's contact telephone number and
fax number: [•]

OR

(D) Issue and despatch of the certificate(s) for the Shares

(iii) The certificate(s) for the Shares be issued to the person whose name and
address is given below:

Name: [•]

Address: [•]

(iv) The certificate(s) for the Shares be despatched to the person whose name and
address is given below and in the manner specified below:

Name: [•]

Address: [•]

Manner of despatch: [•]

We agree that the Conversion Shares are issued subject to the memorandum of
association and the articles of association of the Company and agree to become [a]
member(s) of the Company.

Yours faithfully

For and on behalf of
[Name of the Convertible Note Holder]

Name: _____

Title: _____

EXHIBIT A2
FORM OF AUTOMATIC CONVERSION NOTICE

Date: _____

To: **[INSERT NAME OF THE CONVERTIBLE NOTE HOLDER]**
Attention: [●]

Re: **Automatic Conversion Notice in relation to Secured Convertible Notes in the aggregated principal amount of HK\$200,000,000 (the "Convertible Notes") of Cornerstone Technologies Holdings Limited (the "Company")**

Dear Sirs:

Capitalised terms used herein and not otherwise defined shall have the same meanings as those set forth in the convertible note instrument dated _____ 2024 (as amended and/or supplemented from time to time) and entered into by the Company to constitute the Convertible Notes (the "**Instrument**") and the terms and conditions of the Convertible Notes contained in the Instrument (the "**Conditions**") when used in this notice.

We, the Company, hereby (i) confirm that the Automatic Conversion Milestones have occurred (details and supporting documents evidencing such occurrence are enclosed herein); and (ii) deliver this Automatic Conversion Notice pursuant to Condition 6.1.2 of the Conditions and hereby notify the Convertible Note Holder of the exercise of the Conversion Right set forth in Condition 6.1 of the Conditions, with details of such conversion as specified below:

Total principal amount:	[●]
Accrued Interest:	[●]
Certificate number of Convertible Notes:	[●]
Conversion Price	[●]
Total number of Shares to be issued:	[●]
Name and address of the person in whose name the Shares required to be delivered on conversion are to be registered:	[●]

If you wish to exercise the Conversion Right, you shall deliver the Conversion Notice with the information required under the Conversion Notice (including the information of CCASS participant) to the Company no later than [forty (40) Business Days] following the date of this Automatic Conversion Notice, together with the Certificate in respect of such Convertible Note.

Yours faithfully

For and on behalf of
CORNERSTONE TECHNOLOGIES HOLDINGS LIMITED

Name: _____
Title: _____

EXHIBIT B
FORM OF EoD REDEMPTION NOTICE

To: CORNERSTONE TECHNOLOGIES HOLDINGS LIMITED
Attention: The Board of Directors

Date:

Secured Convertible Notes in the aggregated principal amount of HK\$200,000,000 (the "**Convertible Notes**")

Words and expressions used in the Instrument dated _____ (as amended and/or supplemented from time to time) entered into by Cornerstone Technologies Holdings Limited (the "**Company**") to constitute the Convertible Notes (the "**Instrument**") and the terms and conditions of the Convertible Notes contained in the Instrument have the same meanings when used in this notice.

Reference is made to Condition 12.1 of the Conditions, the relevant Event of Default being [•], we, being the undersigned Convertible Note Holder(s) of the Convertible Notes of such principal amount specified below and evidenced by the Certificate(s) referred to below, hereby elect to have the Convertible Notes of such principal amount redeemed.

1. **Amount and certificate numbers of the Convertible Notes to which this notice applies:**

Amount of the Convertible Notes being redeemed:

Certificate number(s) of the Convertible Notes:

2. **EoD Redemption Date:**

3. **EoD Redemption Price:**

4. The EoD Redemption Price payable by the Company will be transferred to the following bank account:

Account no: [•]

Account name: [•]

Bank: [•]

Signed by)
for and on behalf of)
[Name of the Convertible Note Holder])

**EXHIBIT C
FORM OF TRANSFER**

FOR VALUE RECEIVED.....,

being the registered holder of this Certificate, hereby transfers to

.....

of.....

.....

.....(the **"Transferee"**) HK\$
..... in aggregate principal amount of the HK\$200,000,000 secured convertible note (the **"Convertible Note"**) of Cornerstone Technologies Holdings Limited (the **"Company"**) and irrevocably requests and authorises the Company to effect the relevant transfer by means of appropriate entries in the Register kept by it.

Dated:

By:

Duly authorised for and on behalf of
[Name of Convertible Note Holder]

Note

The name of the person by or on whose behalf this form of transfer is signed must correspond with the name of the registered holder as it appears on the face of this Certificate.

- (a) A representative of such registered holder should state the capacity in which he signs, e.g. executor.
- (b) Any transfer of the Convertible Note shall be in an amount equal to at least HK\$500,000 and integral multiples thereof, except where this form of transfer applies to a Convertible Note Holder's entire holding of Convertible Note.
- (c) By signing this form of transfer, the Transferee hereby consents to the disclosure of its/his/her information and details (including but not limited to its/his/her personal information, if applicable) as set out in the Register to the other Convertible Note Holder (if any and whether within or outside Hong Kong) pursuant to the Conditions.
- (d) The contents of the Instrument (including the Conditions) have not been reviewed by any regulatory authority. You are advised to exercise caution in relation to the Instrument (including the Conditions) and/or any acquisition of the Convertible

Note. If you are in any doubt about any of the contents of the Instrument (including the Conditions), you should obtain independent professional advice.

IN WITNESS whereof this Instrument has been executed by the Company and is intended to be and is hereby delivered on the date first before written.

THE COMMON SEAL of)
CORNERSTONE TECHNOLOGIES)
HOLDINGS LIMITED)
was hereunto affixed to this Deed)
in accordance with its Articles of Association)
in the presence of:)
)

Name:
Title:

Name of Witness:
Address of Witness:

SCHEDULE 4

Form of the Share Pledge

DATED: _____ 2024

Between

**CB ASSET ONE LIMITED
(AS THE PLEDGOR)**

AND

**FLORYN PASSIE LIMITED
(AS THE PLEDGEE)**

SHARE PLEDGE

Relating to common shares held by the Pledgor in
SPARK EV COMPANY LIMITED



27/F Alexandra House
18 Chater Road
Central

Hong Kong SAR
Tel: 2803 3688
Fax: 2803 3618

HOYL/AKCC/JYTL/G.00752.00012

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THIS DEED is made on _____ 2024

BETWEEN

1. **CB ASSET ONE LIMITED**, a company incorporated in Hong Kong, with limited liability (with business registration number 75365021), whose registered office is at Office Units 1107-11 , 11th Floor, New East Ocean Centre, No. 9 Science Museum Road, Kowloon, Hong Kong (the "**Pledgor**"); and
2. **FLORYN PASSIE LIMITED**, a company incorporated in Hong Kong with limited liability (with business registration number 75400261), whose registered office is at 18/F, 68 Yee Wo Street, Causeway Bay, Hong Kong (the "**Pledgee**" which expression includes its successors and permitted assigns)

each a "**Party**" and together the "**Parties**".

BACKGROUND:

- (A) The Pledgor is a wholly owned subsidiary of Cornerstone Technologies Holdings Limited ("**Cornerstone**"), which is a company whose issued shares are listed on the GEM of The Stock Exchange of Hong Kong Limited under the stock code: 8391.
- (B) Pursuant to a subscription agreement entered into between Cornerstone and the Pledgee dated ____ September 2024, the Pledgee agrees to subscribe up to HK\$200 million convertible notes issued by Cornerstone (the "**CN Subscription**").
- (C) In connection to the CN Subscription, Cornerstone agrees to pledge and charge the Pledged Assets (as defined below) to the Pledgee to secure the obligations, liabilities and performance of Cornerstone and the Pledgor under the Transaction Documents (as defined below).
- (D) The Parties are each sophisticated investors and amicable business partners, and therefore wish to enter into this Deed in connection with the CN Subscription to set out the commercial and arm's length arrangement between them.

