

DATE: 19 AUGUST 2024

CHINA HEALTHWISE HOLDINGS LIMITED
(as Company)

and

HENG TAI FINANCE LIMITED
(as Subscriber)

SUBSCRIPTION AGREEMENT

relating to

- (i) the subscription and issue of an unsecured convertible bond in the principal amount of HK\$16,800,000 of CHINA HEALTHWISE HOLDINGS LIMITED due 2026; and**
 - (ii) the subscription and issue of an unsecured straight bond in the principal amount of HK\$55,500,000 of CHINA HEALTHWISE HOLDINGS LIMITED due 2026**
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Execution

Schedule

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THIS AGREEMENT is made on the 19th day of August 2024

BETWEEN:

- (1) **CHINA HEALTHWISE HOLDINGS LIMITED**, a company incorporated in the Cayman Islands with limited liability whose registered office is situated at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and its head office and principal place of business in Hong Kong is situated at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong (the “**Company**”); and
- (2) **HENG TAI FINANCE LIMITED**, a company incorporated in Hong Kong with limited liability whose registered office is situated at 31/F., Guangdong Finance Building, 88 Connaught Road West, Sheung Wan, Hong Kong (the “**Subscriber**”).

WHEREAS:

- (A) As at the date of this Agreement, the Company has an authorised share capital of HK\$1,500,000,000 divided into 150,000,000,000 Shares of HK\$0.01 each and US\$4,000,000 divided into 40 preference shares of US\$100,000 each, of which 770,480,836 Shares are issued and are fully paid or credited as fully-paid. The issued Shares are listed on the Main Board of the Stock Exchange (stock code: 348).
- (B) The Subscriber is a wholly owned subsidiary of Heng Tai Consumables Group Limited (“**Heng Tai**”), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 197). The Subscriber is the holder of the convertible bonds issued by the Company (the “**Outstanding Bonds**”) in the outstanding principal amount of HK\$72,300,000 (the “**Outstanding Principal Amount**”), which together with the interest accrued therein, will become due and payable on 10 October 2024.
- (C) The Company has conditionally agreed to issue the Bonds and the Subscriber has conditionally agreed to subscribe for the Bonds to set off in full the Outstanding Principal Amount upon and subject to the terms and conditions set out in this Agreement.

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

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

“Accounts”	the unaudited consolidated management accounts (including profits and loss statements and balance sheet) of the Company and its subsidiaries for the six months ended 30 June 2024 duly certified by a director of the Company, a copy of which is attached hereto in Schedule 5;
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“Bonds”	collectively, the Convertible Bonds and the Straight Bonds;
“Business Day”	any day (excluding a Saturday, Sunday and public holiday) on which banks in Hong Kong are generally open for business throughout their normal business hours;
“Convertible Bonds”	the unsecured convertible bonds (at the conversion price of HK\$0.088 and convertible into 190,909,090 Shares, representing approximately 24.78% of the existing issued share capital of the Company) due 2026 in the principal amount of HK\$16,800,000 to be issued by the Company;
“Convertible Bonds Instrument”	the instrument to be executed by the Company by deed constituting the Convertible Bonds substantially in the form set out in Schedule 1 (subject to such amendments as the Subscriber may agree), together with the terms and conditions thereof;
“Completion”	completion of the subscription of the Bonds in accordance with the provisions herein;
“Completion Date”	10 October 2024 (or such later date as the Company and the Subscriber may agree);
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Material Adverse Change”	(a) any change in circumstances that has, or constitutes or would result in a Material Adverse Effect; or (b) any change in any relevant laws in any of the jurisdictions or sectors in which the Company and/or its subsidiaries do/does business that could reasonably be expected to materially and adversely affect the Company and/or its subsidiaries taken as a whole;
“Material Adverse Effect”	a material adverse effect on (a) the business, operations, prospect, property or condition (financial or otherwise) of the Company and/or its subsidiaries taken as a whole; (b) the share price of the Company; (c) the ability of the Company to perform its obligations under this Agreement and the Bonds; or (d) the validity or enforceability of this Agreement and the Bonds or the rights or remedies of any holder of the Bonds;

“Shares”	the ordinary shares of HK\$0.01 each in the share capital of the Company existing on the date of this Agreement and all other (of any) stock or shares from time to time and for the time being ranking pari passu therewith and all other (if any) shares or stock in the share capital of the Company resulting from any sub-division, consolidation or re-classification thereof;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Straight Bonds”	the unsecured straight bonds due 2026 in the principal amount of HK\$55,500,000 to be issued by the Company;
“Straight Bonds Instrument”	the instrument to be executed by the Company by deed constituting the Straight Bonds substantially in the form set out in Schedule 2 (subject to such amendments as the Subscriber may agree), together with the terms and conditions thereof;
“Warranties”	the representations, warranties and undertakings by the Company under Clause 5 and Schedule 3;
“this Agreement”	this subscription agreement, as amended from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“US\$”	United States dollars, the lawful currency of the United States of America; and
“%”	per cent.

1.2 In this Agreement:

- (a) unless the context otherwise requires, any reference to a **“Recital”**, a **“Clause”** or a **“Schedule”** is a reference to a recital of, a clause of and a schedule to this Agreement and, unless otherwise indicated, includes all sub-clauses of that clause;
- (b) words denoting the singular number only shall include the plural number also and vice versa;
- (c) words denoting one gender only shall include the other genders and the neuter and vice versa;
- (d) words denoting persons only shall include firms and corporations and vice versa;

- (e) references to any provision of any statute shall be deemed also to refer to any modification or re-enactment thereof or any instrument, order or regulation made thereunder or under such modification or re-enactment; and
 - (f) references to any document in the agreed form is to such document the form and substance of which have been agreed upon by the parties to this Agreement.
- 1.3 The headings in this Agreement are for convenience only and shall be ignored in construing this Agreement.
- 1.4 The Schedules are part of this Agreement and shall have effect accordingly.
- 1.5 The definitions adopted in the Recitals and introductory statements preceding this Clause apply throughout this Agreement and Schedules.

2. SUBSCRIPTION FOR THE BONDS

- 2.1 Subject to the terms and conditions of this Agreement, the Company shall issue and the Subscriber shall subscribe for the Bonds in the aggregate principal amount of HK\$72,300,000 (of which HK\$16,800,000 is the principal amount of the Convertible Bonds and HK\$55,500,000 is the principal amount of the Straight Bonds) at its face value.
- 2.2 Subject to the fulfillment (or waiver as the case may be) of the conditions precedent of this Agreement and upon Completion:
- (a) the Company shall issue the Bonds to the Subscriber in accordance with Clause 4.2; and
 - (b) the consideration for the subscription of the Bonds in the aggregate principal amount of HK\$72,300,000 payable by the Subscriber to the Company shall be set off against the equivalent amount of the Outstanding Principal Amount under the Outstanding Bonds payable by the Company to the Subscriber on a dollar-for-dollar basis (the “**Set Off**”) and the parties hereto agree and confirm that after the Set Off, both the Company and the Subscriber are released, acquitted and discharged from any and all liability of any nature whatsoever and from any and all claims, demands, causes of actions or liens of any nature whatsoever arising out of or in connection with the Outstanding Bonds.

3. CONDITIONS PRECEDENT

- 3.1 Completion of the subscription of the Bonds shall be conditional upon the followings:
- (a) the passing by the shareholders of Heng Tai at the extraordinary general meeting of Heng Tai of the necessary resolution(s) to approve this Agreement and the transactions contemplated hereunder;
 - (b) the passing by the shareholders of the Company at the extraordinary general meeting of the Company of the necessary resolution(s) to approve this Agreement and the transactions contemplated hereunder (including but not limited to the grant of the specific mandate for the allotment and issue of a

maximum of 190,909,090 Shares upon full conversion of the Convertible Bonds to the directors of the Company);

- (c) the Warranties remaining true, accurate and not misleading in all respects;
- (d) the Subscriber being satisfied that there is no Material Adverse Change on the Company;
- (e) the Stock Exchange having granted to the Company the listing of, and permission to deal in, the new Shares to be allotted and issued by the Company upon full conversion of the Convertible Bonds; and
- (f) the Company having delivered to the Subscriber a cashier's order or a cheque issued by a bank licensed in Hong Kong in the amount of HK\$4,338,000 payable to the Subscriber, being the outstanding accrued interests up to the due date of the Outstanding Bonds (i.e. 10 October 2024).

3.2 The Company shall apply to the Stock Exchange as soon as practicable after the signing of this Agreement for the grant of the listing and permission to deal in the new Shares to be allotted and issued by the Company upon full conversion of the Convertible Bonds referred to in Clause 3.1(e). Each of the parties hereto shall use its best endeavours to arrange for the convening of the extraordinary general meeting as soon as practicable after the signing of this Agreement so as to seek its shareholders' approval of this Agreement and the transactions contemplated hereunder referred to in Clauses 3.1(a) and (b).

3.3 The conditions precedent (c) and (d) referred to in Clause 3.1 are waivable by the Subscriber at its absolute discretion and subject to such conditions as may be imposed on the Company by the Subscriber. All other conditions precedent referred to in Clause 3.1 are not waivable by any parties to this Agreement. In the event all the conditions referred to in Clause 3.1 not being fulfilled (or waived as the case may be) by 10 October 2024 (or such other time and date as may be agreed by the parties to this Agreement), this Agreement (save and except Clauses 9, 13, 14 and 15 which shall remain in full force and effect) shall cease and determine and all rights, obligations and liabilities of the parties hereunder shall cease and determine and neither party shall have any claim against the other, save for any antecedent breaches of the terms hereof.

4. COMPLETION

4.1 Completion of the subscription of the Bonds shall take place at the office of the Company at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong on the Completion Date (or such later date as the Company and the Subscriber may agree) after the fulfilment (or waiver as the case may be) of all the conditions precedent referred to in Clause 3.1.

4.2 At Completion, each party shall perform its respective obligations set out in Schedule 4.

5. REPRESENTATIONS AND WARRANTIES BY THE COMPANY

- 5.1 The Company represents, warrants and undertakes with the Subscriber that each of the statements set out in this Clause 5 and Schedule 3 is true, accurate and not misleading in all respects as at the date of this Agreement and will continue to be so up to and including the time of Completion.
- 5.2 The Company agrees and acknowledges that the Subscriber is entering into this Agreement in reliance on the Warranties notwithstanding any enquiries or investigations which the Subscriber may have conducted and notwithstanding anything of which the Subscriber may or ought to have knowledge or notice, and the Subscriber is entitled to treat such representations and warranties as conditions of the Agreement.
- 5.3 All Warranties are deemed to be made on the date of this Agreement and are repeated every day until the Completion. The Company undertakes to notify the Subscriber upon it becoming aware prior to the Completion of any event which could reasonably be expected as indicating that any of the Warranties may be or may have been incorrect, misleading or breached in any respect or which may have any Material Adverse Effect.
- 5.4 Each of the Warranties shall be construed as an independent and separate warranty and shall not be limited or restricted by reference to or inference from the terms of this Agreement. Each of the Warranties is without prejudice to any other Warranty and, except where expressly or otherwise stated, no provision in any Warranty shall govern or limit the extent or application of any other provision in any Warranty.
- 5.5 The Warranties shall survive at the Completion and the rights and remedies of the Subscriber in respect of any breach of the Warranties shall not be affected by the Completion or by the Subscriber rescinding, or failing to rescind this Agreement, or failing to exercise or delaying the exercise of any right or remedy, or by any other event or matter whatsoever, except a specific and duly authorised written waiver or release and no single or partial exercise of any right or remedy shall preclude any further or other exercise.
- 5.6 The Subscriber shall be entitled to take action both before and after the Completion in respect of any breach or non-fulfilment of any of the Warranties and the Completion shall not in any way constitute a waiver of any right of the Subscriber.
- 5.7 The Subscriber shall be entitled to terminate this Agreement by notice to the Company given at any time prior to the Completion in any of the following circumstances:
- (a) in the reasonable opinion of the Subscriber, the success of the Completion would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Subscriber materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Completion; or
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or

continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Subscriber materially and adversely affect the business or the financial or trading position or prospects of the Company and its subsidiaries as a whole or materially and makes it inexpedient or inadvisable to proceed with the Completion; or

- (iii) any material breach of any of the representations, warranties or undertakings contained in Clause 5 above comes to the knowledge of the Subscriber.

If at any time prior to the Completion any such notice as is referred to above in this Clause is given by the Subscriber, the obligations of all parties under this Agreement (save and except Clauses 9, 13, 14 and 15 which shall remain in full force and effect) shall terminate forthwith and neither party shall have any claim against the other, save for any antecedent breaches of the terms hereof. Termination of this Agreement under this Clause shall be without prejudice to any rights of any party in respect of any breach by the other prior to such termination.

6. REPRESENTATIONS AND WARRANTIES BY THE SUBSCRIBER

- 6.1 The Subscriber hereby represents, warrants and undertakes that as at the date hereof and as at the Completion:

- (a) it is duly incorporated and validly existing under the laws of its place of incorporation and has the authority to enter into and perform this Agreement and that in entering into this Agreement and in performing its obligations hereunder (including the holding of the Bonds and the exercising of its rights thereunder) it does not and shall not do so in breach of any applicable legislation; and
- (b) this Agreement constitutes valid, binding and enforceable obligations of the Subscriber.

- 6.2 The Subscriber hereby agrees and acknowledges that the Company is entering into this Agreement in reliance on the representations and warranties made by it under Clause 6.1. However, save and except as expressly stipulated in Clause 6.1, the Company hereby expressly acknowledges and agrees that the Subscriber has not, and shall not be deemed to have, given any representations, warranties or undertakings in relation to any and all of the transactions contemplated in this Agreement and any and all such representations, warranties and undertakings are hereby expressly excluded.

7. ACCESS TO INFORMATION

The Company shall procure that, pending the Completion, the Subscriber, their agents, representatives and professional advisers are given promptly on reasonably advance request (subject to execution by them of a non-disclosure agreement in the agreed form) access to material facilities and information regarding the business, assets, liabilities, contracts and affairs of the Company and its subsidiaries and other evidence of

ownership of the assets owned by the Company and its subsidiaries as the Subscriber may require.

8. FURTHER ASSURANCE

Notwithstanding Completion, the Company undertakes to the Subscriber to, at the request of the Subscriber and at its own costs and expenses, 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 reasonable, necessary or expedient to give full force and effect to the terms of this Agreement and all documents relating and/or incidental thereto and to give all parties the full benefit of this Agreement.

9. RESTRICTIONS ON ANNOUNCEMENTS AND NON DISCLOSURE

9.1 Each of the parties hereto undertakes to the other that it will not, at any time after the date of this Agreement, divulge or communication to any person other than to its professional advisers, or when required by law or any rule of any relevant stock exchange body, or to its respective officers or employees whose province it is to know the same any confidential information concerning the business, accounts, finance or contractual arrangements or other dealings, transactions or affairs of the other which may be within or may come to its knowledge and it shall use its best endeavours to prevent the publication or disclosure of any such confidential information concerning such matters.

9.2 No public announcement or communication of any kind shall be made in respect of the subject matter of this Agreement unless specifically agreed between the parties or unless an announcement is required pursuant to the applicable law and the regulations or the requirements of the Stock Exchange or any other regulatory body or authority. Any announcement by any party required to be made pursuant to any relevant law or regulation or the requirements of the Stock Exchange or any other regulatory body or authority shall be issued only after such prior consultation with the other party as is reasonably practicable in the circumstances.

10. PARTIAL INVALIDITY

If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect in any jurisdiction, the legality, validity and enforceability in other jurisdictions or of the remaining provisions of this Agreement shall not be affected or impaired thereby.

11. ASSIGNMENT

Unless with the prior written consent of the other party, no parties to this Agreement shall transfer or assign all or any part of its rights and/or obligations under this Agreement to any person.

12. GENERAL

12.1 This Agreement supersedes all and any previous agreements, arrangements or understanding between the parties relating to the matters referred to in this Agreement and all such previous agreements, understanding or arrangements (if any) shall cease

and determine with effect from the date hereof and neither party shall have any claim in connection therewith.

- 12.2 This Agreement constitutes the entire agreement between the parties with respect to its subject matter (no party having relied on any representation or warranty made by any other party which is not contained in this Agreement) and no variation of this Agreement shall be effective unless made in writing and signed by all of the parties.
- 12.3 Time shall be of the essence of this Agreement but no failure by any party to exercise, and no delay on its part in exercising any right hereunder will operate as a waiver thereof, nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise of it or the exercise of any right or prejudice or affect any right against the other. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.
- 12.4 This Agreement shall not be amended, supplemented or modified except by instrument in writing signed by each of the parties hereto.