THIS DEED WITNESSES THE FOLLOWING:

1 INTERPRETATION

1.1 Definitions

The following terms shall have the following meanings:

"Authorisation" means:

- (a) an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, lodgement or registration; or

	(b) in relation to anything which will be fully or partly prohibited or restricted by law if a Governmental Agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.
"Business Days"	means a day (other than a Saturday or Sunday) on which banks are open for general business in Hong Kong and Singapore.
"Delegate"	means a delegate or sub-delegate appointed under Clause 9.2.
"Dividend"	means, in respect of the Pledgor, all present and future: <ul style="list-style-type: none"> (a) dividends and distributions of any kind including cash dividends, stock dividends, liquidating dividends, non-cash dividends and any other sum received or receivable in respect of any of the Shares owned by the Pledgor; (b) rights, shares, money or other assets accruing or offered by way of stock splits or reclassifications redemption, bonus, option or otherwise in respect of any of the Shares owned by the Pledgor; (c) allotments, offers, warrants and rights accruing or offered in respect of any of the Shares owned by the Pledgor; and (d) other rights and assets attaching to, deriving from or exercisable by virtue of the ownership of, any of the Shares owned by the Pledgor.
"Enforcement Notice"	means any written notice given by the Pledgee to the Pledgor after the occurrence of a breach of any Transaction Document.
"Governmental Agency"	means any government or any governmental agency, semi-governmental or judicial entity or authority (including, without limitation, any stock exchange or any self-regulatory organisation established under statute).
"Hong Kong"	means Hong Kong Special Administrative Region of the People's Republic of China.

“HKD”	means the lawful currency for the time being of Hong Kong.
“Party”	means a party to this Deed.
“Pledged Company”	means Spark EV Company Limited, a private company incorporated under the laws of Thailand (with business registration number 0105567007786), whose registered office is at No.1840 Sukhumvit Road, Phrakhanong-Tai Sub-District, Phrakhanong District, Bangkok, Thailand.
“Pledged Assets”	means the assets pledged, charged or assigned to the Pledgee by this Deed.
“Pledges”	means all or any of the Security created or expressed to be created by or pursuant to this Deed.
“Receiver”	means a receiver and/or manager (and/or any other analogous person under any relevant jurisdiction, including a judicial manager, administrative receiver, administrator or provisional supervisor) appointed pursuant to this Deed in respect of the Pledged Assets.
“Related Rights”	<p>means, in relation to the Shares:</p> <ul style="list-style-type: none"> (a) any proceeds of sale, transfer or other disposal, lease, licence, sub-licence, or agreement for sale, transfer or other disposal, lease, licence or sub-licence, of the Shares; (b) any moneys or proceeds paid or payable deriving from the Shares including any dividends and returns of capital; (c) any rights, claims, guarantees, indemnities, Security or covenants for title in relation to the Shares; (d) any awards or judgments in favour of the Pledgor in relation to the Shares; (e) any other assets deriving from, or relating to the Shares; and (f) all allotments, rights, benefits and advantages (including all voting rights) at any time accruing, offered or arising in respect of or incidental to the Shares and all money or property accruing or offered at any time by

way of conversion, redemption, bonus, preference, option, Dividend, distribution, interest or otherwise in respect of the Shares.

- “Security”** means a charge, assignment, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.
- “Secured Liabilities”** means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Pledgor to the Pledgee under the Transaction Documents.
- “Secured Party”** means the Pledgee, a Receiver or any Delegate.
- “Security Period”** means the period beginning on the date of this Deed and ending on the date on which the Secured Liabilities have been irrevocably and unconditionally paid and discharged in full and in accordance with the provisions of this Deed.
- “Shares”** means:
- (a) all present and future shares in the Pledged Company which are owned (whether legally or beneficially) by the Pledgor, including all the shares issued and outstanding as at the date of this Deed described in Column D of Schedule 2 which are owned (whether legally or beneficially) by the Pledgor (the **“Original Shares”**) (which includes shares in the Pledged Company or other property in respect of the Original Shares resulting from, or following, any stock split, sub-division, consolidation, re-classification, bonus issue or conversion in respect of the Pledged Company’s share capital, received or to be received by the Pledgor); and
 - (b) all options, warrants (if permissible under Applicable Laws) or other rights to subscribe for, purchase or otherwise acquire the Original Shares.
- “Tax”** means any tax, levy, impost, duty, fee or costs or any other charge or withholding of a similar nature or any other imposts and assessments, imposed by federal, state, provincial, municipal or local authorities (including any penalty or interest payable

in connection with any failure to pay or any delay in paying any of the same, mining canon and fees for the supply of government services, such as -but not limited to- registration fees charged by public registries).

"Transaction Documents"

means

- (a) the Subscription Agreement relating to the CN Subscription;
- (b) this Deed;
- (c) instrument in respect of the Convertible Notes;
- (d) any ancillary documents relating to this Deed and the documents in (a) to (c) above; and
- (e) any other document designated as such by the Parties.

1.2 Construction

1.2.1 Unless a contrary indication appears, any reference or references in this Deed to:

- (a) the singular includes the plural and vice versa;
- (b) **"Pledgee"**, **"Pledgor"** and **"Party"** and any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
- (c) any form of property or asset shall include a reference to all or any part of that property or asset;
- (d) **"assets"** includes present and future properties, revenues and rights of every description;
- (e) Pledged Assets include the proceeds of sale of the Pledged Assets;
- (f) a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium or partnership (whether or not having separate legal personality);
- (g) any agreement or instrument is a reference to that agreement or instrument (as applicable), as amended, novated, supplemented, extended or restated;
- (h) **"including"** shall be construed as **"including without limitation"** (and cognate expressions shall be construed similarly);

- (i) a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (j) a provision of law is a reference to that provision as amended or re-enacted from time to time;
- (k) a time of day is a reference to Hong Kong time;
- (l) a reference to "determines" or "determined" means a determination made in the absolute and sole discretion of the Pledgee;
- (m) Clauses and Schedules are to clauses of and schedules to this Deed;
- (n) this Deed shall be construed as a reference to any separate or independent stipulation or agreement contained in it;
- (o) words importing one gender shall be construed as including every gender;
- (p) the Pledgee shall have the sole and absolute right to decide (acting reasonably) on the materiality of any issue, matter or thing having regard to all information in the possession of or available to the Pledgee. Such determination by the Pledgee shall be conclusive in the absence of manifest error.

1.2.2 Section, Clause and Schedule headings are for ease of reference only.

1.2.3 The words "**other**", "**or otherwise**" and "**whatsoever**" shall not be construed ejusdem generis or be construed as any limitation upon the generality of any preceding words or matters specifically referred to.

1.2.4 If the Pledgee considers that an amount paid to it under the Transaction Documents or any Pledge is capable of being avoided or otherwise set aside on the liquidation of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.

1.2.5 Unless a contrary indication appears, a term used in the Transaction Documents or in any notice given under or in connection with the Transaction Documents has the same meaning in the Transaction Documents or notice as in this Deed.

1.2.6 Any covenant of the Pledgor under this Deed (other than a payment obligation) remains in force during the Security Period.

1.2.7 The Pledgee and the Pledgor intend this Deed to take effect as a deed of the Pledgor (notwithstanding that the Pledgee may have executed it under hand only).

2 **CREATION OF SECURITY INTEREST**

2.1 Pledge

As continuing security for the due and punctual payment and discharge of all Secured Liabilities, the Pledgor:

- 2.1.1 as legal and beneficial owner, pledges the Shares in favour of the Pledgee;
- 2.1.2 as legal and beneficial owner, assigns, grants and agrees to assign absolutely to the Pledgee by way of security all the Pledgor's rights title and interest from time to time in and to all Related Rights;
- 2.1.3 All Security created under this Deed is created in favour of the Pledgee.

2.2 Retention of documents

Subject to the release of any documents upon partial release pursuant to Clause 15, the Pledgee shall be entitled to continue to hold any document delivered to it pursuant to Clause 3.3 until the Pledge is released and if, for any reason (other than pursuant to Clause 15), it releases any such document to the Pledgor or the Pledged Company before such time, the Pledgor and the Pledged Company (as the case may be) shall hold such document(s) as agent for the Pledgee, and the Pledgee may by notice to the Pledgor require that such document be redelivered to it and the Pledgor shall immediately comply with that requirement or procure that it is complied with.

3 RESTRICTIONS AND FURTHER ASSURANCE

3.1 Security

The Pledgor shall not create or attempt to create or permit to subsist any Security over or affecting the Pledged Assets or any part of them, except as created by this Deed and unless with the prior written consent of the Pledgee.

3.2 Disposal

The Pledgor shall not (and shall not agree to) enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, withdraw, transfer, assign or otherwise dispose of the Pledged Assets or any part of them, save for any withdrawal of Dividends permitted under Clause 4.3.1.

3.3 Delivery of documents

- 3.3.1 The Pledgor shall deliver or procure that there shall be delivered to the Pledgee the following documents upon the execution of this Deed which may be held by the Pledgee until the Pledges are released:
 - (a) share certificate(s) in respect of the Shares in suitable form for transfer by delivery and a certified copy of the share register book of the Pledged Company showing the Pledgor as registered owner of the Shares and the record of such Pledges;

- (b) 3 sets of each of the duly executed instruments of transfer in respect of the Shares substantially set out in the form set out in Schedule 3 but, in each case, with the dates and names of the transferees left blank;
- (c) a signed but undated letter of resignation of all the directors who are nominated by the Pledgor of the Pledged Company substantially in the form set out in Schedule 4;
- (d) a signed and dated letter of authority and undertaking from all the directors who are nominated by the Pledgor of the Pledged Company substantially in the form set out in Schedule 5;
- (e) a duly executed and dated deed of appointment of proxy and power of attorney from the Pledgor substantially in the form set out in Schedule 6; and
- (f) a signed and dated confirmation from the Pledged Company to the Pledgee substantially in the form set out in Schedule 7; and
- (g) a signed notice and a countersigned notice in the form set out in Schedule 8 (Notice to the Pledged Company); and

3.3.2 In addition, the Pledgor shall deliver or procure that there shall be delivered to the Pledgee all other documents the Pledgee considers necessary or desirable to enable the Pledgee to enforce the Pledges over the Pledged Assets after the delivery of an Enforcement Notice.

3.3.3 The Pledgor shall promptly (and in any event within three (3) Business Days after such acquisition or receipt) deliver to the Pledgee certificates or other instruments representing or evidencing the Pledged Assets acquired or received after the date of this Deed and a certified copy of the updated share register book of the Pledged Company showing the Pledgor as registered owner of the Pledged Assets and the record of such Pledges.

3.3.4 At any time after the Pledges have become enforceable, the Pledgee shall have the right to complete, date and put into effect the documents referred to in subparagraphs 3.3.1(b) to 3.3.1(c) and 3.3.2 above and to appoint such persons as the Pledgee shall think fit as directors of the Pledged Company.

3.4 **Registration of Security**

The Pledgor shall:

3.4.1 promptly after the date of this Deed, procure that the following notation be entered on the share register books of the Pledged Company:

"The shares numbered nos. [] evidenced by Certificate No.[] held by CB ASSET ONE LIMITED (the "Pledgor"), are subject to pledges in favor of FLORYN PASSIE LIMITED (the "Pledgee") pursuant to the Share Pledge Agreement dated _____ 2024.";

- 3.4.2 as soon as reasonably practicable following the date of this Deed, and in any event within three (3) Business Days of the date of this Deed, the Pledgor shall provide the Pledgee with a certified true copy of the share register book of the Pledged Company showing the entry of the pledge over the Shares;
- 3.4.3 at any time, promptly upon request, execute over all or any of the Pledged Assets' legal assignment in favour of the Pledgee in such form as the Pledgee shall require;
- 3.4.4 promptly after the date of this Deed:
- (a) create and maintain a register of charges (the "**Register of Charges**") of Pledgor to the extent this has not already been done;
 - (b) promptly, and in any event within three (3) Business Days of the date of this Deed (or such other time as agreed by the Pledgee), enter the particulars of this Deed in the Register of Charges and deliver a certified true copy of the updated Register of Charges to the Pledgee;
 - (c) promptly, in any event within two (2) calendar weeks of the date of this Deed (or such other time as agreed by the Pledgee), effect registration, or assist the Pledgee in effecting registration, of the particulars of this Deed with the Hong Kong Companies Registry pursuant to section 335 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) by making the required filing, or assisting the Pledgee in making the required filing, provide confirmation in writing to the Pledgee that such filing has been made; and
 - (d) promptly on receipt, and in any event within one (1) month of this Deed (or such other time as agreed by the Pledgee), deliver or procure to be delivered to the Pledgee, an original of the certificate of registration of charge issued by the Hong Kong Companies Registry
- 3.4.5 shall take all such action as may be available to the Pledgor for the purpose of creating, perfecting or maintaining the security created or intended to be created pursuant to this Deed including the obtaining of any necessary consent (in form and content satisfactory to the Pledgee) to enable the Pledgor's assets to be mortgaged, pledged, charged or assigned pursuant to this Deed. Immediately upon obtaining any necessary consent the asset concerned shall become subject to the security interest created by this Deed, the Pledgor shall promptly deliver a copy of each such consent to the Pledgee.

3.4.6 **New Shares or New Share Certificate**

The Pledgor undertakes with the Pledgee that if at any time (before the Secured Liabilities have been irrevocably paid or discharged in full) by reason of share transfers or changes in registered capital, any existing Shares are transferred or any additional or new shares are issued to the Pledgor (the "**Additional Shares**") or a new share certificate or instrument representing the Shares pledged under this Agreement (the "**New Certificate**") is issued to the Pledgor, the Pledgor shall as soon as possible and no later than three (3) Business Days

following the receipt by the Pledgor of such Additional Shares and/or such New Certificate, cause such Additional Shares and/or such New Certificate to be pledged and delivered to the Pledgee in accordance with the terms of this Deed and at the cost of the Pledgor. Such Additional Shares and/or such New Certificate shall be deemed to be included within the definition of "**Shares**" for all purposes herein and the procedure set forth in Clause 3.4 shall be complied with in relation to such Additional Shares and/or such New Certificate.

3.5 Further assurance

The Pledgor shall at its own expense promptly do whatever the Pledgee requires:

- 3.5.1 to perfect (by registration or in any other way), create, maintain or protect the Pledge or the priority of the Pledge;
- 3.5.2 to facilitate the realisation of the Pledged Assets or the exercise of any rights vested in the Pledgee, any Delegate or any Receiver after the Pledge becomes enforceable; and/or
- 3.5.3 to adequately protect the Pledgee's interest under this Deed.

3.6 Changes in directors

- 3.6.1 If a person nominated by the Pledgor is appointed as a new director of the Pledged Company, the Pledgor shall, on or prior to such appointment becoming effective, procure that such director (and, in addition in the case of the document described in sub-paragraph 3.3.1(d), each other director) signs and delivers to the Pledgee the documents described in sub-paragraphs 3.3.1(b) to 3.3.1(f) of Clause 3.3.
- 3.6.2 If a person is removed or resigns as a director of the Pledged Company, the Pledgor shall, on or prior to such removal or resignation becoming effective, procure that such each other remaining director of the Pledged Company signs and delivers to the Pledgee the document described in sub-paragraph 3.3.1(d) of Clause 3.3.

4 PLEDGED ASSETS

4.1 Voting and other rights until the Pledges become enforceable

Until the Pledges have become enforceable, the Pledgor shall be entitled to exercise or direct the exercise of the voting and other rights attached to the Shares as the Pledgor sees fit provided that:

- (a) the Pledgor does so for a purpose not inconsistent with the Transaction Documents; and
- (b) the exercise or failure to exercise those rights would not have a material adverse effect on the value of the Shares and would not otherwise prejudice the interests of the Pledgee.