13. NOTICES

- 13.1 Any notice, claim, demand, court process, document or other communication to be given under this Agreement (collectively “**communication**” in this Clause) shall be in writing in the English language and may be served or given personally or sent to the facsimile numbers or email addresses (if any) of the relevant party and marked for the attention and/or copied to such other person as specified in Clause 13.4.
- 13.2 A change of address, facsimile number or email address of the person to whom a communication is to be addressed or copied pursuant to this Agreement shall not be effective until five days after a written notice of change has been served in accordance with the provisions of this Clause 13 on all other parties to this Agreement with specific reference in such notice that such change is for the purposes of this Agreement.
- 13.3 All communications shall be served by the following means and the addressee of a communication shall be deemed to have received the same within the time stated adjacent to the relevant means of despatch:

Means of despatch

Time of deemed receipt

Local mail or courier	24 hours
Email	on despatch
Air courier/Speedpost	3 days
Airmail	5 days

- 13.4 The initial addresses, facsimile numbers and email addresses of the parties for the service of communications, the person for whose attention such communications are to be marked and the person to whom a communication is to be copied are as follows:

If to the Company:

Address: Unit 1209, Shun Tak Centre, West Tower, 168-200
Connaught Road Central, Hong Kong
Facsimile no.: 852-2548 5575
Email address: wandalo@healthwisehk.com
Attention: The board of directors

If to the Subscriber:

Address: 31/F., Guangdong Finance Building, 88 Connaught
Road West, Sheung Wan, Hong Kong
Facsimile no.: 852-2628 0090
Email address: horris@hengtai.com.hk
Attention: The board of directors

- 13.5 A communication served in accordance with this Clause 13 shall be deemed sufficiently served and in proving service and/or receipt of a communication it shall be sufficient to prove that such communication was left at the addressee's address or that the envelope containing such communication was properly addressed and posted or despatched to the addressee's address or that the communication was properly transmitted or sent by facsimile or email to the addressee respectively. In the case of facsimile transmission, such transmission shall be deemed properly transmitted on receipt of a report of satisfactory transmission printed out by the sending machine. In the case of email, such notice shall be deemed properly given on despatch of the email by the sender.
- 13.6 Nothing in this Clause shall preclude the service of communication or the proof of such service by any mode permitted by law.

14. GOVERNING LAW

- 14.1 This Agreement is governed by and shall be construed in accordance with Hong Kong law.
- 14.2 The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and accordingly any legal action or proceedings arising out of or in connection with this Agreement (“**Proceedings**”) may be brought in such courts. The Subscriber has the right to take proceedings in any court of competent jurisdiction and the taking of Proceedings in any one or more jurisdictions shall not preclude the taking of proceedings in any other jurisdiction (whether concurrently or not).

15. COSTS AND EXPENSES

Each party shall bear its own costs and expenses (if any) incurred by it in connection with the preparation, negotiation and settlement of this Agreement. Capital fees, stamp duty and all other fees and duties (if any) relating to the issue and delivery of the Bonds, fulfilment of the conditions precedent to this Agreement, allotment and issue of the new shares upon full conversion of the Convertible Bonds and fulfilment of all obligations under the Bonds shall be borne by the Company.

16. COUNTERPARTS

This Agreement may be executed by the parties hereto in any number of counterparts and on separate counterparts, each of which when so executed shall be deemed an original but all of which shall constitute one and the same instrument and is binding on all parties.

17. THIRD PARTY RIGHTS

Unless expressly provided to the contrary, a person who is not a party has no right under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the laws of Hong Kong) to enforce or to enjoy the benefit of any term of this Agreement. Notwithstanding any term of this Agreement, the consent of any person who is not a party is not required to rescind or vary this Agreement at any time.

AS WITNESS where of this Agreement has been duly executed on the date first above written.

THE COMPANY

SIGNED by)
for and on behalf of)
CHINA HEALTHWISE HOLDINGS LIMITED)
in the presence of: Tse Chi Keung)



THE SUBSCRIBER

SIGNED by)
for and on behalf of)
HENG TAI FINANCE LIMITED)
in the presence of: Law Wai Yi)



SCHEDULE 1

The Convertible Bonds Instrument

The Instrument

Dated [*] 2024

CHINA HEALTHWISE HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

INSTRUMENT

relating to

An unsecured convertible bonds in an aggregate principal amount of HK\$16,800,000
in registered form and convertible into ordinary shares in the capital of

CHINA HEALTHWISE HOLDINGS LIMITED
due 2026

THIS INSTRUMENT is executed by way of Deed Poll on [*] 2024 by **CHINA HEALTHWISE HOLDINGS LIMITED** (“**Company**”), a company incorporated in the Cayman Islands with limited liability and having its principal place of business is at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong.

WHEREAS:

- (A) By a subscription agreement (the “**Agreement**”) dated 19 August 2024 entered into between Heng Tai Finance Limited (the “**Subscriber**”) and the Company, the Subscriber shall subscribe and the Company shall create and issue, among others, an unsecured convertible bond in an aggregate principal amount of HK\$16,800,000 to the Subscriber.
- (B) The Company is entering into this Instrument by way of deed poll in order to define the rights and interests of the Bondholder.

NOW THIS INSTRUMENT WITNESSES and the Company hereby declares as follows:

1. **DEFINITIONS**

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

“ Bondholder(s) ”	the holder(s) in whose name the Bond is registered in the Register, and “ holder ” in relation to the Bond shall have the corresponding meaning
“ Bonds ”	means the convertible bonds in registered form for an aggregate principal amount of HK\$16,800,000 constituted by this Instrument and for the time being outstanding or, as the context may require, any number of them
“ Business Day ”	any day (excluding a Saturday, Sunday and public holiday) on which banks in Hong Kong are open for business throughout their normal business hours
“ Certificate ”	a certificate in or substantially in the form set out in the Schedule issued in the name of the Bondholder in respect of its registered holdings of the Bond
“ Code ”	the Code on Takeovers and Mergers
“ Companies Ordinance ”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“ Conditions ”	terms and conditions endorsed on the Bond in definitive form as they may from time to time be modified in accordance with their provisions and/or of this Instrument, and reference in this Instrument to a

	particular numbered Condition shall be construed accordingly
“Conversion Date”	has the meaning assigned in Condition 5(D)
“Conversion Period”	the period commencing from the date of the issue of this Instrument constituting the Bonds up to 4:00 pm (Hong Kong time) immediately prior to and exclusive of the Maturity Date
“Conversion Price”	the conversion price per Share determined in accordance with Clause 6.4, subject to adjustments in accordance with Clause 7
“Conversion Rights”	the rights of the Bondholder to convert the principal amount outstanding under the Bond registered in its names into Shares during the Conversion Period, subject to the Conditions
“Conversion Share(s)”	new Share(s) to be allotted and issued upon an exercise of the Conversion Rights, subject to the Conditions
“Default Redemption Amount”	has the meaning as defined in Clause 9.5
“HK\$” and “Hong Kong dollars”	the lawful currency for the time being of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of The People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Material Adverse Effect”	means a material adverse effect on: <ul style="list-style-type: none"> (a) the business, operations, prospect, property or condition (financial or otherwise) of the Company and/or the Group taken as a whole; (b) the ability of the Company to perform its obligations under the Agreement or the Bond; or (c) the validity or enforceability of the Agreement or the Instrument or the rights or remedies of any

holder of the Bond.

“Maturity Date”

the date falling on the day being two years from the date of issue of the Bonds

“outstanding”

the amount of the Bond issued other than:

- (a) those which have been redeemed or in respect of which Conversion Rights have been exercised or which have been cancelled in accordance with the Conditions;
- (b) those in respect of which the redemption moneys have been duly paid to the Bondholder or on its behalf;
- (c) those mutilated or defaced Bond which have been surrendered in exchange for replacement Bond pursuant to Condition 10;
- (d) (for the purpose only of determining the amount of the Bond that is outstanding and without prejudice to their status for any other purpose) the Bond alleged to have been lost, stolen or destroyed and in respect of which replacement Bond have been issued pursuant to Condition 10;
- (e) those which have been cancelled as provided in Condition 7

“Register”

the register of the Bondholders required to be maintained pursuant to Clause 10

“Registrar”

until a professional registrar is appointed by the Company pursuant to the terms of this Instrument, the Company and any successor registrar appointed by the Company

“EGM”

the extraordinary general meeting of the Company to be convened and held at which resolutions will be proposed to consider and, if thought fit, to approve the granting of the Specific Mandate and the Conversion Rights attached to the Bond;

“Shareholders”

holders of the issued Shares

“Shares”

ordinary shares of par value HK\$0.01 each in the capital of the Company as at the date of this Instrument, or shares of any class or classes resulting from any sub-division, consolidation or

re-classification of such shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or distribution of the Company

“Specific Mandate”	the specific mandate for the allotment and issuance of the Conversion Shares to be granted to the Directors by the Shareholders at the EGM;
“Specified Office”	the principal office of the Company in Hong Kong specified at the bottom of the Certificate or any other office notified to the Bondholder pursuant to Condition 11
“this Instrument”	this instrument, the schedule (as from time to time may be altered in accordance with this Instrument) and any other document executed in accordance with this instrument (as from time to time may be so altered) and expressed to be supplemental to this Instrument

1.2 In this Instrument, and unless the context otherwise requires:

- (a) references to Recitals, Clauses, Sub-clauses and Schedule are to the recitals, clauses and sub-clauses of and the schedule to this Instrument;
- (b) reference to a Sub-clause is, unless otherwise stated, to the sub-clause of the Clause in which the reference appears;
- (c) reference to a paragraph is to the paragraph of the Schedule in which the reference appears;
- (d) the Schedule forms part of this Instrument;
- (e) reference to any Ordinance, legislation, regulation or other statutory provision in this Instrument includes reference to such Ordinance or legislation or regulation or provision as modified, consolidated or re-enacted from time to time (except to the extent where any such modification, consolidation or re-enactment increases the liability of any party to this Instrument);
- (f) words denoting the singular include the plural and vice versa, words denoting one gender include both genders and the neuter and words denoting persons include corporations and, in each case, vice versa; and
- (g) headings, the index page and underlining are for ease of reference only and do not form part of this Instrument.

1.3 If at any time any provision of this Instrument is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Instrument nor the legality,

validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

- 1.4 In case of inconsistency between the Clauses of this Instrument and the Conditions, the Clauses of this Instrument shall prevail.

2. **ISSUE OF THE BOND**

- 2.1 Subject to the conditions precedent set out in clause 3 of the Agreement having been fulfilled (or waived by the Subscriber as the case may be) on or before the time specified therein (or such other time and/or date as the Company and the Subscriber may agree), the Company shall, on the date fixed for completion of subscription and issue of Bonds, create and issue the Bonds to the Subscriber in accordance with the terms of the Agreement and this Instrument.
- 2.2 The Company hereby covenants in favour of each Bondholder that it will duly perform and comply with the obligations expressed to be undertaken by it in each Certificate, in this Instrument and in the Conditions (and for this purpose any reference in the Conditions to any obligation or payment under or in respect of the Bonds shall be construed to include a reference to any obligation or payment under or pursuant to this Instrument).
- 2.3 The Company hereby acknowledges the right of every Bondholder to the production of this Instrument and the Conditions and shall ensure that copies of this Instrument and the Conditions are available for inspection by any Bondholder during office hours at the Specified Office.

3. **AMOUNT OF THE BONDS AND COVENANT TO PAY**

- 3.1 The principal amount of the Bonds shall be HK\$16,800,000.
- 3.2 The Company will on any date when the Bonds or any of them become due to be redeemed unconditionally pay to or to the order of the Bondholders by 4:00 p.m. (Hong Kong time) in Hong Kong dollars in immediately available funds in Hong Kong the principal amount of the Bonds becoming due for redemption on that date together with the accrued interest and any applicable premium and will (subject to the Conditions) until such payment (both before and after judgment) unconditionally pay to or to the order of the Bondholders, provided that every payment of any sum due in respect of the Bonds made to or to the account of the Bondholders shall, to such extent, satisfy such obligation except to the extent that there is failure in its subsequent payment to the relevant Bondholders under the Conditions.
- 3.3 Any payment to be made in respect of the Bonds by the Company may be made as provided in the Conditions and any payment so made will to such extent be a good, full and complete discharge to the Company.

4. **INTEREST**

- 4.1 The Bond shall bear interest from and including the date of its issue at the rate of six per cent. (6%) per annum on the outstanding principal amount thereof. Interest shall be

accrued daily on a 365 days basis and is payable semi-annually or with respect to the last payment, on the Maturity Date (“**Interest Payment Date**”). If an Interest Payment Date would otherwise fall on a day which is not a Business Day it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding Business Day. In the event that the Bond be redeemed on or before the Maturity Date, the Interest Payment Date shall be the Business Day falling on the next day of the date of redemption of the Bond.

- 4.2 The Bond will, in respect of the Conversion Rights attached thereto which are exercised, cease to bear interest on the earliest of (a) its Conversion Date subject to conversion of the Bond in accordance with this Instrument and the Conditions; (b) the date of redemption of the Bond; and (c) the Maturity Date. For the avoidance of doubt, the Bondholder shall be entitled to the payment of all accrued interests up to the date the Bond ceases to bear interests as mentioned above.
- 4.3 Without prejudice to any other right or remedy of the Bondholder, in the event of default in the payment on the due date of any sum payable hereunder, the Company shall pay interest on the overdue sum from the due date to the date of actual payment at the rate of 10% per annum and at the judgment rate after judgment. Such interest shall be calculated on the basis of actual days elapsed and a 365-day year.

5. **BOND CERTIFICATES**

- 5.1 On issue of the Bond, the Bondholder will be entitled to a definitive Certificate with Conditions in or substantially in the form set out in the Schedule.
- 5.2 The definitive Certificates will be signed manually or in facsimile by two Directors or by a director and the secretary of the Company. The holder of any Bonds will (save as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on or the theft or loss of the Certificate issued in respect of it) and no person will be liable for so treating the holder or any entry on the register of Bondholders.
- 5.3 The Bonds shall be denominated in Hong Kong dollars and shall be issued in principal amounts of HK\$800,000 (the “**authorised denomination**”) (or the integral multiples thereof) (unless the amount remaining on exercise of the Conversion Rights or in consequence of any adjustment pursuant to the terms of this Instrument becoming less than the authorised denomination).
- 5.4 Issue and delivery of the Bonds shall be completed on the issue and delivery of the Certificate to the Bondholder (or its representative) by, or by the order of, the Company and completion of the Register by or on behalf of the Company. The Company will pay any stamp, issue, registration, documentary or other similar taxes and duties, including interest and penalties, payable in Hong Kong in respect of the creation and original issue of the Bond and the execution or delivery of this Instrument.
- 5.5 The Company hereby covenants to and with the Bondholder that it will comply with and perform and observe all the provisions of this Instrument and the Conditions which are expressed to be binding on it. The Conditions shall be binding on the Company and

the Bondholder.

6. **CONVERSION**

- 6.1 The holder of each Bonds will during the Conversion Period, subject to the Conditions, have the Conversion Right to convert such Bond into Shares, credited as fully paid. Notwithstanding any provision in this Instrument, fractions of Shares will not be issued on conversion and no cash adjustments will be made in respect thereof.
- 6.2 Provided that any conversion of the Bond (i) does not trigger a mandatory offer obligation under Rule 26 of the Code on the part of the Bondholder which exercised the conversion right and its party(ies) acting in concert as defined under the Code; and (ii) will not cause the public float of the Company unable to meet the requirement under Rule 8.08 of the Listing Rules, the Bondholder shall, subject to compliance with the procedures set out in the Conditions, have the right at any time during the Conversion Period to convert the whole or part of the outstanding principal amount of the Bond registered in its name into Shares provided further that any conversion shall be made in amounts of not less than a whole multiple of HK\$800,000 on each conversion save that if at any time the aggregate outstanding principal amount of the Bond is less than HK\$800,000, the whole (but not part only) of the outstanding principal amount of the Bond may be converted. If a conversion notice is served on the same date as a redemption notice is served by the Company, the Bondholder's conversion notice will deem to take priority.
- 6.3 The number of Conversion Shares to be issued on each conversion will be determined by dividing the principal amount specified in the Conversion Notice by the Conversion Price applicable on the Conversion Date. Fractions of Shares will not be issued on conversion and the amount representing such fraction will be retained by the Company and no payment will be made to the Bondholder in respect of such fraction, provided always that for the purpose of determining whether any (and if so what) fraction of a share arises, if the Conversion Right represented by a Certificate and any one or more other Certificates are exercised on the same Conversion Date by the Bondholder, then the Conversion Rights represented by the Bond shall be aggregated.
- 6.4 The Conversion Price for the Bond shall be HK\$0.088 per Conversion Share, subject to adjustments as hereafter described in Clause 7.
- 6.5 Any calculation by the Company of the number of Conversion Shares falling to be issued on a conversion shall, in the absence of manifest error, be conclusive and binding on the Bondholder.