4.2 Voting and other rights if the Pledges become enforceable

At any time after the Pledges become enforceable, the Pledgor shall comply or procure the compliance with any directions of the Pledgee in respect of the exercise of those rights and shall promptly following a written request by the Pledgee execute and/or deliver to the Pledgee such forms of proxy as it may require in connection with that exercise.

4.3 Dividends

4.3.1 Until the Pledges have become enforceable, the Pledgor shall be entitled to retain all Dividends.

4.3.2 When the Pledges have become enforceable, the Pledgor shall pay all Dividends to the Pledgee immediately upon receiving the dividends, and shall not permit the dividends to be paid to any third party or to be used for any purpose other than paying the Pledgee.

4.3.3 All Dividends received by the Pledgor contrary to the provisions of this Clause 4.3 shall be:

- (a) held in trust for the benefit of the Pledgee;
- (b) segregated from other property or funds of the Pledgor; and
- (c) forthwith delivered to the Pledgee in the same form as so received (with any necessary endorsement).

4.3.4 The Pledgor shall promptly notify the Pledgee of the Pledgor's acquisition of, or agreement to acquire, any Shares in the Pledged Company and any declaration, payment, allotment, offer or issue of any Dividend.

4.4 Communications

The Pledgor shall, as soon as practicable after receipt, deliver to the Pledgee a copy of every circular, notice, report, set of accounts or other documents received by the Pledgor or the Pledgor's nominee in connection with the Shares or in connection with or from the issuer of any of the Shares.

4.5 Payment of calls etc.

The Pledgor must promptly pay or procure the payment of all calls, instalments or other payments due and payable in respect of any of the Pledged Assets ("Call"). If the Pledgor fails to pay any Call within the time required, the Pledgee has the right (but is not obliged) to pay any or all Call on behalf of the Pledgor, and the Pledgor agrees to pay the Pledgee the amount of the Call paid by the Pledgor, on the basis that the Pledgor's obligation to pay such amount of the Call shall be regarded as one of the Secured liabilities.

4.6 Exchange certificates

The Pledgee shall have the right at any time to exchange certificates or instruments representing or evidencing Pledged Assets for certificates or instruments of smaller or larger denominations to represent any smaller or larger number of Shares that may be issued to the Pledgor, as may be reflected on the share register books of the Pledged Company from time to time.

5 GENERAL UNDERTAKINGS

5.1 Authorisations

5.1.1 The Pledgor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the Pledgee of,
- (c) any Authorisation required under any law or regulation of the Pledgor's jurisdiction of incorporation to enable the Pledgor to perform its Secured Liabilities under this Deed and to ensure the legality, validity, enforceability or admissibility in evidence in the Pledgor's jurisdiction of incorporation of this Deed.

5.1.2 The Pledgor shall promptly make or file any of the registrations specified in Clauses 3.4 within any prescribed time limit(s), if any.

5.2 Compliance with laws

The Pledgor shall comply in all respects with all laws to which the Pledgor is subject, if failure so to comply would materially impair the Pledgor's ability to perform any of its Secured Liabilities under this Deed.

5.3 No prejudicial conduct

The Pledgor shall not do, or permit to be done, anything which would (in the opinion of the Pledgee) depreciate, jeopardise or otherwise prejudice the Pledges or diminish the value of the Pledged Assets or the effectiveness of the Pledges.

5.4 No change in ownership

5.4.1 The Pledgor shall procure that there shall be no increase or reduction in the number of authorised or issued shares, no change in the registered office, no change to the share register books and no appointment of any further directors or officers, in each case, of the Pledged Company without the prior consent in writing of the Pledgee.

5.4.2 The Pledgor must not cease to legally and beneficially own the Pledged Assets or otherwise cease to control the Pledged Company or have the Pledgor's voting power in the Pledged Company as of the date of this Deed reduced or diluted in any manner whatsoever without the prior consent in writing of the Pledgee.

5.5 Merger

The Pledgor shall not and shall ensure that the Pledged Company shall not, enter into any amalgamation, demerger, merger or corporate reconstruction in respect of the Pledged Company, except with the prior consent in writing of the Pledgee.

5.6 Change of business

The Pledgor shall procure that no material change is made to the purpose or scope of the business of the Pledged Company from that carried on at the date of this Deed, except with the prior consent in writing of the Pledgee.

5.7 Loans and guarantees

The Pledgor shall procure and ensure that the Pledged Company shall not make any loan or grant any credit or give any guarantee or indemnity (except as required under the Transaction Documents) to or for the benefit of any person or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any person, except with the prior consent in writing of the Pledgee.

6 REPRESENTATIONS AND WARRANTIES

The Pledgor makes the following representations and warranties below to the Pledgee on the date of this Deed:

6.1 Status and capacity

The Pledgor represents and warrants that:

- 6.1.1 it is a company, duly incorporated with limited liability, validly existing and in good standing under its jurisdiction of incorporation; and
- 6.1.2 it has the power to own its assets and carry on its business as it is being conducted.

6.2 Binding obligations

The obligations expressed to be assumed by the Pledgor in this Deed and any other documents executed by the Pledgor pursuant to or in connection with this Deed are legal, valid, binding and enforceable.

6.3 Non-conflict with other obligations

The entry into and performance by the Pledgor of, and the transactions contemplated by, this Deed or any other Transaction Documents do not and will not conflict with or constitute a default under or a breach of:

- 6.3.1 any law or regulation applicable to the Pledgor;
- 6.3.2 the constitutional documents of the Pledgor and the Pledged Company; or

- 6.3.3 any agreement or instrument binding upon the Pledgor or any of the Pledgor's assets,

nor (except for the Pledges) result in the existence of, or oblige the Pledgor to create, any Security over any of the Pledged Assets.

6.4 Power and authority

The Pledgor has the power to enter into, perform and deliver, and has taken all necessary action(s) to authorise its entry into, performance and delivery of, this Deed and any other documents executed by it pursuant to or in connection with this Deed.

6.5 Validity and admissibility in evidence

All Authorisations required or desirable to:

- 6.5.1 enable the Pledgor lawfully to enter into, exercise the Pledgor's rights and comply with the Pledgor's obligations in this Deed;
- 6.5.2 make this Deed admissible in evidence in the Pledgor's jurisdiction of incorporation; and
- 6.5.3 enable the Pledgor to create the Pledges and to ensure that the Pledges have and will have the priority and ranking which they are expressed to have,

have been obtained or effected and are in full force and effect, save for the making of the appropriate filings of this Deed in accordance with Clause 3.4 which shall be completed promptly within the relevant time limit (if any).

6.6 Legal and beneficial ownership

The Pledgor is the sole beneficial and legal owner of the Pledged Assets.

6.7 Shares fully paid etc.

- 6.7.1 The Shares described in Schedule 2 and to the extent applicable, the other Pledged Assets, are duly authorised, validly issued and fully paid and are not subject to any option to purchase or similar rights.
- 6.7.2 The Shares described in Schedule 2 constitute 35.6% of the issued common shares of the Pledged Company.
- 6.7.3 The Pledged Assets are transferable and not subject to any restriction by any laws, contract or binding arrangement with any third party (including any conditional or unconditional outstanding option, warrant or other convertible, subscription, acquisition or purchase rights granted to any person) or otherwise.

6.8 No proceedings pending or threatened

No litigation, investigation, arbitration or administrative proceedings of or before any court, arbitral body or agency is pending or, threatened by or against the

Pledgor with respect to this Deed or the transaction contemplated by this Deed or which has or could reasonably be expected to have a material adverse effect on the Pledgor's ability to observe any of the Secured Liabilities.

6.9 No existing Security

Except for the Pledges, no Security exists on or over the Pledged Assets and the Pledges are not subject to any prior or *pari passu* Security.

6.10 Jurisdiction

Any judgment obtained in Hong Kong in relation to this Deed will be recognised and be enforceable by the courts of the Pledgor's jurisdiction of incorporation.