7. **ADJUSTMENTS**

- (a) Subject as hereinafter provided, the Conversion Price shall from time to time be adjusted in accordance with the following relevant provisions and so that if the event giving rise to any such adjustment shall be such as would be capable of falling within more than one of sub-paragraphs (i) to (vii) inclusive of this Sub-clause (a) it shall fall within the first of the applicable paragraphs to the exclusion of the remaining paragraphs:

- (i) If and whenever the Shares by reason of any consolidation or sub-division become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount. Each such adjustment shall be effective from the close of business in Hong Kong on the day immediately preceding the date on which the consolidation or sub-division becomes effective.
- (ii) If and whenever the Company shall issue (other than in lieu of a cash dividend) any Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund), the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the aggregate nominal amount of the issued Shares immediately before such issue and dividing the result by the sum of such aggregate nominal amount and the aggregate nominal amount of the Shares issued in such capitalisation. Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for such issue.
- (iii) If and whenever the Company shall make any Capital Distribution (as defined in Sub-clause (b)) to holders (in their capacity as such) of Shares (whether on a reduction of capital or otherwise) or shall grant to such holders rights to acquire for cash assets of the Company or any of its subsidiaries, the Conversion Price in force immediately prior to such distribution or grant shall be reduced by multiplying it by the following fraction:

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

where:

A = the market price (as defined in Sub-clause (b)) on the date on which the Capital Distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) the date next preceding the date of the Capital Distribution or, as the case may be, of the grant; and

B = the fair market value on the day of such announcement or (as the case may require) the next preceding day, as determined in good faith by an independent financial adviser or the auditors of the Company for the time being, of the portion of the Capital Distribution or of such rights which is attributable to one Share,

Provided that:

- (aa) if in the opinion of the relevant independent financial adviser or the auditors of the Company for the time being, the use of the fair market value as aforesaid produces a result which is

significantly inequitable, it may instead determine (and in such event the above formula shall be construed as if B meant) the amount of the said market price which should properly be attributed to the value of the Capital Distribution or rights; and

- (bb) the provisions of this sub-paragraph (iii) shall not apply in relation to the issue of Shares paid out of profits or reserves and issued in lieu of a cash dividend.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for the Capital Distribution or the grant.

- (iv) If and whenever the Company shall offer to holders of Shares new Shares for subscription by way of rights, or shall grant to holders of Shares any options or warrants to subscribe for new Shares, at a price which is less than 90 per cent. of the market price at the date of the announcement (as defined in Sub-clause (b)) of the terms of the offer or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate of the amount (if any) payable for the rights, options or warrants and of the amount payable for the total number of new Shares comprised therein would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the aggregate number of Shares offered for subscription or comprised in the options or warrants (such adjustment to become effective (if appropriate retroactively) from the commencement of the day next following the record date for the offer or grant). Provided however that no such adjustment shall be made if the Company shall make a like offer or grant (as the case may be) at the same time to the Bondholder (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong) as if it had exercised the Conversion Rights under the Bond registered in its name in full on the day immediately preceding the record date for such offer or grant.
- (v) (aa) If and whenever the Company shall issue wholly for cash any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares, and the total Effective Consideration per Share (as defined below) initially receivable for such securities is less than 90 per cent. of the market price at the date of the announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior

to the issue by a fraction of which the numerator is the number of Shares in issue immediately before the date of the issue plus the number of Shares which the total Effective Consideration receivable for the securities issued would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of the issue plus the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price. Such adjustment shall become effective (if appropriate retrospectively) from the close of business in Hong Kong on the Business Day next preceding whichever is the earlier of the date on which the issue is announced and the date on which the Company determines the conversion or exchange rate or subscription price.

- (bb) If and whenever the rights of conversion or exchange or subscription attached to any such securities as are mentioned in section (aa) of this sub-paragraph (v) are modified so that the total Effective Consideration per Share initially receivable for such securities shall be less than 90 per cent. of the market price at the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by a fraction of which the numerator is the number of Shares in issue immediately before the date of such modification plus the number of Shares which the total Effective Consideration receivable for the securities issued at the modified conversion or exchange price would purchase at such market price and of which the denominator is the number of Shares in issue immediately before such date of modification plus the number of Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion or exchange rate or subscription price. Such adjustment shall become effective as at the date upon which such modification shall take effect. A right of conversion or exchange or subscription shall not be treated as modified for the foregoing purposes where it is adjusted to take account of rights or capitalisation issues and other events normally giving rise to adjustment of conversion or exchange terms.

For the purposes of this sub-paragraph (v), the “**total Effective Consideration**” receivable for the securities issued shall be deemed to be the consideration receivable by the Company for any such securities plus the additional minimum consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights, and the Effective Consideration per Share initially receivable for such securities shall be such aggregate consideration divided by the number of Shares to be issued upon (and

assuming) such conversion or exchange at the initial conversion or exchange rate or the exercise of such subscription rights at the initial subscription price, in each case without any deduction for any commissions, discounts or expenses paid, allowed or incurred in connection with the issue.

- (vi) If and whenever the Company shall issue wholly for cash any Shares at a price per Share which is less than 90 per cent. of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate amount payable for the issue would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares so issued. Such adjustment shall become effective on the date of the issue.
- (vii) If and whenever the Company shall issue Shares for the acquisition of asset at a total Effective Consideration per Share (as defined below) which is less than 90 per cent. of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying it by a fraction of which the numerator shall be the total Effective Consideration per Share and the denominator shall be such market price. Each such adjustment shall be effective (if appropriate retroactively) from the close of business in Hong Kong on the Business Day next preceding the date on which the Company determines the issue price for such Shares. For the purpose of this subparagraph (vii) **“total Effective Consideration”** shall be the aggregate consideration credited as being paid for such Shares by the Company on acquisition of the relevant asset without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the **“total Effective Consideration per Share”** shall be the total Effective Consideration divided by the number of Shares issued as aforesaid.

- (b) For the purposes of this Clause 7:

“announcement” shall include the release of an announcement to the press or the delivery or transmission by telephone, facsimile or otherwise of an announcement to the Hong Kong Stock Exchange and **“date of announcement”** shall mean the date on which the announcement is first so released, delivered or transmitted;

“Capital Distribution” shall (without prejudice to the generality of that phrase) include distributions in cash or specie. Any dividend charged or provided for in the accounts for any financial period shall (whenever paid and however described) be deemed to be a Capital Distribution Provided that any such

dividend shall not automatically be so deemed if:

- (i) it is paid out of the aggregate of the net profits (less losses) attributable to the holders of Shares for all financial periods after that ended 31 December 2023 as shown in the audited consolidated profit and loss account of the Company and its subsidiaries for each such financial period; or
- (ii) to the extent that (i) above does not apply, the rate of that dividend, together with all other dividends on the class of capital in question charged or provided for in the accounts for the financial period in question, does not exceed the aggregate rate of dividend on such class of capital charged or provided for in the accounts for the last preceding financial period. In computing such rates, such adjustments may be made as are in the opinion of the auditors of the Company for the time being appropriate to the circumstances and shall be made in the event that the lengths of such periods differ materially;

“**issue**” shall include allot;

“**market price**” means the average of the closing prices of one Share on the Hong Kong Stock Exchange for each of the last five Hong Kong Stock Exchange dealing days on which dealings in the Shares on the Hong Kong Stock Exchange took place ending on the last such dealing day preceding the day on or as of which the market price is to be ascertained;

“**reserves**” includes unappropriated profits;

“**rights**” includes rights in whatsoever form issued;

“**Shares**” includes, for the purposes of Shares comprised in any issue, distribution or grant pursuant to sub-paragraph (iii), (iv), (v), (vi) or (vii) of Sub-clause (a), any such ordinary shares of the Company as, when fully paid, will be Shares.

- (c) The provisions of sub-paragraphs (ii), (iii), (iv), (v), (vi) and (vii) of Sub-clause (a) shall not apply to:
 - (i) an issue of fully paid Shares upon the exercise of any conversion rights attached to securities convertible into Shares or upon exercise of any rights (including any conversion of the Bond) to acquire Shares provided that an adjustment has been made under this Clause 7 in respect of the issue of such securities or granting of such rights (as the case may be);
 - (ii) an issue of Shares or other securities of the Company or any subsidiary of the Company wholly or partly convertible into, or carrying rights to acquire, Shares to officers or employees of the Company or any of its subsidiaries pursuant to any employee or executive share scheme;
 - (iii) an issue by the Company of Shares or by the Company or any subsidiary

of the Company of securities wholly or partly convertible into or carrying rights to acquire Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business provided that an adjustment has been made (if appropriate) under this Clause 7 in respect of the issue of such securities or granting of such rights (as the case may be);

- (iv) an issue of fully paid Shares by way of capitalisation of all or part of any subscription right reserve, or any similar reserve which has been or may be established pursuant to the terms of any securities wholly or partly convertible into or carrying rights to acquire Shares; or
 - (v) an issue of Shares pursuant to a scrip dividend scheme where an amount not less than the nominal amount of the Shares so issued is capitalised and the market value of such Shares is not more than 120 per cent. of the amount of dividend which holders of the Shares could elect to or would otherwise receive in cash, for which purpose the “market value” of one Share shall mean the average of the closing prices for such Hong Kong Stock Exchange dealing days on which dealings in the Shares took place (being not less than five such days) as are selected by the directors of the Company in connection with determining the basis of allotment in respect of the relevant scrip dividend and which fall within the period of one month ending on the last day on which holders of Shares may elect to receive or (as the case may be) not to receive the relevant dividend in cash.
- (d) Any adjustment to the Conversion Price shall be made to the nearest one-tenth of a cent so that any amount under half of one-tenth of a cent shall be rounded down and any amount of half of one-tenth of a cent or more shall be rounded up. In addition to any determination which may be made by the directors of the Company every adjustment to the Conversion Price shall be certified (at the option of the Company) either by the auditors of the Company for the time being or by an independent financial adviser.
- (e) Notwithstanding anything contained herein, no adjustment shall be made to the Conversion Price in any case in which the amount by which the same would be reduced in accordance with the foregoing provisions of this Clause 7 would be less than one-tenth of a cent. If any adjustment to be made will render the total number of the Conversion Shares exceeding the Specific Mandate, the Bondholder shall be entitled to convert up to the maximum number of the Conversion Shares and the remaining portion of the principal amount shall be redeemed on the Maturity Date on a dollar-to-dollar basis together with accrued interests.
- (f) If the Company or any subsidiary of the Company shall in any way modify the rights attached to any share or loan capital so as wholly or partly to convert or make convertible such share or loan capital into, or attach thereto any rights to acquire, Shares, the Company shall appoint an independent financial adviser or the auditors of the Company for the time being to consider whether any adjustment to the Conversion Price is appropriate (and if such independent

financial adviser or auditors of the Company for the time being (as the case may be) shall certify that any such adjustment is appropriate the Conversion Price shall be adjusted accordingly and the provisions of Sub-clauses (d), (e) and (h) shall apply).

- (g) Notwithstanding the provisions of Sub-clause (a), in any circumstances where the directors of the Company shall consider that an adjustment to the Conversion Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Conversion Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or with a different time from that provided for under the provisions, the Company may appoint an independent financial adviser or the auditors of the Company for the time being to consider whether for any reason whatever the adjustment to be made (or the absence of adjustment) would or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if such independent financial adviser or auditors of the Company for the time being (as the case may be) shall consider this to be the case, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner (including without limitation, making an adjustment calculated on a different basis and/or the adjustment shall take effect from such other date and/or time) as shall be certified by such independent financial adviser or auditors of the Company for the time being to be in its opinion appropriate.
- (h) Whenever the Conversion Price is adjusted as herein provided the Company shall give notice to the Bondholder that the Conversion Price has been adjusted (setting forth the event giving rise to the adjustment, the Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date thereof) and shall at all times thereafter so long as any amount of the Bond remains outstanding make available for inspection at the Specified Office a signed copy of the said certificate of the auditors of the Company or (as the case may be) of the relevant independent financial adviser and a certificate signed by a director of the Company setting forth brief particulars of the event giving rise to the adjustment, the Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date thereof and shall, on request, send a copy thereof to the Bondholder.
- (i) The Company shall take all necessary action prior to carrying out any action that may render the Conversion Price being adjusted so that on conversion the Conversion Shares shall fall to be issued at a discount to their par value, failing which the Company shall compensate the Bondholder all losses as a result thereto including but not limited to such amount that the Bondholder would be entitled under the adjustment but was being prevented and all costs and expenses.

8. **COVENANTS RELATING TO CONVERSION**

The Company hereby undertakes to and covenants with the Bondholder that so long as any Conversion Right remains exercisable, it will:

- (a) keep available for issue, free from pre-emptive rights, out of its authorised but unissued share capital sufficient Shares to satisfy the Conversion Rights attaching to the Bond;
- (b) maintain a listing on the Hong Kong Stock Exchange for all the issued Shares for the time being and, immediately after their issue subject, nevertheless, to the provisions of Condition 5(D)(iv), for all Shares issued on exercise of the Conversion Rights and give notice to the Bondholder of any de-listing of the Shares by the Hong Kong Stock Exchange;
- (c) unless so required by applicable law or regulation or for the purpose of establishing any dividend or other rights attaching to the Shares, not close its register of Shareholders or take any other action which would prevent the transfer of its Shares generally and ensure that the Bond may be converted legally at all times during the period of such closure or while such other action is effective, nor take any action which would prevent the conversion of the Bond or the issue of Shares in respect of them;
- (d) to pay the expenses of the issue of, and all expenses of obtaining listing on the Hong Kong Stock Exchange for, Shares arising on conversion of the Bond; and
- (e) to maintain its registration as an overseas company registered under the Companies Ordinance.

8A. COVENANTS

8A.1 For so long as any Bond remains outstanding, the Company undertakes that:

- (a) it shall ensure itself, and shall procure each other Group Company, that the memorandum of association (where applicable) and articles of association or equivalent constitutional documents of it or such other Group Company are not amended, repealed or altered (other than those amendments or alterations that are required in compliance with the Listing Rules or any applicable Laws);
- (b) it shall, and shall procure each of its directors, the other members of the Group to, at all times comply with the applicable Laws and the filing requirements with any Governmental Authority;
- (c) it shall, in a timely manner, obtain all such consents and approvals, and take any such other action, as may be necessary for the Company to perform its obligations under this Instrument and shall comply with these Conditions;
- (d) it shall obtain and/or maintain all applicable consents and approvals which are required for the performance of its obligations under the Bond and the Instrument and shall 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;
- (e) subject to the requirements of applicable Laws, it shall, at all times, promptly provide to the Bondholders all material information provided to its shareholders

(including but not limited to financial accounts, details of material contracts, acquisitions or disposals of assets and project progress updates);

- (f) it shall not, and shall procure each other Group Company not to, take any steps or actions to effect a winding up, liquidation, dissolution, striking off, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of it or such other Group Company, or any solvent liquidation, amalgamation, merger or reorganisation of it or such other Group Company, or to enter into a composition, assignment or arrangement with any creditor of it or such other Group Company;
- (g) it shall ensure and procure that the Agreement (in whole or in part) and this Instrument is not breached, revoked or terminated, and remains in full force and effect.

8A.2 The Bondholder may at its sole discretion waive Clause 8A.1 above at any time by written notice to the Company.