6.11 Nature of Security

This Deed creates the Security it purports to create and is not liable to be amended or otherwise set aside on the Pledgor's liquidation, insolvency, winding-up or otherwise.

6.12 Pari passu ranking

The Pledgor's payment obligations under this Deed rank at least *pari passu* with the claims of all the Pledgor's other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to the Pledgor generally.

6.13 Immunity

6.13.1 The Pledgor's entry into this Deed constitutes, and the exercise by the Pledgor of its rights and performance of its Secured Liabilities under this Deed will constitute, private and commercial acts performed for private and commercial purposes.

6.13.2 The Pledgor will not be entitled to claim immunity from suit, execution, attachment or other legal process in any proceedings taken in any jurisdiction in relation to this Deed.

6.14 No adverse consequences

6.14.1 It is not necessary under the laws of any jurisdiction in which the Pledgor is incorporated or holds any asset or carries on any business:

- (a) in order to enable the Pledgee to enforce its rights under this Deed; or
- (b) by reason of the entry into by the Pledgee or the performance by the Pledgor of its Secured Liabilities under this Deed,

that the Pledgee should be licensed, qualified or otherwise entitled to carry on business in any jurisdiction in which the Pledgor is incorporated.

6.14.2 The Pledgee is not or will not be deemed to be resident, domiciled, incorporated or carrying on business in any jurisdiction in which the Pledgor is domiciled or incorporated by reason only of the entry into, performance and/or enforcement of this Deed.

6.15 Times for making representations and warranties

6.15.1 The representations and warranties set out in this Deed (including in this Clause) are made on the date of this Deed.

6.15.2 Unless a representation and warranty is expressed to be given at a specific date, each representation and warranty under this Deed is deemed to be repeated by the Pledgor on each date during the Security Period.

6.15.3 When a representation and warranty is repeated, it is applied to the circumstances existing at the time of repetition.

7 ENFORCEMENT

7.1 When enforceable

The Pledges shall be enforceable and, save as may be provided in this Deed, the powers conferred to in this Deed shall be exercisable following the delivery of an Enforcement Notice.

7.2 Enforcement

If any of the Pledges under this Agreement are enforced, the Shares must be sold by way of public auction at any price, and the money received shall be used to pay all amounts payable to the Pledgee under the Transaction Documents. If such auction proceeds (net of costs of the auction) exceed the amount payable to the Pledgee under the Transaction Documents, the Pledgee shall return the balance to the Pledgor.

7.3 No liability as mortgagee in possession

Nothing done by or on behalf of the Pledgee or any Receiver pursuant to this Deed shall render it liable to account as a mortgagee in possession for any sums, except in the case of gross negligence, fraud or wilful misconduct on the part of the Pledgee.

7.4 Vicarious liability

The Pledgor may not take any proceedings against any director, officer, employee or agent of the Pledgee in respect of any claim the Pledgor might have against the Pledgee or in respect of any act or omission of any kind (including fraud) by that officer, employee or agent in relation to this Deed or the Pledges.

8 WIDE CONSTRUCTION OF ENFORCEMENT POWERS

The powers of the Pledgee under this Deed shall be construed in the widest possible sense and all Parties intend that the Pledgee shall have powers as may be conferred (or, if not expressly conferred, as is not restricted) by any applicable law.

9 PLEDGEE'S RIGHTS

9.1 Rights of Pledgee

At any time after the Pledges become enforceable, the Pledgee shall have the rights set out in Schedule 1.

9.2 Delegation

9.2.1 The Pledgee may delegate in any manner to any person any rights exercisable by the Pledgee under this Deed. Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as the Pledgee thinks fit.

9.2.2 Any Receiver may delegate in any manner to any person any rights exercisable by the any Receiver under this Deed. Any such delegation may be made upon such terms and conditions (including power to sub-delegate) as any Receiver thinks fit.

9.3 Other

The Pledgee shall not be obliged to exercise any of the rights or powers vested in it by this Deed.

10 ORDER OF DISTRIBUTIONS

10.1.1 All amounts received or recovered by the Pledgee, any Receiver or any Delegate in exercise of their rights under this Deed shall be applied in the following order of priority:

- (a) in or towards payment of or provision for all costs and expenses incurred by the Pledgee, any Receiver or any Delegate under or in connection with the Transaction Documents and of all remuneration due to any Delegate under or in connection with this Deed;
- (b) in or towards payment of or provision for all of the Secured Liabilities;
- (c) in or towards payment of or provision for any Secured Liabilities not covered in paragraphs (a) and (b) above; and
- (d) in payment of the surplus (if any) to the Pledgor or other person entitled to it.

10.1.2 This Clause is subject to the payment of any claims having priority over the Pledges and does not prejudice the right of the Pledgee to recover any shortfall from the Pledgor.

11 LIABILITY OF THE PLEDGEE AND DELEGATES

11.1.1 No Pledgee, Receiver or Delegate shall (either by reason of taking possession of the Pledged Assets or for any other reason and whether as mortgagee in possession or otherwise) be liable to the Pledgor or any other person for any costs, losses, liabilities or expenses relating to the realisation of any Pledged Assets, save for any gross negligence, fraud or wilful misconduct of the Pledgee, any Receiver, any Delegate or their respective officers, employees or agents in relation to the Pledged Assets.

11.1.2 Nothing in this Deed shall be construed as placing on the Pledgee any liability whatsoever in respect of any calls, instalments or other payments relating to any of the Pledged Assets or any rights, shares or other securities accruing, offered or arising as aforesaid, and the Pledgor shall indemnify the Pledgee in respect of all calls, instalments or other payments relating to any of the Pledged Assets owned by the Pledgor and to any rights, shares and other securities accruing, offered or arising as aforesaid in respect of any of the Pledged Assets.

12 POWER OF ATTORNEY

12.1 Appointment

The Pledgor by way of security irrevocably appoints the Pledgee and every Delegate and any Receiver severally as the Pledgor's attorney (with full power of substitution) on its behalf and in its name or otherwise, at such time and in such manner as the attorney thinks fit:

12.1.1 to do anything which the Pledgor is obliged to do under this Deed (including to execute charges over, transfers, conveyances, assignments and assurances of, and other instruments, notices, orders and directions relating to, the Pledged Assets); and

12.1.2 to exercise any of the rights and powers conferred on the Pledgee or any Receiver or any Delegate in relation to the Pledged Assets or under this Deed or under any applicable law.

12.2 Removal

The Pledgee may by writing under its hand remove any Delegate appointed by it and may, whenever it thinks fit, appoint a new Delegate in the place of any Delegate whose appointment may for any reason have terminated.

12.3 Ratification

The Pledgor ratifies and confirms and agrees to ratify and confirm whatever any such attorney shall do in the exercise or purported exercise of the power of attorney granted by the Pledgor in Clause 12.1.

13 COVENANT TO PAY

13.1 Covenant to pay or discharge Secured Liabilities

The Pledgor covenants that it shall on demand pay or discharge the Secured Liabilities when the Secured Liabilities become due and to indemnify the Pledgee against any losses, costs, charges, expenses and liabilities arising from any breach or failure to pay or discharge the Secured Liabilities in accordance with their respective terms (which indemnified sums shall be treated as Secured Liabilities for the purposes of this Deed).

13.2 Potential invalidity

Neither the covenant to pay in Clause 13.1, nor the Pledges shall extend to or include any liability or sum which would, but for this Clause 13.2, cause such covenant or security to be unlawful under any applicable law.

14 SAVING PROVISIONS

14.1 Continuing Security

Subject to Clause 15, the Pledges are continuing Security and will extend to the ultimate balance of the Secured Liabilities, regardless of any intermediate payment or discharge in whole or in part.

14.2 Reinstatement

If any payment by the Pledgor or any discharge given by the Pledgee (whether in respect of the obligations of any person or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

14.2.1 the liability of the Pledgor and the Pledges shall continue as if the payment, discharge, avoidance or reduction had not occurred;

14.2.2 the Pledgee shall be entitled to recover the value or amount of that security or payment from the Pledgor, as if the payment, discharge, avoidance or reduction had not occurred; and

14.2.3 the amount paid shall not be considered to have been paid for the purposes of determining whether all the Secured Liabilities have been irrevocably and unconditionally paid and discharged in full.