8B. EVENTS OF DEFAULT

8B.1 Unless waived by the Bondholder pursuant to Clause 8B.1A below, each of the following events is an event of default (an Event of Default):

- (a) Non-payment: the Company fails to pay any amount of principal in respect of the Bond and any other bond issued by the Company on the due date for payment thereof or fails to pay any amount of interest, any fees or any other amount in respect of or in connection with the Bond and any other bond issued by the Company on the due date for payment thereof;
- (b) Breach of covenants: any requirement of Clauses 4, 8 and 8A (unless waived by the Bondholder pursuant to Clause 8A.2) is not satisfied;
- (c) Breach of terms or obligations: the Company defaults in the performance or observance of any term or warranties of the Agreement and the Instrument, or of its other obligations under or in respect of the Bond and any other bond issued by the Company;
- (d) Misrepresentation: any representation or statement made or deemed to be made by the Company in the Agreement or the Instrument under or in connection with the Agreement or the Instrument proves to have been incorrect or misleading when made or deemed to be made;
- (e) Cross-default:
 - (i) the occurrence of an Event of Default in relation to any other bond, options or securities issued by the Company;
 - (ii) any or the aggregated financial indebtedness of any member of the Group exceeding HK\$500,000 which is not paid when due or (as the case may be) within any originally applicable grace period; or

- (iii) the Company fails to pay when due any amount payable by it under any guarantee, option, indemnity, arrangement or agreement of any or the financial indebtedness (or its equivalent in any other currency or currencies) exceeding HK\$500,000;
- (f) Unsatisfied judgment: one or more judgment(s) or order(s) for the payment of an amount is rendered against the Company or any other member of the Group and continue(s) unsatisfied and unstayed which the aggregated amount exceeds HK\$500,000;
- (g) Litigation: any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened against the Company, any other member of the Group or any of their respective assets (or against the directors of the Company, or any other member of the Group arising from their carrying out of duties as directors of the Company, or any other member of the Group) which are reasonably likely to adversely determined and, if so determined, could reasonably be expected to have a Material Adverse Effect;
- (h) Insolvency, bankruptcy or winding-up etc: an event has occurred which is, or which may with the taking of any step or the passage of time become, would render the Company or any other member of the Group that resolutions would be passed or proceedings would be initiated for the dissolution, winding up, liquidation, striking-off, bankruptcy, reorganisation or other arrangement under applicable insolvency and bankruptcy laws; or that an order is made or an effective resolution is passed for any of the above matter;
- (i) Failure to take action, etc.: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Company to lawfully enter into, exercise its rights and perform and comply with its obligations under and in respect of the Bond; (ii) to ensure that those obligations are legal, valid, binding and enforceable; and (iii) to make the Bond admissible in evidence in the courts of the Cayman Islands or Hong Kong is not taken, fulfilled or done;
- (j) Unlawfulness: it is or will become unlawful for the Company to perform or comply with any of its obligations under or in respect of the Agreement or the Instrument;
- (k) Breach of Law: there is a material breach of any applicable Law (including the Listing Rules) by the Company or any of its directors or senior officers when acting for and on its behalf;
- (l) Government intervention: (i) all or any substantial part of the undertaking, assets and revenues of the Company or any other member of the Group is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government or (ii) the Company or any other member of the Group is prevented by any such person from exercising normal control over all or any substantial part of its undertaking, assets and revenues;

- (m) Delisting: any Shares in the Company shall cease to be listed on the Stock Exchange or steps are taken by or on behalf of the Company to effect such cessation (including but not limited to, the shareholders of the Company having passed a resolution to delist the Shares from the Main Board of the Stock Exchange); or
- (n) Material Adverse Event: in the sole opinion of the Bondholder(s), a Material Adverse Event has occurred.

8B.1A The Bondholder may at its sole discretion waive Clause 8B.1 above at any time by written notice to the Company.

8B.2 If an Event of Default has occurred:

- (a) each Bondholder may require the Company to redeem all or a portion of its Bond at the Default Redemption Amount; and
- (b) the Company shall, in addition to and without prejudice to any of its other payment obligations under these Conditions, pay to such Bondholder an additional amount of interest as default interest (the Default Interest), which shall be payable monthly in cash, such that:
 - (i) in the case of an Event of Default as referred to in Clause 8B.1(a) (Non-payment), a total interest rate (including the Rate of Interest) of 10% per annum shall accrue on the aggregate unpaid principal, interest and/or other amounts owed by the Company to such Bondholder as referred to in Clause 8B.1(a) (Non-payment) from the relevant due date of such unpaid amount until:
 - (A) in the case of the Bondholder electing to require the Company to redeem its Bond (in whole or in part) pursuant to Clause 8B.2(a), the date on which the Default Redemption Amount has been fully paid by the Company to such Bondholder; and/or
 - (B) in the case of the Bondholder electing not to require the Company to redeem its Bond (in whole or in part) pursuant to Clause 8B.2(a), the date on which such unpaid amount is settled in full by the Company; and/or
 - (ii) in the case of any other Event of Default, a total interest rate (including the Rate of Interest) of 10% per annum shall accrue on the total outstanding principal amount of the Bond from the date on which such Event of Default occurs until:
 - (A) in the case of the Bondholder electing to require the Company to redeem its Bond (in whole or in part) pursuant to Clause 8B.2(a), the date on which the Default Redemption Amount has been fully paid by the Company to such Bondholder; and/or

- (B) in the case of the Bondholder electing not to require the Company to redeem its Bond (in whole or in part) pursuant to Clause 8B.2(a), the date on which such Event of Default has been fully remedied (in the sole opinion of the Bondholder(s)).

8B.3 The Company shall give notice to the Bondholders in writing of any matter or thing which might constitute an Event of Default immediately when it becomes aware of the occurrence of an Event of Default, which notice and shall give reasonable details of the Event of Default.

9. **REDEMPTION AND CANCELLATION**

9.1 Subject to Clause 9.5 below, the Bond may not be redeemed prior to the Maturity Date by the Bondholder whatsoever and any amount of the Bond outstanding as at the Maturity Date shall be redeemed automatically on the Maturity Date at its then outstanding principal amount together with accrued interests.

9.2 The Company may at any time after the date of issue of the Bond and before the Maturity Date by serving at least seven (7) days' prior written notice to the Bondholder with the total amount proposed to be redeemed from the Bondholder specified therein, redeem the Bond (in whole or in part) at par together with accrued interests provided always that no conversion notice has been served by the Bondholder on or prior to the date the redemption notice is served by the Company to the Bondholder(s).

9.3 Any amount of the Bond which is redeemed or converted will forthwith be cancelled. Certificate in respect of the Bond cancelled will be forwarded to or to the order of the Company and such Bond may not be reissued or resold.

9.4 Any amount of the Bond which remains outstanding on the Maturity Date shall be redeemed at its then outstanding principal amount together with outstanding interest.

9.5 If the Bondholder elects to require the Company to redeem the Bond (in whole or in part) pursuant to Clause 8B.2(a), the Company shall redeem such Bond held by the Bondholder at an amount (the “**Default Redemption Amount**”) equal to the aggregate of:

- (i) the relevant aggregate principal amount of such Bond held by such Bondholder;
- (ii) any accrued but unpaid interest (including default interest, if any) on such Bond; and
- (iii) any outstanding amount relating to such Bond under the Agreement and/or the Instrument,

immediately on the same date (the “**Default Redemption Date**”) as the Bondholder giving a redemption notice to the Company.

9.6 To exercise a redemption right pursuant to Clause 9.5, the Bondholder shall deliver at the office of the Company:

- (i) the Default Redemption Notice (and upon the receipt of any such notice, the Company shall immediately give a copy of such notice to all other Bondholders), declaring the relevant Bond to be immediately due and payable, whereupon they shall become due and payable at the Default Redemption Amount in accordance with Clause 9.7; and
- (ii) the relevant Certificate to the Company as soon as practicable after payment by the Company of the full Default Redemption Amount in accordance with Clause 9.7.

9.7 The Company shall pay to the Bondholders the relevant Default Redemption Amount on the relevant Redemption Date by transfer of funds for same day value. The Company shall bear all the costs and expenses for the redemption pursuant to this Clause 9 which shall be in addition to the redemption amount or the Default Redemption Amount.

9.8 Without prejudice to any rights of the Bondholder under this Instrument and the Conditions, nothing shall preclude the Bondholder to serve a conversion notice to the Company under Clause 6 after an Event of Default has happened but before the serving of a Default Redemption Notice to the Company.

10. **TRANSFER AND REGISTER**

10.1 Subject to Clause 10.2, the Bondholder may only assign or transfer the Bond to the transferee subject to the consent of the Company. The Company will, promptly notify the Hong Kong Stock Exchange upon becoming aware of any dealings in the Bond by any connected person (as defined in the Listing Rules) of the Company. The Bond may be assigned or transferred in whole or in part (in whole multiples of HK\$800,000) of its outstanding principal amount and the Company shall facilitate any such assignment or transfer of the Bond, including making any necessary applications to the Hong Kong Stock Exchange for the said approval (if required).

10.2 Notwithstanding Clause 10.1, the Bondholder shall be permitted at any time to transfer the Bond to a transferee who is a wholly-owned subsidiary of the Bondholder or a holding company of the Bondholder who owns the entire issued share capital of the Bondholder provided that the Bond will be re-transferred to the Bondholder immediately upon the transferee ceasing to be a wholly-owned subsidiary of the Bondholder or a holding company of the Bondholder who owns the entire issued share capital of the Bondholder.

10.3 A transfer of the Bond shall be effected by completing and signing, by both the transferor and the transferee under the hand of one of their officers duly authorised in writing or otherwise by a duly authorised person thereof, of a form of transfer set out in Annexure I to the Conditions.

10.4 The Certificate must be delivered for registration during normal business hours (Monday to Friday, 9:00 a.m. to 4:30 p.m.) at the office of the Company at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong accompanied by (i) a duly executed transfer form (which is available at the office of the Company); (ii) in case of the execution of the transfer form on behalf of a

corporation by its officers, the authority of that person or those persons to do so; and (iii) such other evidence (including legal opinions) as the Company may reasonably require if the transfer form is executed by some other person on behalf of the Bondholder. The Company shall, within ten (10) Business Days of receipt of such documents by the Company from the Bondholder and, if necessary, the consent of the Hong Kong Stock Exchange, cancel the existing Certificate and issue a new Certificate, in favour of the transferee or assignee as applicable.

- 10.5 The Company shall maintain and keep a full and complete register and transfer office outside Hong Kong (with a complete and up-to-date copy of the register kept at its principal office in Hong Kong) as it shall from time to time determine of the Bond and the Bondholder from time to time, such register shall contain details of conversion and/or cancellation and the destruction of the Bond and the issue of any replacement Bond issued in substitution for any mutilated, defaced, lost, stolen or destroyed Bond and of sufficient identification details of the Bondholder from time to time. The Company shall further procure that a certified true copy of such register shall be made available to the Bondholder for inspection at all reasonable times.

11. **CONSOLIDATION, AMALGAMATION, MERGER AND FURTHER ISSUES**

- 11.1 In the case of any consolidation, amalgamation or merger of the Company with any other corporation (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation), or in the case of any sale or transfer of all, or substantially all, of the assets of the Company, the Company will forthwith notify the Bondholder of such event in accordance with Condition 11 and (subject to any restriction prescribed by law) cause the corporation resulting from such consolidation, amalgamation or merger or the corporation which shall have acquired such assets, as the case may be, to execute an Instrument supplemental to this Instrument to ensure that the holder of the Bond will have the right (during the period in which such Bond shall be convertible) to convert the Bond then outstanding into the class and amount of shares and other securities and property receivable upon such consolidation, amalgamation, merger, sale or transfer by a holder of the number of Shares which would have become liable to be issued upon conversion of the Bond immediately prior to such consolidation, amalgamation, merger, sale or transfer. The above provisions of this Clause 11 will apply in the same way to any subsequent consolidations, amalgamations, mergers, sales or transfers.
- 11.2 The Company shall, subject to the Listing Rules, from time to time be at liberty to issue further convertible bond and other securities, including convertible bond ranking *pari passu* with the Bond.

12. **CURRENCY INDEMNITY**

- 12.1 Hong Kong dollars (the “**Contractual Currency**”) is the sole currency of account and payment for all sums payable by the Company under or in connection with this Instrument and the Bond.
- 12.2 Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Company or otherwise), by the

Bondholder in respect of any sum expressed to be due to it from the Company will only discharge the Company to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

- 12.3 If that Contractual Currency amount received or recovered under Clause 12.2 is less than the Contractual Currency amount expressed to be due to the recipient under this Instrument or the Bond, the Company will indemnify it against any loss sustained by it as a result. In any event, the Company will indemnify the recipient against the cost of making any such purchase. The indemnity in this Clause 12.3 constitutes separate and independent obligations from the other obligations in this Instrument, will give rise to separate and independent causes of action, will apply irrespective of any indulgence granted by the Bondholder.

13. **MODIFICATIONS/WAIVERS/SEVERABILITY**

- 13.1 Any modification to this Instrument may be effected only by deed poll, executed by the Company and expressed to be supplemental hereto, and (save for minor amendments by the Company which shall not adversely affect the rights of the Bondholder under this Instrument) only if it shall first have been approved by the Bondholder.
- 13.2 A memorandum of every such supplemental deed shall be endorsed on this Instrument.
- 13.3 Notice of every modification to this Instrument shall be given to the Bondholder as soon as reasonably practicable.
- 13.4 No failure or delay by the parties in exercising any right, power or remedy under this Instrument shall operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any further exercise thereof or the exercise of any other right, power or remedy. Without limiting the foregoing, no waiver by one party of any breach by the other party of any provision hereof shall be deemed to be a waiver of any subsequent breach of that or any other provision hereof and any forbearance or delay by the party in exercising any of its rights hereunder shall not be construed as a waiver thereof. If at any time any provision of this Instrument is or becomes illegal, invalid or unenforceable in any respect, the legality, validity and enforceability of the remaining provisions of this Instrument shall not be affected or impaired thereby.

14. **GOVERNING LAW**

- 14.1 This Instrument shall be governed by and construed in accordance with Hong Kong law.
- 14.2 The courts of Hong Kong shall have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Instrument or the Bond and accordingly any legal action or proceedings arising out of or in connection with this Instrument or the Bond (“**Proceedings**”) may be brought in such courts. The Company and the Bondholder irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

IN WITNESS whereof this Instrument has been executed as a deed poll on the day and year first above written.

SCHEDULE

Form of Certificate

Certificate no.:

Amount

CHINA HEALTHWISE HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

Unsecured convertible bonds in the principal amount of
HK\$16,800,000 due on the date falling on the day being two years from the issue date

The Bond in respect of which this Certificate is issued, the identifying number of which is noted below, is in registered form in the principal amount of HK\$16,800,000 (the **Bond**) issued by China Healthwise Holdings Limited (the **Company**) and constituted by the Instrument referred to attached hereof. The Bond is subject to, and has the benefit of, the Instrument, which, subject to the terms of the Instrument, is enforceable by the Bondholder against the Company insofar as each Bondholder's Bond is concerned. Such Instrument (together with any instruments supplemental thereto) and copies of the memorandum and articles of association of the Company will be available for inspection by the Bondholder at the principal office of the Company for the time being in Hong Kong.

The Bondholder will be deemed to have notice of all the provisions contained in the said Instrument (and any instruments supplemental thereto) and may obtain copies thereof upon written request to the Company.

The Company hereby certifies that the person whose name and address is specified below is, at the date hereof, entered in the register of Bondholder as the holder of the Bond in the principal amount indicated below:

Folio	Bondholder and address	Principal amount of the Bond	Identifying no.	Date of issue

GIVEN UNDER THE COMMON SEAL OF THE COMPANY ON THE DATE OF ISSUE
AS STATED ABOVE

The Bond in respect of which this Certificate is issued is convertible into fully paid ordinary shares of the Company with a par value of HK\$0.01 each for the time being subject to and in accordance with the Conditions and the Instrument.

This Certificate is evidence of entitlement only. Title to the Bond passes only on due registration on the register of Bondholder of the Company and only the duly registered holder is entitled to payments on the Bond in respect of which this Certificate is issued.

The Bond in respect of which this Certificate is issued are subject to restrictions on transfer and may be transferred only if the terms and conditions specified in Clause 10 of the Instrument and Condition 3 of the Conditions have been complied with.

This Certificate shall not be valid for any purpose until signed by two directors or by one director and the Secretary of the Company.

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

CHINA HEALTHWISE HOLDINGS LIMITED

by:

Director

Director/Secretary

NO TRANSFER OF THE WHOLE OR ANY PORTION OF THE ABOVE BOND CAN BE REGISTERED UNLESS ACCOMPANIED BY THIS BOND CERTIFICATE.

Registrar and its Specified Office:

CHINA HEALTHWISE HOLDINGS LIMITED

Unit 1209, Shun Tak Centre, West Tower

168-200 Connaught Road Central, Hong Kong

TERMS AND CONDITIONS OF THE BONDS

The issue of the convertible bonds in the principal amount of HK\$16,800,000 due on the date falling on the day being two years from the issue date (the “**Bond**”) of China Healthwise Holdings Limited (“**Company**”) was authorised by resolutions of the Board of Directors of the Company passed on [*] 2024. The Bond is constituted by a deed poll (“**Instrument**”, such expression shall include amendments and modifications from time to time made thereto) dated [*] 2024 executed by the Company. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Instrument. Copies of the Instrument are available for inspection by the Bondholder at the principal office for the time being of the Company in Hong Kong being at the date hereof at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong. The Bondholder is entitled to the benefit of the Instrument and is bound by, and are deemed to have notice of, all the provisions of the Instrument.

Unless otherwise stated or where the context otherwise requires, terms defined in the Instrument have the same meanings when used in these Conditions.

1. STATUS AND VOTING RIGHTS

(A) Status

The Bond constitutes direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Company under the Bond shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations. No application will be made for a listing of the Bond on the Hong Kong Stock Exchange or any other stock exchange.

(B) Voting Rights

The Bondholder shall not be entitled to attend or vote at any meetings of the Company by reason only it being the Bondholder.

2. FORM, DENOMINATION AND TITLE

(A) Form and denomination

The Bonds are issued in registered form in the authorised denomination of HK\$800,000 each (or the multiples thereof), save that if the outstanding amount of the Bonds to be issued is less than HK\$800,000, the Bonds may be issued in such amount. A Certificate will be issued to each Bondholder in respect of its registered holding of the Bond. The Bond and the Certificate will be numbered with an identifying number which will be recorded on the relevant Certificate and in the Register kept by or on behalf of the Company.

(B) Title

The holder of the Bond whose name is entered in the Register will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it or any entry on the Register) and no person will be liable for so treating the holder.

3. TRANSFERS OF BOND AND ISSUE OF CERTIFICATES

(A) Transfer

The Bondholder may only assign or transfer the Bond to the transferee subject to the consent of the Company. The Company will promptly notify the Hong Kong Stock Exchange upon becoming aware of any dealings in the Bond by any connected person of the Company.

The Bond may be assigned or transferred in whole or in part (in whole multiples of HK\$800,000) of its outstanding principal amount and the Company shall facilitate any such assignment or transfer of the Bond, including making any necessary applications to the Hong Kong Stock Exchange for the said approval (if required).

Notwithstanding the condition provided in this Condition 3(A), the Bondholder shall be permitted at any time to transfer the Bond to a transferee who is a wholly-owned subsidiary of the Bondholder or a holding company of the Bondholder who owns the entire issued share capital of the Bondholder provided that the Bond will be re-transferred to the Bondholder immediately upon the transferee ceasing to be a wholly-owned subsidiary of the Bondholder or a holding company of the Bondholder who owns the entire issued share capital of the Bondholder.

(B) Transfer form

A transfer of the Bond shall be effected by completing and signing, by both the transferor and the transferee under the hand of one of their officers duly authorised in writing or otherwise by a duly authorised person thereof, a form of transfer set out as Annexure I at the end of the Conditions which is available to be obtained at the office of the Company at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong (or such other place being the registered office of the Registrar for the time being).

(C) Registration

The Certificate must be delivered for registration during normal business hours (Monday to Friday, 9:00 a.m. to 4:30 p.m.) at the office of the Company at the office of the Company at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong accompanied

by (i) a duly executed transfer form (which is available at the office of the Company); (ii) in case of the execution of the transfer form on behalf of a corporation by its officers, the authority of that person or those persons to do so; and (iii) such other evidence (including legal opinions) as the Company may reasonably require if the transfer form is executed by some other person on behalf of the Bondholder whereas the Company shall deliver such documents to the registrar and transfer office located outside Hong Kong to effect the registration of the transfer. The Company shall, within ten (10) Business Days of receipt of such documents from the Bondholder and, if necessary, the consent of the Hong Kong Stock Exchange, cancel the existing Certificate and issue a new Certificate in favour of the transferee or assignee as applicable.

(D) Delivery of new Certificates

The Certificate to be issued upon a transfer of Bond will, within ten (10) Business Days of receipt by the Company of the form of transfer accompanied by the documents referred to in Condition 3(C), be made available for personal collection by the holder entitled to the Bond during normal business hours (Monday to Friday, 9:00 a.m. to 4:30 p.m.) at the office of the Company at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong and upon production of such identification papers as may be reasonably requested by the Company.

Where some but not all the amount of the Bond in respect of which a Certificate is issued are to be transferred or converted, a new Certificate in respect of the Bond not so transferred or converted will, within ten (10) Business Days of delivery of the original Certificate to the Company, be made available for collection by such holder during normal business hours (Monday to Friday, 9:00 a.m. to 4:30 p.m.) at the office of the Company at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong upon production of such identification papers as may be reasonably requested by the Company.

(E) Formalities free of charge

Registration of transfer of the Bond will be effected upon (a) payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Hong Kong Stock Exchange) for each Certificate cancelled or each new Certificate issued, whichever number of the Certificates cancelled/issued is higher; and (b) payment (or the giving of such indemnity as the Company may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

(F) Closure of Register

The Bondholder may not require the transfer of the Bond to be registered during the period of seven (7) days ending on the due date for any payment of any interest on the Bond.

4. INTEREST

- (A) The Bond shall bear interest from and including the date of its issue at at the rate of six per cent. (6%) per annum on the outstanding principal amount thereof. Interest shall be accrued daily on a 365 days basis and is payable semi-annually with the final amount on the Maturity Date (“**Interest Payment Date**”). If an Interest Payment Date would otherwise fall on a day which is not a Business Day it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding Business Day. In the event that the Bond be redeemed on or before the Maturity Date, the Interest Payment Date shall be the Business Day falling on the next day of the date of redemption of the Bond.
- (B) The Bond will, in respect of the Conversion Rights attached thereto which are exercised, cease to bear interest on the earliest of (a) its Conversion Date subject to conversion of the Bond in accordance with this Instrument and the Conditions; (b) the date of redemption of the Bond; and (c) the Maturity Date.
- (C) Without prejudice to any other right or remedy of the Bondholder, in the event of default in the payment on the due date of any sum payable hereunder, the Company shall pay interest on the overdue sum from the due date to the date of actual payment at the rate of 10% per annum and at the judgment rate after judgment. Such interest shall be calculated on the basis of actual days elapsed and a 365-day year.

5. CONVERSION

(A) **Conversion Right**

Subject as hereinafter provided, Bondholders have the right to convert their Bonds into Shares during the Conversion Period.

The right of a Bondholder to convert the principal amount (or any part(s) thereof, but excluding Interest) of the Bonds into Shares is called the “**Conversion Right**”. Subject to, and upon compliance with, the provisions of this Condition, the Conversion Right attaching to any Bonds may only be exercised, at the option of the holder thereof from the date of this Instrument up to 4:00 pm (Hong Kong time) immediately prior to and exclusive of the Maturity Date (as defined in Condition 8(A)) (the “**Conversion Period**”), in amounts (the “**Conversion Amount**”) not less than a whole multiple of HK\$800,000 on such conversion, save that if at any time the outstanding principal amount of the Bond held by a Bondholder is less than HK\$800,000, or if a Bondholder intends to exercise the Conversion Rights attached to the entire principal amount of all the Bonds held by him, the Bondholder may convert the whole (but not part only) of the such outstanding principal amount of the Bonds.

The right of the converting Bondholder to repayment of the principal amount of the Bond, and premium (if any), being converted shall only be extinguished and released on either: (i) the allotment and issue of Shares credited as paid up in full by the Company as provided in this Condition 5 and the name of the converting Bondholder having been entered on the Hong Kong branch register of Shareholders as the holder of such Shares or such other register of members of the Company as the exercising Bondholder may select; or (ii) the redemption of the relevant Bond by the Company in cash as provided in these Conditions, or otherwise agreed with both parties.

Provided that any conversion of the Bond (i) does not trigger a mandatory offer obligation under Rule 26 of the Code on the part of the Bondholder which exercised the conversion right and its party(ies) acting in concert as defined under the Code; and (ii) will not cause the public float of the Company unable to meet the requirement under Rule 8.08 of the Listing Rules, the Bondholder shall, subject to compliance with the procedures set out in the Conditions, have the right at any time during the Conversion Period to convert the whole or part of the outstanding principal amount of the Bond registered in its name into Shares provided further that any conversion shall be made in amounts of not less than a whole multiple of HK\$800,000 on each conversion save that if at any time the aggregate outstanding principal amount of the Bond is less than HK\$800,000, the whole (but not part only) of the outstanding principal amount of the Bond may be converted. If a conversion notice is served on the same date as a redemption notice is served by the Company, the Bondholder's conversion notice will deem to take priority.

(B) Number of Conversion Shares

The number of Conversion Shares to be issued on each conversion will be determined by dividing the principal amount specified in the Conversion Notice by the Conversion Price applicable on the Conversion Date. Fractions of Shares will not be issued on conversion and the amount representing such fraction will be retained by the Company and no payment will be made to the Bondholder in respect of such fraction, provided always that for the purpose of determining whether any (and if so what) fraction of a share arises, if the Conversion Right represented by a Certificate and any one or more other Certificates are exercised on the same Conversion Date by the Bondholder, then the Conversion Rights represented by the Bond shall be aggregated.

(C) Conversion Price

The Conversion Price for the Bond shall be HK\$0.088 per Conversion Share, subject to adjustments as hereafter described.

The Instrument contains detailed provisions relating to the adjustment of the Conversion Price. The following is a summary of, and is subject to, the provisions of Clause 7 of the Instrument:

- (a) The Conversion Price shall (except as otherwise mentioned in the following paragraphs of this Condition 5(C)) be adjusted as provided in the Instrument in each of the following cases:
- (i) an alteration of the nominal amount of the Shares by reason of any consolidation or subdivision;
 - (ii) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account, contributed surplus account or capital redemption reserve fund);
 - (iii) a Capital Distribution (as defined in the Instrument) being made by the Company, whether on a reduction of capital or otherwise, to holders of the Shares in their capacity as such;
 - (iv) an offer or grant being made by the Company to holders of Shares by way of rights or of options or warrants to subscribe for new Shares at a price which is less than 90 per cent. of the market price (calculation as provided in the Instrument);
 - (v) an issue wholly for cash being made by the Company of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total Effective Consideration per Share (as defined in the Instrument) initially receivable for such securities is less than 90 per cent. of the market price (calculation as provided in the Instrument), or the terms of any such rights of conversion or exchange or subscription attached to any such securities being modified so that the said total Effective Consideration per Share initially receivable for such securities is less than 90 per cent. of the market price;
 - (vi) an issue being made by the Company wholly for cash of Shares at a price per Share less than 90 per cent. of the market price (calculation as provided in the Instrument); and
 - (vii) an issue being made by the Company of Shares for the acquisition of asset at a total Effective Consideration per Share (as defined in the Instrument) less than 90 per cent. of the market price (calculation as provided in the Instrument).
- (b) Except as mentioned in the following paragraphs of this Condition 5(C), no such adjustment as referred to in paragraph (a) of this Condition 5(C) shall be made in respect of:

- (i) an issue of fully paid Shares upon the exercise of any conversion rights attached to securities convertible into Shares or upon the exercise of any rights (including any conversion of the Bond) to acquire Shares;
 - (ii) an issue of Shares or other securities of the Company or any subsidiary of the Company wholly or partly convertible into, or carrying rights to acquire, Shares to officers or employees of the Company or any of its subsidiaries pursuant to any employee or executive share scheme;
 - (iii) an issue by the Company of Shares or by the Company or any subsidiary of the Company of securities wholly or partly convertible into or carrying rights to acquire Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business;
 - (iv) an issue of fully paid Shares by way of capitalisation of all or part of any subscription right reserve, or any similar reserve which has been or may be established pursuant to the terms of any securities wholly or partly convertible into or carrying rights to acquire Shares; or
 - (v) an issue of Shares pursuant to a scrip dividend scheme where an amount not less than the nominal amount of the Shares so issued is capitalised and the market value (calculation as provided in the Instrument) of such Shares is not more than 120 per cent. of the amount of dividend which holders of the Shares could elect to or would otherwise receive in cash.
- (c) Notwithstanding the provisions referred to in paragraphs (a) and (b) of this Condition 5(C), in any circumstances where the directors of the Company shall consider that an adjustment to the Conversion Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Conversion Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or with a different time from that provided for under the said provisions, the Company may appoint an independent financial adviser or the auditors of the Company for the time being to consider whether for any reason whatever the adjustment to be made (or the absence of adjustment) would or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if such independent financial adviser or auditors of the Company for the time being (as the case may be) shall consider this to be the case, the adjustment shall be modified or nullified or

an adjustment made instead of no adjustment in such manner (including, without limitation, making an adjustment calculated on a different basis and/or the adjustment shall take effect from such other date and/or time) as shall be certified by such independent financial adviser or auditors of the Company for the time being (as the case may be) to be in its opinion appropriate.

- (d) If the Company or any subsidiary of the Company shall in any way modify the rights attached to any share or loan capital so as wholly or partly to convert or make convertible such share or loan capital into, or attach thereto any rights to acquire, Shares, the Company shall appoint an independent financial adviser or the auditors of the Company for the time being to consider whether any adjustment to the Conversion Price is appropriate (and if such independent financial adviser or auditors of the Company for the time being (as the case may be) shall certify that any such adjustment is appropriate the Conversion Price shall be adjusted accordingly).
- (e) Any adjustment to the Conversion Price shall be made to the nearest one-tenth of a cent so that any amount under half of one-tenth of a cent shall be rounded down and any amount of half of one-tenth of a cent or more shall be rounded up. No adjustment shall be made to the Conversion Price in any case in which the amount by which the same would be reduced would be less than one-tenth of a cent and any adjustment which would otherwise then be required shall not be carried forward.
- (f) Every adjustment to the Conversion Price will be certified by the auditors of the Company for the time being or an independent financial adviser and notice of each adjustment (giving the relevant particulars) will be given to the Bondholder. Any such certificate(s) of the auditors of the Company for the time being or (as the case may be) of the relevant independent financial adviser will be available for inspection at the Specified Office.
- (g) The Company shall take all necessary action prior to carrying out any action that may render the Conversion Price being adjusted so that on conversion the Conversion Shares shall fall to be issued at a discount to their par value, failing which the Company shall compensate the Bondholder all losses as a result thereto including but not limited to such amount that the Bondholder would be entitled under the adjustment but was being prevented and all costs and expenses.
- (h) If any adjustment to be made will render the total number of the Conversion Shares exceeding the Specific Mandate, the Bondholder shall be entitled to convert up to the maximum number of the Conversion Shares and the remaining portion of the principal amount shall be redeemed on the Maturity Date on a dollar-to-dollar basis together with accrued interests.

(D) Conversion Procedure

- (i) **Conversion Notice:** To exercise the Conversion Right attaching to the Bond, the holder thereof must complete, execute and deposit either by personal delivery or by facsimile at its own expense during normal business hours (Monday to Friday, 9:00 a.m. to 4:30 p.m.) at the office of the Company at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong a notice of conversion (a “**Conversion Notice**”) in the form of Annexure II set out at the end of the Conditions (which is available at the Specified Office) together with the Certificate. The Conversion Notice once given shall not be revocable. In each case, compliance must be made by the Bondholder of all applicable exchange control, fiscal and other laws and regulations relating to the exercise of the Conversion Rights and the allotment and issue to it and the holding by it of the Conversion Shares.

Any calculation by the Company of the number of Conversion Shares falling to be issued on a conversion shall, in the absence of manifest error, be conclusive and binding on the Bondholder.

- (ii) **Conversion Date:** in respect of an exercise of a Conversion Right, the conversion date (the “**Conversion Date**”) in respect of the Bond will be deemed to be the Business Day immediately following the date of the surrender of the relevant Certificate and delivery of Conversion Notice therefor and, if applicable, any payment to be made or indemnity given under these Conditions in connection with the exercise of such Conversion Right provided that if such rights are exercised during a period when the register of holders of Shares is closed, the Conversion Date shall be the next following Business Day on which the register of holders of Shares is open.
- (iii) **Stamp Duty etc.:** The Company shall pay any capital, stamp and registration duties arising on the allotment and issue of the Conversion Shares.
- (iv) **Delivery of share certificates:** As soon as practicable, and in any event not later than ten (10) Business Days after the Conversion Date, the Company shall register the Bondholder (or such other person(s) as it may direct in the Conversion Notice) as holder(s) of the relevant number of Shares in the Company’s share register and will be made available for personal collection by the holder of such Bond during normal business hours (Monday to Friday, 9:00 a.m. to 4:30 p.m.) at the office of the Company at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong or, if requested by the Bondholder, be sent by post at the risk of the Bondholder to the address of the Bondholder in the Register a certificate (or certificates) for the relevant Shares in the

name of the Bondholder or such other person(s) as it may direct in the Conversion Notice. In addition, the Company shall pay the accrued interests in relation to the principal amount calculated up to the Conversion Date which have been converted into Conversion Shares to the Bondholder by way of a cheque issued by a bank registered in Hong Kong in accordance with the terms of the Instrument.