14.3 Waiver of defences

Neither the obligations of the Pledgor under this Deed nor the Pledges will be affected by any act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of the Pledgor's obligations under this Deed or any of the Pledges (without limitation and whether or not known to the Pledgor or the Pledgee) including:

14.3.1 any time, waiver or consent granted to, or composition with, the Pledgor or any other person;

14.3.2 the release of the Pledgor or any other person under the terms of any composition or arrangement with any creditor of the Pledgor or any such person;

- 14.3.3 the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce any rights against, or security over assets of, the Pledgor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- 14.3.4 any death, mental or other incapacity or lack of power or authority of the Pledgor or any other person;
- 14.3.5 any amendment (however fundamental) or replacement of the Transaction Documents or any other related document or Security;
- 14.3.6 any unenforceability, illegality or invalidity of any obligation of any person under the Transaction Documents or any other related document or Security;
- 14.3.7 any insolvency, bankruptcy, liquidation, winding-up or similar proceedings (as applicable); or
- 14.3.8 any other Security, guarantee or indemnity now or thereafter held by the Pledgee or any other person in respect of the Secured Liabilities or any other liabilities.

14.4 Immediate recourse

The Pledgor waives any right it may have of first requiring the Pledgee to proceed against or enforce any other rights or Security or claim payment from any person before claiming from the Pledgor under this Deed. This waiver applies irrespective of any law to the contrary.

14.5 Appropriations

Until all the Secured Liabilities have been irrevocably paid in full and all financing or facilities which might give rise to the Secured Liabilities have been terminated or redeemed, the Pledgee (or any trustee or agent on its behalf) may:

- 14.5.1 refrain from applying or enforcing any other moneys, Security or rights held or received by it (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Pledgor shall not be entitled to the benefit of the same; and
- 14.5.2 hold in a suspense account any moneys received from the Pledgor or on account of the Pledgor's liability under this Deed.

14.6 Deferral of Pledgor's rights

Until all the Secured Liabilities have been irrevocably paid or discharged in full, the Pledgor will not exercise any rights which the Pledgor may have by reason of performance by the Pledgor of its obligations under this Deed to:

- 14.6.1 be indemnified by any person;

14.6.2 claim any contribution from any other provider of any Security for or any other guarantor of any person's Secured Liabilities under or in connection with the Transaction Documents; and/or

14.6.3 take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Pledgee (or any trustee or agent on its behalf) or of any guarantee or other Security taken pursuant to, or in connection with, the Transaction Documents.

The Pledgor must hold in trust for and immediately pay or transfer to the Pledgee for any payment or distribution or benefit of any Security received by the Pledgor contrary to this Clause or in accordance with any directions given by the Pledgee under this Clause.

14.7 Additional Security

14.7.1 The Pledges are in addition to and are not in any way prejudiced by any other guarantees or Security now or subsequently held by the Pledgee.

14.7.2 No prior Security held by the Pledgee (in its capacity as such or otherwise) over any Pledged Assets will merge into the Pledges.

14.8 Security held by Pledgor

The Pledgor must not, without the prior consent in writing of the Pledgee, hold any Security from any other Obligor in respect of the Pledgor's liability under this Deed. The Pledgor will hold any Security held by it in breach of this provision on trust for the Pledgee.

15 DISCHARGE OF SECURITY

15.1 Release

15.1.1 Subject to Clause 15.2, after the Secured Liabilities have been irrevocably paid or discharged in full or as required or permitted by the Transaction Documents, the Pledgee shall at the request and cost of the Pledgor promptly release, reassign or discharge (as appropriate) the relevant Pledged Assets from the Pledges within thirty (30) Business Days.

15.1.2 Where any of the Pledged Assets has been disposed of or realised by the Pledgee pursuant to its enforcement powers under this Deed, the Pledgee shall only be obliged to return the share certificate(s) then representing the remaining Pledged Assets not yet disposed of or realised by the Pledgee pursuant to its enforcement powers under this Deed (but not necessarily the original share certificates originally delivered to the Pledgee by the Pledgor) with the instruments of transfer duly executed in favour of the Pledgor or such other person as the Pledgor may direct.

15.2 Retention of Security

If any amount paid or credited to the Pledgee under this Deed is capable of being avoided or otherwise set aside on the liquidation or bankruptcy of the

Pledgor or any other person, or otherwise, that amount shall not be considered to have been paid for the purposes of determining whether all the Secured Liabilities have been irrevocably paid.

15.3 Consolidation

Any restrictions on the consolidation of Security shall be excluded to the fullest extent permitted by law and the Pledgee shall, so far as it is lawful and subject to other provisions of this Deed, be entitled to consolidate all or any of the Pledges with any other Security whether in existence on the date of this Deed or in the future.

16 EXPENSES, STAMP DUTY AND INTEREST

16.1 Amendment costs

If the Pledgor requests an amendment, waiver or consent, the Pledgor shall, within three (3) Business Days of demand, reimburse the Pledgee (and its directors, officers, employees and agents) for the amount of all costs and expenses (including legal fees) reasonably incurred by the Pledgee in responding to, evaluating, negotiating or complying with that request.

16.2 Enforcement costs

The Pledgor shall, within three (3) Business Days of demand, pay to the Pledgee (and its directors, officers, employees and agents) the amount of all costs, losses, liabilities and expenses (including legal fees and fees of any experts and agents) incurred by the Pledgee, any Receiver or any Delegate in relation to this Deed (including the administration, protection, realisation, enforcement or preservation of any rights under or in connection with this Deed, or any consideration by the Pledgee as to whether to realise or enforce the same, and/or any amendment, waiver, consent or release).

16.3 Stamp taxes

The Pledgor shall pay and, within seven (7) Business Days of demand, indemnify the Pledgee (and its directors, officers, employees and agents) against any cost, loss or liability it incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of this Deed.

17 TAX GROSS UP

17.1 Definitions

In this Clause 17:

"Tax Deduction" means a deduction or withholding for or on account of Tax from a payment under this Deed.

"Tax Payment" means an increased payment made by the Pledgor to the Pledgee under Clause 17.2.

17.2 Tax gross-up

- 17.2.1 The Pledgor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.
- 17.2.2 The Pledgor shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Pledgee accordingly.
- 17.2.3 If the Tax Deduction is required by law to be made by the Pledgor, the amount of the payment due from the Pledgor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- 17.2.4 If the Pledgor is required to make a Tax Deduction, the Pledgor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- 17.2.5 Within thirty (30) days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Pledgor shall deliver to the Pledgee evidence satisfactory to the Pledgee that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

18 INDEMNITIES

18.1 Indemnities

To the fullest extent permitted by applicable law, the Pledgor shall indemnify the Pledgee (and its directors, officers, employees and agents), any Receiver and any Delegate against all losses, liabilities, damages, costs and expenses incurred by it or them in the execution or performance of the terms and conditions of this Deed and against all actions, proceedings, claims, demands, costs, charges and expenses (including legal fees and fees of any experts or agents) which may be incurred, sustained or arise in respect of the non-performance or non-observance of any of the undertakings and agreements of the Pledgor in this Deed or in respect of any matter or thing done or omitted relating in any way whatsoever to the Pledged Assets, including losses, liabilities, damages, costs and expenses suffered or incurred in connection with:

- 18.1.1 the perfection, preservation, protection, enforcement, realisation or exercise, or attempted perfection, preservation, protection, enforcement, realisation or exercise, of any Security created, or any powers conferred, by this Deed or by law;
- 18.1.2 the exchange of any share certificate(s) or other documents of title in respect of the Pledged Assets of any denomination(s) for any share certificate(s) or other documents of title of other denomination(s); and
- 18.1.3 the Pledged Assets being deemed not to be freely transferable or deliverable or to be defective,

except to the extent such losses, liabilities, damages, costs and expenses suffered or incurred are caused by the gross negligence, fraud or wilful misconduct of the Pledgee (and its directors, officers, employees and agents), Receiver and Delegate, and, for the avoidance of doubt, each of the indemnities in this paragraph shall survive discharge of the Secured Liabilities.