If the number of Shares falling to be allotted and issued upon the exercise of any Conversion Rights shall exceed the number of unissued Shares in respect of which approval for listing has been granted by the Listing Committee of the Hong Kong Stock Exchange, the performance of the obligations of the Company under this Condition 5(D)(iv) regarding the issue, deposit and delivery of Shares shall, in respect of the principal amount comprising only of such excess number of Shares, be redeemed on the Maturity Date together with accrued interests in accordance with the terms of the Instrument.

- (v) **Ranking of Shares:** The Shares issued upon conversion of the Bond will in all respects rank *pari passu* with the Shares in issue on the date of allotment and issue of such Shares and accordingly shall entitle the holders to participate in all dividends or other distributions declared, paid or made on or after the relevant Conversion Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the relevant Conversion Date. A holder of Shares issued on conversion of the Bond shall not be entitled to any rights the record date for which precedes the relevant Conversion Date.

(E) Company's Undertakings

The Company has given certain undertakings and covenants in the Instrument that, among other matters, so long as any amount of the Bond remain outstanding it will (a) maintain a listing for all the issued Shares on the Hong Kong Stock Exchange, and (b) subject to the provisions of Condition 5(D)(iv), obtain and maintain a listing for all the Shares issued on the exercise of the Conversion Rights on the Hong Kong Stock Exchange and will forthwith give notice to the Bondholder of the de-listing of the Shares by the Hong Kong Stock Exchange.

(F) Consolidation, Amalgamation or Merger

In the case of any consolidation, amalgamation or merger of the Company with any other corporation (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation), or in the case of any sale or transfer of all, or substantially all, of the assets of the Company, the Company will forthwith notify the Bondholder of such event in accordance with Condition 11 and (subject to any restriction

prescribed by law) cause the corporation resulting from such consolidation, amalgamation or merger or the corporation which shall have acquired such assets, as the case may be, to execute an instrument supplemental to the Instrument to ensure that the Bondholder will have the right (during the period in which such Bond shall be convertible) to convert such Bond into the class and amount of shares and other securities and property receivable upon such consolidation, amalgamation, merger, sale or transfer by a holder of the number of Shares which would have become liable to be issued upon conversion of such Bond immediately prior to such consolidation, amalgamation, merger, sale or transfer. The above provisions of this Condition 5(F) will apply in the same way to any subsequent consolidations, amalgamations, mergers, sales or transfers.

6. PAYMENTS

(A) Method of payment

Any payment payable under the Bond which would otherwise be due on a non-Business Day it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding Business Day. All payments due under these Conditions will be paid to the Bondholder as shown on the Register at the close of business on the due date for payment. Payments will be made net of any applicable bank charges by transfer in Hong Kong dollars to the registered account of the Bondholder or by Hong Kong dollar cheque drawn on a bank in Hong Kong mailed at the risk of the Bondholder to the registered address of the Bondholder if it does not have a registered account.

(B) Registered Accounts and Addresses

For the purposes of this Condition, the Bondholder's registered account means the Hong Kong dollar account maintained by or on behalf of it with a bank in Hong Kong, or as the Bondholder may direct, the registered account of its fellow subsidiaries under its parent company, (in relation to the initial bondholder, its parent company being Heng Tai Consumables Group Limited), details of which appear on the Register at the close of business on the Business Day before the due date for payment, and the Bondholder's registered address means its address appearing on the Register at that time.

(C) Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws and regulations. No commissions or (save as provided in Condition 6(A)) expenses shall be charged to the Bondholder in respect of such payments.

(D) Payment Initiation

Where payment is to be made by transfer to a registered account, payment

instructions will be given and, where payment is to be made by cheque, the cheque will be mailed, on the due date for payment.

7. REDEMPTION, CANCELLATION

(A) Redemption

Subject to clause 9.5 under the Instrument where an Event of Default (as defined in the Instrument) has occurred, the Bondholder may not before the Maturity Date redeem the Bond (in whole or in part). The Company may at any time before the Maturity Date by serving at least seven (7) days' prior written notice to the Bondholder with the total amount proposed to be redeemed from the Bondholder specified therein, redeem the Bond (in whole or in part) at par together with accrued interests provided always that no conversion notice has been served by the Bondholder on or prior to the date the redemption notice is served by the Company to the Bondholder(s).

Any amount of the Bond which remains outstanding on the Maturity Date shall be redeemed at its then outstanding principal amount together with interest accrued.

(B) Cancellation

Any amount of the Bond which is redeemed or converted will forthwith be cancelled. Certificate in respect of the Bond cancelled will be forwarded to or to the order of the Company and such Bond may not be reissued or resold.

8. TAXATION

The Company shall be entitled to withhold from all payments of principal by the Company any amounts required to be withheld under the applicable law, rule and regulations for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature, including without limitation, deduction or withholding on account of taxation on the overall turnover, income, taxation income or capital gain of the Bondholder imposed or levied by or on behalf of Hong Kong or other jurisdiction or any authority thereof or therein having the power to tax. If the Company is so required to make such withholdings or deductions, payment of the net amount after such deduction or withholdings to the Bondholder will constitute full discharge of the Company's obligations to make such payments.

9. RESTRICTED HOLDERS

No Conversion Rights represented by the Bond may be exercised by any person who is a Restricted Holder (as hereinafter defined), and the exercise of any Conversion Rights by the Bondholder shall constitute a confirmation, representation and warranty by the Bondholder to the Company that the Bondholder is not a Restricted Holder and that all necessary governmental,

regulatory or other consents or approvals and all formalities have been obtained and observed by the Bondholder to enable it to exercise legally and validly the relevant Conversion Rights, to hold (or, if applicable, to have such person(s) as it may nominate in the Conversion Notice hold) the Conversion Shares allotted and issued upon exercise of the Conversion Rights and the Company to legally and validly allot the Conversion Shares. For the purposes of this Condition, a “**Restricted Holder**” means a Bondholder (or, if applicable, such person(s) as it may nominate in the Conversion Notice to whom the Shares arising on conversion are to be issued) who is a resident or national of any jurisdiction other than Hong Kong under the laws and regulations of which an exercise of Conversion Rights by such Bondholder in the manner provided in the Conversion Notice and the Conditions or the performance by the Company of the obligations expressed to be assumed by it under the Instrument or these Conditions or the allotment and issue and holding of the Conversion Shares cannot be carried out lawfully or cannot be carried out lawfully without the Company first having to take certain actions in such jurisdiction.

10. REPLACEMENT OF CERTIFICATES

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the Company upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Company may reasonably require and on payment of such fee not exceeding HK\$50 as the Company may determine. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

11. NOTICES

- (A) The Bondholder shall register with the Company an address either in Hong Kong or elsewhere to which notices can be sent and if the Bondholder shall fail to do so, notice may be given to the Bondholder by sending the same in any of the manners hereinafter mentioned to his last known place of business or residence or, if there be none, by posting up the same for three days at the Specified Office for the time being of the Company.
- (B) A notice shall be given by personal delivery, prepaid registered mail (registered airmail in the case of an overseas address to where airmail service is available).
- (C) Notices sent by personal delivery or prepaid registered mail or the posting of the same at the Specified Office as provided by paragraph (A) of this Condition shall be deemed to have been served on the first day after such delivery or the deposit of the letter with postal authorities or in a postbox or, as the case may be, the first day after the first posting up of such notice.
- (D) All notices to the Bondholder shall be validly given if mailed to them at its address in the Register.
- (E) Any communication to the Company shall be by letter delivered personally or by facsimile transmission to it at Unit 1209, Shun Tak Centre,

West Tower, 168-200 Connaught Road Central, Hong Kong or (if different) its registered office for the time being in Hong Kong, fax no. (+852) 2548-5575, Attention: Company Secretary (or such other number as shall be notified in writing by the Company to the Bondholder). Any such communication will take effect, in the case of delivery, at the time of delivery or, in the case of facsimile transmission, at the time of despatch.

12. GOVERNING LAW AND JURISDICTION

The Bond and the Instrument are governed by, and shall be construed in accordance with the laws of Hong Kong. In relation to any legal action or proceedings arising out of or in connection with the Instrument and/or the Bond, the Company has in the Instrument and the Bondholder shall irrevocably submit to the non-exclusive jurisdiction of courts of Hong Kong.

ANNEXURE I

FORM OF TRANSFER

The undersigned hereby transfers to:

.....

.....

(Please print or typewrite name and address of transferee)

HK\$..... principal amount of the Bond in respect of which this Certificate is issued, and all rights in respect thereof.

All payments in respect of the Bond hereby transferred are to be made (unless otherwise instructed by the transferee) to the following account:

Name of bank :

HK\$ account number :

For the account of :

Date: _____

Transferor's name : _____

Transferor's signature : _____

Transferor's witness : _____

Transferee's name : _____

Transferee's signature: _____

Transferee's witness : _____

Name and title of the
Company representative: _____

Signature of Company
representative: _____

Company's witness: _____

Notes:

- (i) The Bond is transferable at any time subject to Condition 3(A). Any transfer shall be made in compliance with the requirements of Condition 3 as stated in the overleaf of the Certificate.
- (ii) A representative of the Bondholder should state the capacity in which he/she/it signs, e.g. director.
- (iii) The signature of the person effecting a transfer shall conform to any list of authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Company may require.

ANNEXURE II

CONVERSION NOTICE

(To be executed and lodged with the Company to exercise the
Conversion Rights represented by this Certificate)

To: **China Healthwise Holdings Limited** (“Company”)

The undersigned, being the duly registered holder of the Bond represented by this
Certificate:

- (A) hereby irrevocably elect(s) to exercise the Conversion Rights
on (*Note (i)*) (being the Conversion Date) to the
extent of HK\$..... / all of the principal amount represented by this
Certificate (*Note (ii)*) and to convert such amount for the relevant number of
Shares in the capital of the Company at the Conversion Price, and agree(s) to
accept such Shares on the terms of the memorandum and articles of association of
the Company;
- (B) agree(s) that the Conversion Price applicable on the Conversion Date shall be
determined by the Company in accordance with the Instrument and the Conditions;
- (C) request(s) that:
- (i) certificate(s) for such Shares be issued in the name(s) of the person(s)
stated below or, if no name and address are stated below, the person(s)
whose name(s) stand(s) on the Register as the Bondholder represented by
this Certificate (*Note (iii)*);
- Name : (in block capitals)
- Address:
- (ii) such certificate be sent by post at the risk of the Bondholder to the address
stated above or, if no such address is stated, to the address of the
Bondholder (*Note (iv)*).

Dated

Signature(s) (*Notes (v)*)

(1) (2)

(3) (4)

NOTES:

- (i) The Conversion Date shall be the Business Day immediately following the date
of the surrender of the relevant Certificate and delivery of the Conversion Notice.
- (ii) If the Bond represented by this Certificate is only exercised in part, the amount

inserted in paragraph (A) of this Conversion Notice must be a whole multiple of HK\$800,000, unless the outstanding principal amount of the Bond is less than HK\$800,000. If no amount is inserted, the relevant Conversion Rights will be deemed to have been exercised in respect of the entire principal amount represented by this Certificate.

- (iii) Bondholder who wishes to collect from the Specified Office their Share certificate may only do so by prior arrangement with the Company.
- (iv) An exercise of any Conversion Rights represented by this Certificate constitutes under the Conditions a representation to and warranty in favour of the Company by the Bondholder that it (or, if applicable, such person(s) as it may nominate in the Conversion Notice to whom the relevant Shares are to be issued) is not a Restricted Holder, which for this purpose means the Bondholder (or, if applicable, any such nominee(s) of the Bondholder as aforesaid) who is a resident or national of any jurisdiction (other than Hong Kong) under the laws and regulations of which it may not lawfully exercise the Conversion Rights represented by this Certificate in the manner provided in the Conversion Notice and the Conditions or the Company cannot lawfully perform the obligations expressed to be assumed by it under the Instrument or the Conditions or the allotment and issue and holding of the Conversion Shares cannot be carried out lawfully or cannot be carried out lawfully without the Company first having to take certain actions in such jurisdiction. In exercising the Conversion Rights represented by this Certificate, compliance must be made by the Bondholder with all applicable exchange control, fiscal and other laws and regulations relating to such exercise and the allotment and issue to it and the holding by it of the Conversion Shares.

EXECUTION

**THE COMMON SEAL of
CHINA HEALTHWISE
HOLDINGS LIMITED**
is affixed in accordance with its
memorandum and articles of association
in the presence of:

)
)
)
)
)
)
)
)
)
) Signature of authorised person
)
)
) Office held
)
)
) Name of authorised person (block letters)
)
)
)
)
)
)
)
) Signature of authorised person
)
)
) Office held
)
)
) Name of authorised person (block letters)

SCHEDULE 2

The Straight Bonds Instrument

Draft (5)

Date: 2024

CHINA HEALTHWISE HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
(the “Company”)

INSTRUMENT
constituting the straight bonds
in the principal amount
of HK\$55,500,000 due 2026

THIS INSTRUMENT is made by way of deed poll on 2024

BY:-

CHINA HEALTHWISE HOLDINGS LIMITED, a company incorporated in the Cayman Islands with limited liability whose registered office is situated at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and its head office and principal place of business in Hong Kong is situated at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong (the “**Company**”, which for the purpose of this Instrument shall include its nominee and subsidiaries from time to time).

WHEREAS pursuant to the resolution(s) of the board of directors of the Company passed on [*] 2024, the Company has resolved to create and issue the Bonds on the terms hereof.

I. INTERPRETATION

(A) In this Instrument and the Certificate (including the Recitals above), the following expressions shall, unless the context requires otherwise, have the following meanings:

“ Bonds ”	the straight bonds due 2026 in the principal amount of HK\$55,500,000 in registered form to be issued by the Company in accordance with the terms of the Subscription Agreement and constituted by this Instrument with the benefit of and subject to the provisions of the Conditions and for the time being outstanding or, as the context may require, any number or principal amount of them, and “ Bond ” includes any part or parts of the Bonds as such may be transferred or assigned from time to time;
“ Bondholder(s) ”	the person(s) who is for the time being the holder(s) of the Bond(s);
“ Business Day ”	any day (excluding Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business;
“ Certificate ”	a certificate to be issued in respect of the Bond(s) in or substantially in the form set out in Schedule 1;
“ Completion ”	has the meaning ascribed to that term in the Subscription Agreement;
“ Conditions ”	the terms and conditions of the Bonds set out in the paragraph headed “ Conditions ” below and

	“Condition” refers to the relative numbered paragraph thereof;
“Event of Default”	has the meaning ascribed to it in Condition 9;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issue Date”	the date of issue of the Bonds;
“Maturity Date”	the date falling on the day being two years from the Issue Date;
“Register”	the register of Bondholders which shall contain the names and addresses of the holders of all the Bonds held by them and of all the transfers of the Bonds;
“Registrar”	the Company or such other person, firm or company as for the time being maintains outside Hong Kong the registers of the holders of the Bonds;
“Shareholders”	shareholders of the Company;
“Special Resolution”	has the meaning set out in paragraph 15 of Schedule 2;
“Specified Office”	in relation to the Registrar, either the office identified with its name at the end of the Conditions or any other office notified to the Bondholders pursuant to Condition 2.6;
“Subscription Agreement”	means the subscription agreement dated 19 August 2024 and entered into between the Company as issuer and Heng Tai Finance Limited as subscriber for the subscription of the Bonds;
“this Instrument”	this instrument, the schedules (as from time to time altered in accordance with this instrument) and any other document executed in accordance with this instrument (as from time to time so altered) and expressed to be supplemental to this instrument;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

- (B) The expressions “**Company**” and “**Bondholder**” shall where the context permits include their respective successors and permitted assigns and any persons deriving title under them.
- (C) Words importing the singular include the plural and vice versa and words importing gender or the neuter include both genders and the neuter; references to this Instrument or any issue document shall be construed as references to such document as the same may be amended or supplemented from time to time; and a reference to person includes a reference to a body corporate and to any unincorporated body of person.
- (D) Condition headings are inserted for reference only and shall be ignored in construing the Bonds.