18.2 Indemnities separate

Each indemnity in this Deed shall:

- 18.2.1 constitute a separate and independent obligation from the other obligations in the Transaction Documents;
- 18.2.2 give rise to a separate and independent cause of action;
- 18.2.3 apply irrespective of any indulgence granted by any person;
- 18.2.4 continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any Secured Liabilities or any other judgment, order claim or proof for a liquidated amount; and
- 18.2.5 apply whether or not any claim under it relates to any matter disclosed by the Pledgor or otherwise known to the Pledgee.

19 SET-OFF

The Pledgee may set off any matured obligation due from the Pledgor under this Deed or any other Transaction Documents against any matured obligation owed by the Pledgee to the Pledgor under this Deed or any other Transaction Documents, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Pledgee may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

20 RIGHTS, AMENDMENTS, WAIVERS AND DETERMINATIONS

20.1 Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of the Pledgee or any Delegate any right or remedy under this Deed shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

20.2 Amendments and waivers

Any term of this Deed may be amended or the observance of any term of this Deed may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the prior written consent of the Pledgee and the Pledgor.

20.3 Pledgor's Waiver

The Pledgor waives, to the extent permitted under applicable law, all rights the Pledgor may otherwise have to require that the Pledges be enforced in any particular order or manner or at any particular time or that any sum received or recovered from any person, or by virtue of the enforcement of any of the Pledges or any other Security, which is capable of being applied in or towards discharge of any of the Secured Liabilities is so applied.

21 PARTIAL INVALIDITY

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

22 NOTICES

22.1 Communications in writing

22.1.1 Any notice required or permitted pursuant to this Deed (including service of any court documents such as a writ of summons originating summons, summons or statutory demand) shall be given in writing and shall be given either personally or by sending it by next-day or second-day courier service, email, or similar means to the address of the relevant Party as provided in Clause 22.2 below (or at such other address as such Party may designate by five (5) Business Days' advance written notice to the other Party given in accordance with this Clause 22).

22.2 Addresses

The addresses and email addresses for service of a notice in connection with this Deed are:

To the Pledgee:

Address: 18/F, 68 Yee Wo Street, Causeway Bay, Hong Kong
Email: herbinkoh@gawcapital.com
Attention: Herbin Koh

To the Pledgor:

Address: Office Units 1107-11, 11th Floor, New East Ocean Centre,
No. 9 Science Museum Road, Kowloon, Hong Kong
Email: karl.ho@cstl.com.hk ; alvin.lee@cstl.com.hk
Attention: Karl Ho / Alvin Lee

22.3 Deemed notice

Any notice, demand or other communication so addressed to the relevant Party shall be deemed to have been delivered (a) if delivered by hand, at the time of

delivery; and (b) if sent by pre-paid post, on the fourth (4th) Business Day after the time of posting. If a communication would otherwise be deemed to have been delivered outside normal business hours (after 5:30 p.m. on a Business Day) in the time zone of the territory of the recipient under the preceding provisions of this Clause 22, it shall be deemed to have been delivered at 9:30 a.m. on the next opening of business in the territory of the recipient. In proving service of a communication, it shall be sufficient to show that delivery by hand was made or that the envelope containing the communication was properly addressed and posted as a pre-paid letter.

22.4 Electronic communication

22.4.1 Any communication to be made between the Parties under or in connection with this Deed may be made by electronic mail or other electronic means to the extent that the Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if the Parties:

- (a) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and
- (b) notify each other of any change to their address or any other such information supplied by them by not less than fifth (5) Business Days' notice.

22.4.2 Any electronic communication made between the Parties will be effective only when actually received in readable form and in the case of any electronic communication made by the Pledgor to the Pledgee only if it is addressed in such a manner as the Pledgee shall specify for this purpose.

22.4.3 Any electronic communication which becomes effective, in accordance with Clause 22.4.2 above, after 5:30 p.m. in the place of receipt shall be deemed only to become effective on the following day.

23 CHANGES TO PARTIES

23.1 No transfer by the Pledgor

Unless with the prior written consent of the Pledgee (which consent may be given or withheld at the absolute discretion of the Pledgee), the Pledgor shall not and shall not agree to transfer or assign all or any part of the Pledgor's rights and/or obligations under this Deed to any person.

23.2 Transfer by the Pledgee

23.2.1 The Pledgee may at any time transfer or assign all or any part of its rights and/or obligations under this Deed to any person.

23.2.2 The Pledgor agrees to execute all documents and take all action that may be required by the Pledgee in respect of any assignment or transfer, or proposed assignment or transfer, at the costs of the Pledgee. Any such assignee or transferee shall be and be treated as a Party for all purposes of this Deed and

shall be entitled to the full benefit of this Deed to the same extent as if it were an original party in respect of the rights or obligations assigned or transferred to it.

23.2.3 Notwithstanding any transfer or assignment by the Pledgee pursuant to the Transaction Documents and/or this Clause 23.2, the Pledgor's obligations under Clause 23.2.2 above will continue for the benefit of the assignee or successor of the Pledgee.

23.3 Assignments and transfers

The Pledgor:

23.3.1 upon request of the Pledgee or any successor Pledgee, will execute and authorise the Pledgee to execute on the Pledgor's behalf any and all instruments for fully vesting in and confirming to the successor Pledgee all such rights and obligations; and

23.3.2 by way of security irrevocably authorises the Pledgee to execute on the Pledgor's behalf any document the Pledgee considers necessary in relation to the creation, or maintenance of the Pledges and any transfer or assignment contemplated by this Deed or any other Transaction Documents.

24 COUNTERPARTS

This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

25 GOVERNING LAW AND DISPUTE RESOLUTIONS

25.1 Governing Law

This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong.

25.2 Dispute Resolution

25.2.1 The courts of Hong Kong have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed including, a dispute regarding the existence, validity, interpretation, performance, breach or termination thereof or the consequences of its nullity, or any dispute regarding non-contractual obligations arising out of or relating to it (including a dispute regarding the existence, validity or termination of this Deed) (a "**Dispute**").

25.2.2 The Parties agree that the courts of Hong Kong are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary. The Pledgor agrees not to argue to the contrary and waives objection to those courts on the grounds of inconvenient forum or otherwise in relation to proceedings in connection with this Deed.

25.2.3 This Clause 25.2 is for the benefit of the Pledgee only. As a result, the Pledgee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Pledgee may take concurrent proceedings in any number of jurisdictions.

26 THIRD PARTY RIGHTS

26.1 The rights expressly conferred on each Receiver and each Delegate of the Pledgee or a Receiver under this Deed are enforceable by each of them under the Contracts (Rights of Third Parties) Ordinance (Cap 623 of the Laws of Hong Kong).

26.2 Subject to Clause 26.1 above, other term of this Deed is enforceable under the Contracts (Rights of Third Parties) Ordinance (Cap 623 of the Laws of Hong Kong) by anyone who is not a party to this Deed.

26.3 The Parties to this Deed may terminate this Deed or vary any of its terms without the consent of any third party. However, they may not terminate this Deed or vary any of its terms if this would have the effect of terminating or adversely affecting the rights of a Receiver or of a Delegate of the Pledgee or a Receiver under this Deed without its consent, but only to the extent that the Party has notified the Pledgee that the Party intends to enforce that clause at the time of the termination or variation.

27 WAIVER OF IMMUNITY

The Pledgor irrevocably and unconditionally:

- (a) agrees that if the Pledgee brings proceedings against the Pledgor or the Pledgor's assets in relation to this Deed, no immunity from those proceedings (including suit, attachment prior to judgment, other attachment, the obtaining of judgment, execution or other enforcement) will be claimed by or on behalf of the Pledgor or with respect to the Pledgor's assets;
- (b) waives any such right of immunity which the Pledgor or the Pledgor's assets now has or may subsequently acquire; and
- (c) consents generally in respect of any such proceedings to the giving of any relief or the issue of any process in connection with those proceedings, including the making, enforcement or execution against any assets whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in those proceedings.