II. CONDITIONS

1. Maturity

Unless previously redeemed and cancelled as provided herein, the Company shall redeem the Bond(s) which remains outstanding on the Maturity Date at the redemption amount at 100% of the principal amount of the Bonds outstanding, together with interest specified in Condition 3 accrued thereon up to the actual date of redemption.

2. Status, security and transfer

- 2.1 The obligations of the Company arising under the Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank equally among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law. The Bonds are issued subject to the terms of the Conditions and in registered form. A Certificate shall be issued to each of the Bondholders in respect of its holding of the Bonds. No application will be made for the listing of the Bonds.
- 2.2 The Bonds may only be transferred or assigned in whole or in part (if in part, in minimum amount of HK\$500,000 or in whole multiple thereof) to any person subject to the consent of the Company at any time from the Issue Date and prior to the Maturity Date.
- 2.3 The Company shall use all reasonable endeavours to facilitate any such assignment or transfer of the Bonds and shall cause to keep the Register by the Registrar.
- 2.4 The Bondholder shall (except as otherwise required by law) be treated as the absolute owner of the Bonds for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person shall be liable for so treating the Bondholder. Title to the Bonds passes only on registration

on the Register and only the registered holder is entitled to payment on the Bonds in respect of which the Certificate is issued.

2.5 In relation to any transfer of the Bonds permitted under or otherwise pursuant to this Condition 2:-

- (a) the Bonds may only be transferred by execution and delivering to the Company at least five (5) Business Days prior to the proposed transfer a form of transfer (the “**Transfer Form**”) in or substantially in the form annexed hereto as Annexure I (or in such form as may be approved by the Company) under the hand of the transferor and the transferee or, where the transferor or transferee is a corporation, under its common seal (if any) and under the hand of one of its officers duly authorised in writing or otherwise executed by a duly authorised officer thereof. In this Condition, “**transferor**” shall, where the context permits or requires, include joint transferors or can be construed accordingly; and
- (b) the Certificate must be delivered for cancellation to the Specified Office or head office of the Registrar in Hong Kong accompanied by (i) a duly completed and executed (and if required, duly stamped) Transfer Form; and (ii) in the case of the execution of the Transfer Form on behalf of a corporation by its officers, the authority of that person or those persons to do so and a copy of the constitutional document. The Company shall, within five (5) Business Days of receipt of such documents from the Bondholder, cancel the existing Certificate and issue a new Certificate under the seal of the Company, in favour of the transferee or assignee in respect of the outstanding principal of the Bond(s) (or the transferred or assigned part of the Bond(s)) as applicable and, if the Bond(s) are assigned or transferred in part only, issue a new Certificate under the seal of the Company, in favour of the transferor in relation to the part of the Bonds not assigned or transferred.

Any new Certificate issued pursuant to Condition 2.5(b) shall be mailed by registered mail, at the risk of the holder entitled thereto, to the address specified in the Form of Transfer, or if no such address is given in the Form of Transfer, made available for collection by the holder entitled thereto at the Specified Office or head office of the Registrar in Hong Kong.

2.6 The Company will give not less than five (5) Business Days’ prior notice to the Bondholders of any future appointment or any resignation or removal of the Registrar or of any change by the Registrar of its Specified Office or its head office in Hong Kong.

3. **Interest**

3.1 Subject to Condition 3.2, the Bonds bear interest from the Issue Date at the rate of eight per cent. (8%) per annum on the principal amount thereof outstanding from time to time. The interest shall, subject as provided herein, be payable by the Company to each Bondholder semi-annually in arrears after the Issue Date. For the avoidance of doubt, interest shall accrue daily and shall be calculated on the

basis of the actual number of days elapsed and a 365-day year and rounded down to the nearest cent.

- 3.2 If the Company defaults in the payment of any sum due and payable under these Conditions in respect of any Bonds or after the occurrence of an Event of Default as set out in Condition 9, the Company shall pay a default interest on such sum to the relevant Bondholder(s) from the due date to the date of actual payment in full (both before and after judgment) calculated at the rate of 12% per annum.

4. Redemption and other payments by the Company

- 4.1 On the occurrence of an Event of Default as set out in Condition 9, a Bondholder may by notice in writing to the Company demand immediate redemption of the Bond(s) of which it is the holder at an amount equal to the outstanding principal amount of such Bond(s) plus an interest accrued thereon from the Issue Date and up to the date of redemption calculated in accordance with Condition 3, less any interest paid by the Company on such Bonds previously.
- 4.2 All payments by the Company hereunder shall be made in HK\$ in immediately available funds free and clear of any withholdings or deductions for any present or future taxes, imposts, levies, duties or other charges.
- 4.3 All payments by the Company shall be made on the due date by remittance to such registered bank account of the relevant Bondholder in Hong Kong or by HK\$ cheque drawn on a licensed bank in Hong Kong mailed by registered mail to the registered address of the relevant Bondholder (if it does not have a registered account) as the Bondholder may notify the Company in writing from time to time and if such due date would otherwise fall on a day which is not a Business Day it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding Business Day. For the purpose of this Condition, a Bondholder's registered account means the HK\$ account maintained by or on behalf of it with a bank in Hong Kong, details of which appear on the register of Bondholders at the close of business on the Business Day immediately before the due date for payment, and a Bondholder's registered address means its address appearing on the register of Bondholders at that time. Payments may only be deferred by written consent given by the Bondholders.
- 4.4 The Company may at any time after the date of Issue Date and before the Maturity Date by serving at least seven (7) days' prior written notice to the Bondholder with the total amount proposed to be redeemed from the Bondholder specified therein, redeem the Bond(s) (in whole or in part) at 100% face value of the Bond(s) together with interests accrued thereon from the Issue Date and up to the date of redemption, less any interest paid by the Company on such Bond(s) previously pursuant to Condition 3. Such notice once given shall be irrevocable and shall oblige the Company to make the redemption in such amount and on such date as stated in such notice.

- 4.5 In relation to any redemption of the Bonds permitted under or otherwise pursuant to this Condition the Certificate of the relevant Bonds must be delivered for cancellation to the Specified Office or head office of the Company in Hong Kong at least two (2) Business Days prior to the redemption date. The Company shall, within ten (10) Business Days of receipt of such documents from the Bondholder, cancel the existing Certificate and issue a new Certificate under the seal of the Company in respect of the remaining outstanding principal of the Bond not redeemed (if any). Any new certificate issued pursuant to this Condition 4.5 shall be mailed by registered mail, at the risk of the holder entitled thereto, to the address specified in the Register, made available for collection by the holder entitled thereto at the Specified Office or head office of the Registrar in Hong Kong.

5. Voting

The Bondholders shall not be entitled to receive notices of, attend or vote at any meetings of the Company by reason only of the holding of the Bonds.

6. Replacement of Certificates

If any Certificate is stolen, lost, defaced, destroyed or mutilated, the Bondholder shall notify the Company as soon as practicable and a replacement Certificate shall be issued within ten (10) Business Days if the Bondholder provides at the Specified Office or head office of the Registrar in Hong Kong with: (i) the mutilated Certificate; or (ii) a declaration by the Bondholder that the Bonds had been lost or mutilated (as the case may be) or other evidence that the Bonds had been lost or mutilated; and (iii) an appropriate indemnity in such form and content as the Company may reasonably require and on payment of such fee not exceeding HK\$50 as the Company may determine. Any Certificate replaced in accordance with this Condition 6 shall forthwith be cancelled.

7. Protection of the Bondholders

- 7.1 So long as the Bonds are outstanding, unless with prior written approval of the Bondholders:-

- (a) the Company shall obtain and promptly renew (if appropriate) from time to time, all such authorisations, approvals, consents, licences and exemptions as may be required under any applicable law or regulation to enable it to perform its obligations under the Bonds or which are required for the validity or enforceability of the Bonds;
- (b) the Company shall not enter into any deed, agreement, assignment, instrument or documents whatsoever binding on it which may result in any breach of any of the terms and conditions of the Bonds;
- (c) the Company shall not make any reduction or redemption of share capital, share premium account or capital redemption reserve involving any repayment to its Shareholder(s) whether in cash or in specie or reduce any uncalled liability in respect thereof;

- (d) the Company shall not make any distribution of asset, cash and species before the maturity or the repayment of the Bonds; and
- (e) the Company will not consolidate with, merge or amalgamate into or transfer or convey its assets substantially as an entirety to any person.

8. Undertakings

- 8.1 The undertakings in this Condition 8 shall remain in full force from and after the date of this Instrument and so long as any sum remains payable under any Bonds.
- 8.2 For so long as any part of the principal amount of any Bonds remain outstanding, the Company shall comply in full with the Conditions and shall not take any action which shall or might cause a breach or default thereof.

9. Events of default

- 9.1 Without prejudice to the other provisions of the Conditions, the Bonds held by a Bondholder shall be immediately redeemable on terms as set out in Condition 4 on the occurrence of any of the following events (“**Events of Default**”) if the Bondholder shall by notice in writing demand redemption of such Bonds under Condition 4:
 - (a) a default is made in the payment of the principal in respect of any of the Bonds when and as the same ought to be paid in accordance with these Conditions; or a default in the payment of interest on any of the Bonds when the same becomes due and payable; or
 - (b) there is a default in the performance or observance by the Company of any of its obligations (including, without limitation, its undertakings and covenants but excluding its covenants to pay the principal and interest in respect of any of the Bonds) under the Bonds, and which default is incapable of remedy or, if capable of remedy, is not in the reasonable opinion of the Bondholder remedied within fourteen (14) calendar days after notice of such default shall have been sent by the Bondholder to the Company; or
 - (c) any amounts of principal repayment or interest payment in relation to borrowings of the Company or any of its subsidiaries are not paid when due, or as the case may be, within any applicable grace period and the relevant creditor notifies the Company or the relevant subsidiary that such non-payment constitutes an event of default under the terms of relevant facility; or
 - (d) the Company ceases or threatens to cease to carry on its business or operation or a substantial part of its business or operation, or;
 - (e) the Company becomes insolvent or is unable to pay its debts as when they mature or applies for or consents to or suffers the appointment of any

administrator, liquidator or receiver of the Company or the whole or any material part of the undertaking, property, assets or revenues of the Company or enters into a general arrangement or compromise with or for the benefit of its creditors; or

- (f) if it shall become unlawful for the Company to perform all or any of its obligations under the Conditions, or the Conditions shall for any reason cease to be in full force or effect or shall be declared to be void or illegal or be repudiated or the legality, validity, priority, admissibility in evidence or enforceability thereof shall be contested by the Company or the Company shall deny that it has any, or any further, liability or obligation under or in respect of the same; or
- (g) if any of the following events shall occur to the Company:
 - (i) the filing of a petition in any bankruptcy, reorganisation, winding-up or liquidation proceeding or other proceedings analogous in purpose or effect and any such petition is not discharged within thirty (30) calendar days; or
 - (ii) the appointment of a receiver or trustee for the bankruptcy, reorganisation, winding-up or liquidation of any assets or properties of the Company and such appointment is not discharged within thirty (30) calendar days; or
 - (iii) the entry of any court order or judgement confirming the bankruptcy or insolvency of the Company; or
 - (iv) any order is made or an effective resolution passed for the winding-up, liquidation, dissolution of the Company or the taking of any corporate action to authorise or give effect to any of the foregoing; or
- (h) any governmental authority or agency confiscates, condemns, seizes, compulsorily purchases or expropriates all or any material part of the assets of the Company; or
- (i) if a distress, execution or seizure before judgment is levied or enforced upon or sued against any part of the properties of the Company and is not discharged within thirty (30) calendar days thereof; or
- (j) the Company sells or transfers or otherwise disposes all or a material part of its property, assets, revenues or undertaking otherwise than in the ordinary course of its business, which would have a material adverse effect on the financial condition of the Company, or the ability of the Company to perform its obligations under the Bonds without the consent of the Bondholder(s), or
- (k) at any time any indebtedness, including any obligation (whether present or future, actual or contingent, secured or unsecured, as principal or surety or otherwise) for the payment or repayment of money, of the Company becomes

due and payable prior to its stated maturity by reason of default, or event of default (howsoever described) by the Company, in each case, which would have a material adverse effect on the ability of the Company to perform its obligations under the Bonds.

10. Notices

Any notice required or permitted to be given to the Company shall be addressed to the Company at Unit 1209, Shun Tak Centre West Tower, 168–200 Connaught Road Central, Hong Kong and by email to wandalo@healthwisehk.com.

Any notice required or permitted to be given to the Bondholders shall be addressed to the registered address or by email to the email address of each Bondholder as on the Register. If no such registered address or email address of the relevant Bondholder appears on the Register, notice may be given to such Bondholder by sending the same in any of the manners hereinafter mentioned to his/her/its last known place of business or residence or, if there be none, by posting the same for three days at the principal place of business of the relevant Bondholder in Hong Kong.

All such notice shall be deemed delivered: (a) if given or made by letter and delivered by hand or courier when actually delivered to the relevant address; (b) if given or sent by registered mail, on the date which is two (2) Business Days (in the case of mail sent to a local address) or five (5) Business Days (in the case of mail sent to an overseas address) after the posting thereof; (c) if given or made by facsimile, when despatched with confirmation of successful transmission (and if the deemed date of delivery is not a Business Day, on the immediately following Business Day); and (d) if by email, such notice shall be deemed to be duly given or made when sent, unless the sender is notified, at the time of sending, that the email has not been successfully transmitted.

11. Amendment

- (a) Any modification to this Instrument (including the extension of the Maturity Date) may be effected only by deed poll, executed by the Company and expressed to be supplemental hereto, and (save for minor amendments by the Company certified by the auditors for the time being of the Company to be amendments which shall not adversely affect the rights of the Bondholder(s) under the Instrument) only if it shall first have been sanctioned by a Special Resolution of the Bondholder(s).
- (b) A memorandum of every such supplemental deed shall be endorsed on this Instrument.
- (c) Notice of every modification to this Instrument shall be given in writing to the Bondholders as soon as reasonably practicable.

12. Suit by and meetings of Bondholders

- (a) The Company hereby acknowledges and covenants that the benefit of the covenants, obligations and conditions on the part of or binding upon it contained in this Instrument shall enure to each and every Bondholder.
- (b) Each Bondholder shall be entitled severally to enforce the said covenants, obligations and conditions against the Company insofar as each such Bondholder's Bonds are concerned, without the need to join the allottee of any such Bonds or any intervening or other Bondholder in the proceedings for such enforcement.
- (c) The Bondholder(s) may hold meetings for the consideration of such matters as they may think fit. The provisions of Schedule 2 shall apply to regulate the convening and conduct, and the powers, of all meetings of Bondholder(s).

13. Governing law and jurisdiction

This Instrument, the Bonds, the Conditions and the Certificates are governed by and shall be construed in accordance with Hong Kong law. The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Instrument or the Bonds and accordingly any legal action or proceedings arising out of or in connection with this Instrument and/or the Bonds ("**Proceedings**") may be brought in such courts. The Bondholders shall be entitled to take Proceedings in any other court of competent jurisdiction, and the taking of Proceedings in any one or more jurisdictions shall not preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

No person shall have any right to enforce any term or Condition of the Bonds under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) save where expressly provided for.

EXECUTION

THE COMMON SEAL of
CHINA HEALTHWISE HOLDINGS
LIMITED is affixed in accordance with
its articles of association
in the presence of:

)
)
)
)
)
)
) _____
) Signature of authorised person
)
) Director
) Office held
)
)
) Name of authorised person (block letters)

AND COUNTERSIGN BY:

)
)
) _____
) Signature of authorised person
)
) Director/Company secretary
) Office held
)
)
) Name of authorised person (block letters)

Schedule 1

Certificate

Certificate no. [*]

Principal amount: HK\$[*]

CHINA HEALTHWISE HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

HK\$55,500,000 unsecured bonds due 2026

CHINA HEALTHWISE HOLDINGS LIMITED (the “**Company**”) hereby certifies that **HENG TAI FINANCE LIMITED** of 31/F., Guangdong Finance Building, 88 Connaught Road West, Sheung Wan, Hong Kong is, at the date hereof, entered into the register of Bondholders as the holder of the above bonds (the “**Bonds**”) in the principal amount indicated above. The Bonds are constituted by the instrument of the Company (the “**Instrument**”) dated [*] 2024 (a copy of which is attached hereto which shall form an integral part of this Certificate), and are subject to and has the benefit of the terms and conditions (the “**Conditions**”) set out in the Instrument.