**SCHEDULE 1
RIGHTS OF PLEDGEE**

After any of the Pledges become enforceable, the Pledgee may:

1. sell the Pledged Assets by public auction or do any other acts in accordance with any other means as applicable by relevant laws; and
2. enforce the Pledges over any or all of the Pledged Assets to be sold, as the Pledgee deems appropriate.

SCHEDULE 2
SHARES AS AT THE DATE OF THIS DEED

Column A	Column B	Column C	Column D	Column E	Column F
The Pledged Company	Place of incorporation of the Pledged Company	Name of registered shareholder (s)	No. of shares	% of issued and outstanding shares of the Pledged Company	Share Certificate Number[s]
Spark EV Company Limited	Thailand	CB Asset One Limited	711,521	35.6%	

SPARK EV COMPANY LIMITED (the “Company”)

(hereinafter called "the said Transferee") do hereby transfer to the said Transferee the

Witness our hands the day of

For and on behalf of
CB ASSET ONE LIMITED

[*] signs here ►

Signature:

Authorized signatory

(Transferor)

For and on behalf of

Signature:

Authorized signatory

(Transferee)

**SCHEDULE 4
FORM OF LETTER OF RESIGNATION**

Date:

SPARK EV COMPANY LIMITED (the “**Company**”)

Dear Sirs

Resignation

I hereby tender my unconditional and irrevocable resignation as director of the Company with effect from the date of this letter. I confirm that I have no claims whatsoever against the Company for compensation for loss of office or for fees or otherwise howsoever.

The resignation is to be effective as at the date hereof.

SIGNED, SEALED and DELIVERED by)

[Name of director of Pledged Company])

)

)

SCHEDULE 5
FORM OF LETTER OF AUTHORITY AND UNDERTAKING

Date:

To: **Floryn Passie Limited** (and its successors or permitted assigns) as Pledgee

Dear Sirs

SPARK EV COMPANY LIMITED (the “**Company**”)

I irrevocably authorise you or any of your officers to complete, date and put into effect the attached resignation letter signed by me and in accordance with the provisions of the Share Pledge (the “**Share Pledge**”) relating to, *inter alia*, the Company dated _____.

I hereby authorise you to send them to the Company’s registered office thereby terminating my directorship of the Company without compensation for loss of office.

I confirm that you may delegate the authority conferred by this letter to any of your successors and assigns as Pledgee.

Yours faithfully,

by [Name of Director of Pledged Company]

**SCHEDULE 6
FORM OF PROXY AND POWER OF ATTORNEY**

To: Chairperson of the meeting of shareholders no. []/[] of Spark EV Company Limited (the "**Company**")

We, CB ASSET ONE LIMITED, a shareholder of [711,521] shares from shares nos. [] to [] in the Company, hereby appoint Floryn Passie Limited, with power of substitution, as our proxy to attend and vote for us at the general meeting no. []/[] of the Company and at any adjournment thereof.

IN WITNESS whereof this proxy has been duly executed this day of .

_____**SHAREHOLDER**

CB ASSET ONE LIMITED

_____**PROXY HOLDER**

SCHEDULE 7
FORM OF CONFIRMATION FROM THE PLEDGED COMPANY

Date:

Floryn Passie Limited (and its successors or permitted assigns) as Pledgee (the "**Pledgee**")

Dear Sirs,

SPARK EV COMPANY LIMITED (the "**Company**")

We refer to the Share Pledge dated _____ (the "**Share Pledge**") entered into between you as Pledgee and CB Asset One Limited as pledgor (the "**Pledgor**") whereby, among other things, the Pledgor granted a fixed charge over the Pledgor's interest in the Shares (as defined in the Share Pledge) in the Company in favour of the Pledgee.

Unless otherwise defined herein, terms defined in the Share Pledge have the same meaning in this deed poll.

This deed of undertaking and confirmation is given pursuant to the Share Pledge.

1. For valuable consideration receipt of which is hereby acknowledged, the Company hereby irrevocably and unconditionally undertakes to register (and hereby permits you or your nominee(s), if you or your nominee have custody of the original share register books of the Company to register) in the Company's share register books any and all share transfers to you or your nominee in respect of the Shares submitted to the Company by you.
2. The Company hereby confirms that it made an annotation of the existence of the Share Pledge and the Pledges (as defined in the Share Pledge) created thereby in the Company's share register books pursuant to the Share Pledge.
3. The Company hereby confirms that the share register books of the Company provided to the Pledgee pursuant to the Share Pledge is a certified copy of the original share register books of the Company and it will not redesignate or otherwise seek to recreate such share register books.
4. The Company hereby agrees and confirms it will not:
 - i. redesignate or otherwise seek to recreate its original share register books and must maintain its original share register books at its registered office at all times from the date of the Share Pledge until the expiry of the Security Period; or
 - ii. continue its existence under the laws of any jurisdiction other than Thailand.

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**SCHEDULE 8
FORM OF NOTICE TO THE COMPANY
AND CONFIRMATION FROM THE COMPANY**

Dated _____ 2024

To: Registrar of SPARK EV COMPANY LIMITED

Dear Sir, Madam

I hereby notify you of the pledge of the following issued shares in the share capital of SPARK EV COMPANY LIMITED (the "**Company**") pursuant to the Share Pledge Agreement dated _____ 2024 made between CB ASSET ONE LIMITED as the Pledgor and FLORYN PASSIE LIMITED as the Pledgee (the "**Pledges**");

*"The shares numbered nos. [] evidenced by Certificate No.[] held by CB ASSET ONE LIMITED (the "**Pledgor**"), are subject to pledges in favor of FLORYN PASSIE LIMITED (the "**Pledgee**") pursuant to the Share Pledge Agreement dated _____ 2024"*

Please acknowledge the pledge and record the pledge in the share register book of the Company and kindly provide me with a document confirming and evidencing the recordation of such pledge accordingly.

Yours faithfully,

CB ASSET ONE LIMITED

CONFIRMATION OF THE COMPANY

We hereby confirm that the Pledges has been duly registered in the Company's shareholder register book and enclose a copy of each relevant page of the shareholder register book showing such registration of Pledges in favour of Floryn Passie Limited, certified true and correct by the Company's authorised signatory for your reference.

SPARK EV COMPANY LIMITED

By: _____

Director

IN WITNESS whereof this Deed has been duly executed and delivered as a deed on the date first above written.

Pledgor

Executed and Delivered as a Deed for and on behalf of
CB ASSET ONE LIMITED
by YIP Shiu Hong

YIP Shiu Hong signs here ► _____

Authorised Signatory

in the presence of:

Witness (lawyer) signs here ► _____

Name of Witness:

Address of Witness:

Title of Witness:

Pledgee

Executed and Delivered as a **Deed** for and on behalf of
Floryn Passie Limited
by LEE Kam Hung Alan

LEE Kam Hung Alan signs here ►

Director

in the presence of:

Witness (lawyer) signs here ►

Name of Witness: _____

Address of Witness:

Title of Witness:

IN WITNESS whereof the Parties entered into this Agreement the day and year first above written.

Investor

SIGNED by LEE Kam Hung Alan)
as authorized signatory)
for and on behalf of)



FLORYN PASSIE LIMITED)

in the presence of



Name of Witness: Kristy Wong
Address of Witness: 18/F, 68 Yee Wo Street, Causeway Bay, Hong Kong

Company

SIGNED by YIP Shiu Hong)
as authorized signatory)
for and on behalf of)
CORNERSTONE TECHNOLOGIES)
HOLDINGS LIMITED)



in the presence of

20 SEP 2024



Name of Witness: Ng Sze Chun
Address of Witness: Flat B. 18/F.
Tower 3. Rambler Crest. Tsing Yi