The Company for value received promises to redeem the Bonds and pay to the Bondholder the outstanding principal amount of the Bonds together with such amount or amounts as shall become due in accordance with the Conditions and otherwise to comply with the Conditions.

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

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

Dated [*] 2024.

GIVEN under the Seal of the Company

Director

Director/Company Secretary

Registrar and its Specified Office:
CHINA HEALTHWISE HOLDINGS LIMITED
Unit 1209, Shun Tak Centre, West Tower
168-200 Connaught Road Central, Hong Kong

(For endorsement in the event of partial transfer/redemption)

<u>Date</u>	<u>Amount redeemed</u>	<u>Amount transferred</u>	<u>Amount Outstanding</u>

Schedule 2

Provisions for meetings of Bondholders

1. The Company at any time may, and upon a request in writing of Bondholder(s) holding not less than one-tenth in principal amount of the Bonds for the time being outstanding shall convene a meeting of Bondholders at such time and place as the Directors of the Company may reasonably approve.
2. At least 14 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the day, time and place of meeting and the resolution(s) to be proposed shall be given to the Bondholders. The accidental omission to give any notice to any of the Bondholders shall not invalidate the proceedings at any meeting.
3. A person (who may, but need not, be a Bondholder) nominated in writing by the Company shall be entitled to take the chair at every such meeting but if no such nomination is made or if at any meeting the person nominated shall not be present within 15 minutes after the time fixed for the meeting the Bondholders present shall choose one of their number to be chairman, failing which the Company may appoint a chairman. The chairman of an adjourned meeting need not be the same person as was chairman of the original meeting.
4. At any such meeting any two or more persons present in person holding Bonds or being proxies or representatives and holding or representing in the aggregate not less than one-tenth in principal amount of the Bonds for the time being outstanding shall form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of business.
5. If within 30 minutes from the time fixed for any such meeting a quorum is not present the meeting shall, if convened upon the requisition of Bondholders, be dissolved. In any other case it shall stand adjourned for such period, not being less than 8 days nor more than 28 days, and to such time and place, as may be decided by the chairman. At such adjourned meeting two or more persons present in person holding Bonds or being proxies or representatives (whatever the principal amount of the Bonds so held or represented) shall form a quorum and may pass any resolution and decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had a quorum been present at such meeting.
6. The chairman may with the consent of (and shall if directed by) any meeting adjourn such meeting from time to time from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
7. At least 7 days' notice of any meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and such notice shall

state the quorum required at such adjourned meeting. It shall not, however, otherwise be necessary to give any notice of an adjourned meeting.

8. Every question submitted to a meeting shall be decided by way of poll. The chairman shall not have any casting vote in addition to the vote or votes (if any) which he may have as a Bondholder or as a proxy or representative.
9. Any poll at any meeting on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.
10. The Company (through its representatives) and financial and legal advisers may attend and speak at any meeting of Bondholders. No one else may attend at any meeting of Bondholders or join with others in requesting the convening of such a meeting unless he is the holder of a Bond or is a proxy or a representative.
11. At any meeting every Bondholder who is present in person or by proxy or representative shall have one vote in respect of each HK\$500,000 in principal amount of the Bonds it held (whether under one or more Certificates) or in respect of which he is a proxy or a representative. Any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.
12. A Bondholder is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a Bondholder.
13. A meeting of Bondholders shall, subject to the Conditions, in addition to the powers given above, but without prejudice to any powers conferred on other persons by this Instrument, have power exercisable by Special Resolution (excluding those matters specifically provided in Clause 14 hereinafter or any matter having the effect of amending or varying any of such matters):
 - (a) to sanction any proposal by the Company for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Bondholders against the Company or against any of its property whether such rights shall arise under this Instrument or otherwise;
 - (b) to sanction any scheme or proposal for the exchange, substitution or sale of the Bonds for, or the cancellation of the Bonds in consideration of, shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Company or any other body corporate formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash;
 - (c) to assent to any modification of this Instrument or the Bonds which shall be proposed by the Company;
 - (d) to authorise anyone to concur in and do all such things as may be necessary to carry out and give effect to any Special Resolution;

- (e) to give any authority, discretion or sanction which under this Instrument or the Bonds is required to be given by Special Resolution;
 - (f) to appoint any persons (whether Bondholders or not) as a committee or committees to represent the interests of the Bondholders and to confer upon such committee or committees any powers or discretions which the Bondholders could themselves exercise by Special Resolution;
 - (g) to make any modification to the provisions contained in this Instrument or the Bonds which would have the effect of:
 - (i) to sanction any compromise or arrangement proposed to be made between the Company and the Bondholders or any of them; or
 - (ii) to discharge or exonerate any person from any liability in respect of any act or omission for which such person may have become responsible under this Instrument or the Conditions.
14. The following terms of this Instrument, the Conditions and the Bonds are incapable of being amended or varied in any way by a meeting of the Bondholders regardless whether a Special Resolution has been passed or not:
- (i) the interest rate as provided in Condition 3;
 - (ii) the Maturity Date;
 - (iii) the obligation of the Company to repay all outstanding amount payable on the Maturity Date as provided under Condition 1;
 - (iv) the undertaking of the Company under Condition 8;
 - (v) the status of the Bonds under Condition 2.1;
 - (vi) the currency of payment of the Bonds or any amount due under the Conditions;
 - (vii) the Company as the entity liable under this Instrument or the Bonds; and
 - (viii) Condition 12(c), the provisions contained in this Schedule concerning the quorum required at any meeting of Bondholders or the majority required to pass a Special Resolution.
15. A Special Resolution passed at a meeting of Bondholders duly convened and held in accordance with this Instrument shall be binding upon all the Bondholders, whether or not present at such meeting and whether or not they vote in favour, and each of the Bondholders shall be bound to give effect to it accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances of such resolution justify the passing of it.
16. The expression “**Special Resolution**” means a resolution passed at a meeting of Bondholders duly convened and held in accordance with these provisions by

the Bondholders holding in aggregate not less than 90% of the aggregate principal amount of the Bonds then outstanding. A written resolution signed by or on behalf of a holder or the holders of not less than 90% of the aggregate principal amount of Bonds outstanding shall be as valid and effective as a duly passed Special Resolution.

17. Minutes of all resolutions and proceedings at every such meeting shall be made and entered in the books to be from time to time provided for that purpose by the Company and any such minutes, if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings transacted or by the chairman of the next succeeding meeting of Bondholders, shall be conclusive evidence of the matters contained in them and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

Annexure I

FORM OF TRANSFER

To: CHINA HEALTHWISE HOLDINGS LIMITED (the “**Company**”)

I/We am/are the holder of the unsecured bonds (the “**Bonds**”) due 2026 in the principal sum of HK\$[55,500,000] issued by the Company on [*] 2024.

References in this Transfer Form to “**Conditions**” are to the terms and conditions on which the Bonds were issued, as the same may have been amended from time to time pursuant to the terms thereof. Terms defined in the Conditions will have the same meaning herein, save where the context otherwise requires.

1. I/We hereby transfer all/part (only in an integral multiple of the amount specified in Condition 2.2) of the Bonds in respect of which the attached certificate is issued, to:

of/whose registered office address is at *

(the “**Transferee**”).

2. Total face value and certificate number of the transferred Bonds:

Total face value to be transferred:

Certificate number of certificate for Bonds being transferred:

3. + Total face value of Bonds to be retained:

4. I/We hereby request that a Certificate in respect of the face value of the Bonds transferred (as referred to in paragraph 3 above) be issued to the person(s) whose name(s) and address(es) are set out in paragraph 1 above and that such certificate:

* (a) be despatched by registered mail to the person whose name and address are given below and in the manner specified below:

Name :

Address :

* (b) if no name and address are given in (a) above, be made available for collection at the principal place of business of the Company in Hong Kong for the time being.

5. The Certificate in respect of the transferred Bonds (as referred to in paragraph 2 above) is enclosed with this Transfer Form.

6. + We hereby request that a certificate in respect of the face value of the Bonds to be retained by me/us as set out in paragraph 3 above be issued to me/us and that such certificate:

* (a) be despatched by registered mail to me/us at the address given below:

Address :

* (b) if no address is given above, then such certificate will be made available for collection at the principal place of business of the Company in Hong Kong for the time being.

8. The registered account of the Transferee (being a HK\$ account) for the purposes of receipt of any amounts in respect of the Bonds is (unless otherwise instructed by the Transferee) as follows:

Name of Account :

Account No :

Sort Code :

Name of Bank :

Address of Bank :

* *delete as appropriate*

+ *complete if only transferring part of the Bonds of which the transferring Bondholder is the holder, otherwise delete.*

Name of Transferor :

Signature of Transferor :

Date :

Name of Transferee :

Signature of Transferee :

Date :

SCHEDULE 3

The Warranties

1. General

- 1.1 There are no material facts or circumstances, in relation to the assets, business, prospects or financial conditions of the Company and/or its subsidiaries, which have not been disclosed to the Subscriber and which, if disclosed, might have affected the willingness of the Subscriber to enter into this Agreement.
- 1.2 The Company and its agents have not given any information to the Subscriber or its agents or advisers which is untrue or misleading and there is no other facts the omission of which would make any information so disclosed to the Subscriber or its agents or advisers misleading.
- 1.3 All statements in relation to the Company in the Recitals are true, correct and not misleading in all respects.
- 1.4 No representation or warranty of the Company in this Agreement or the Convertible Bonds Instrument or the Straight Bonds Instrument, nor any certificate, confirmation and written statement furnished or to be furnished to the Subscriber pursuant to this Agreement or the Convertible Bonds Instrument or the Straight Bonds Instrument, or in connection with the transactions contemplated by this Agreement or the Convertible Bonds Instrument or the Straight Bonds Instrument, contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading.

2. This Agreement and the Bonds

- 2.1 The Company is duly incorporated, validly existing and in good standing under the law of the Cayman Islands, and registered under Part 16 of the Companies Ordinance (Cap. 622 of laws of Hong Kong) as a non-Hong Kong company. The Company has full power, authority and capacity to enter into and perform this Agreement and this Agreement will, when executed, constitute binding obligations on the Company in accordance with its terms.
- 2.2 The creation and issue of the Bonds has been duly authorised by the Company and, when duly executed, authenticated, issued and delivered in accordance with this Agreement at Completion, the Bonds will constitute valid and legally binding obligations of the Company enforceable by the Subscriber against the Company in accordance with their own terms, free and clear of all encumbrances.
- 2.3 The Company has available for issue free from pre-emption rights sufficient authorised but unissued Shares to enable the exercise of the conversion rights by the Subscriber under the Convertible Bonds and all other rights of subscription and exchange for the conversion into Shares to be satisfied in full and any conversion Shares allotted and issued on the relevant date of conversion under the Convertible Bonds.
- 2.4 All consents, approvals, authorisations, orders, registrations and qualifications of or with

any court or governmental agency or body and any other action or thing required to be obtained, taken, fulfilled or done in Hong Kong, Cayman Islands and other jurisdictions by the Company for or in connection with the issue of the Bonds have already been obtained, taken, fulfilled or done and are in full force and effect.

- 2.4 There are no circumstances as at the date hereof which constitute or may reasonably be expected to result in any Event of Default (as defined in the terms and conditions of the Convertible Bonds Instrument and the Straight Bonds Instrument) and will continuously be so from the date hereof up to (and including) the date of Completion.
- 2.5 The execution and delivery of and the performance of the provisions of this Agreement by the Company do not, and will not during the continuance of this Agreement (i) contravene any existing applicable law, ordinance, regulation, decree or permit, or any order, judgment, decree or award of any court or any judicial, administrative or government authority, department or agency presently in effect and applicable to the Company or any of its assets, or (ii) contravene any contractual restriction binding on the Company or any of its assets, or (iii) cause any limit on any of the borrowing, guaranteeing, charging or other powers of the Company, or (iv) create or result in or (except as may be provided herein) oblige the Company to create any lien, charge, security interest or other encumbrance on the whole or any part of the Company's properties, assets or revenues, present or future.
- 2.6 There are no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency against or threatened against the Company and its subsidiaries or any of its assets, which might have a material adverse effect on the Company to perform its obligations under this Agreement.
- 2.7 The Company is not in receivership or liquidation, and that it has taken no steps to enter into liquidation or receivership and no petition has been presented for its winding up and there are no grounds on which a petition or application could be based for the winding up or appointment of a receiver of it.
- 2.8 The Company is solvent and will not become insolvent or bankrupt as a result of it entering into and performing this Agreement or the Convertible Bonds Instrument or the Straight Bonds Instrument to which it is a party.
- 2.9 The Company and its subsidiaries have conducted its business in all material respects in accordance with all applicable laws and regulations of Hong Kong and any relevant jurisdiction and there is no order, decree or judgment of any court or any governmental agency of Hong Kong or of any foreign country or jurisdiction outstanding against the Company or any of its subsidiaries or which may have a material adverse effect upon the assets or business of the Company and its subsidiaries taken as a whole.

3. The Accounts

- 3.1 The Accounts have been prepared in accordance with the requirements of all relevant statutes and Hong Kong Financial Reporting Standards applicable in Hong Kong and on a consistent basis and give a true and fair view of the state of affairs of the Company and

its subsidiaries for the six months ended 30 June 2024 and of its consolidated financial performance for the six months ended 30 June 2024 and have consistently applied the bases and policies of accounting in the latest audited balance sheet and profit and loss account for the last financial year and except where specified are not affected by any extraordinary exceptional or non-recurring item.

- 3.2 Save as disclosed in the Accounts, the assets of the Company and its subsidiaries included in the Accounts and all assets acquired since the date of the Accounts are solely the property of the Company and its subsidiaries and are not subject to any encumbrance or any agreement to give or create any encumbrance otherwise than in the ordinary course of the business of the Company and its subsidiaries.
- 3.3 Since the date of the Accounts, save for disposals in the ordinary course of its business, the assets of the Company and its subsidiaries which have been included in the Accounts or acquired since the date of the Accounts have been in the possession of, or under the control of, the Company and its subsidiaries.

4. No Event of Default

- 4.1 No event has occurred and is subsisting which, were the Convertible Bonds Instrument and the Straight Bonds Instrument outstanding, is or would constitute an event of default or any event or circumstance specified as an event of default or which would be an event of default.

5. Others

- 5.1 The Shares are listed on the Stock Exchange and the trading of the Shares on the Stock Exchange is not suspended for more than five (5) consecutive trading days.

SCHEDULE 4

Completion requirements

1. Obligations of the Company

At Completion, the Company shall deliver to the Subscriber the following documents:

- (a) one or more bond certificate(s) for the Convertible Bonds in the principal amount of HK\$16,800,000 duly executed by the Company in favour of the Subscriber;
- (b) one or more bond certificate(s) for the Straight Bonds in the principal amount of HK\$55,500,000 duly executed by the Company in favour of the Subscriber;
- (c) one certified copy of the Convertible Bonds Instrument duly executed by the Company;
- (d) one certified copy of the Straight Bonds Instrument duly executed by the Company;
- (e) one certified copy of the register of bondholder with the Subscriber duly registered as a holder of the Convertible Bonds in the principal amount of HK\$16,800,000;
- (f) one certified copy of the register of bondholder with the Subscriber duly registered as a holder of the Straight Bonds in the principal amount of HK\$55,500,000;
- (g) one certified copy of the board resolutions of the Company approving and authorising the execution and completion of this Agreement, the issue of each of the Convertible Bonds and the Straight Bonds, the issue and delivery to the Subscriber of the certificate(s) in respect of the Convertible Bonds and the Straight Bonds and the performance of the Company's other obligations under the Convertible Bonds and the Straight Bonds; and
- (h) evidence reasonably satisfactory to the Subscriber that the Clause 3.1(b), (c), (d), (e) and (f) (in respect of the part relating to the Company) have been fulfilled.

2. Obligation of the Subscriber

At Completion, the Subscriber shall deliver to the Company the certificate(s) of the Outstanding Bonds for cancellation by the Company.

SCHEDULE 5

The Accounts

China Healthwise Holdings Limited
Consolidated Statement of Financial Position
As at 30 June 2024

	Unaudited HK\$'000
<u>Non-current assets</u>	
Property, plant and equipment	438
Right-of-use asset	7,502
Financial assets at fair value through profit or loss	559
	8,499
<u>Current assets</u>	
Inventories	43,231
Trade receivables and other receivables, deposits and prepayments	10,291
Loans receivables	7,133
Financial assets at fair value through profit or loss	35,057
Cash and cash equivalents	7,005
	102,717
Total assets	111,216
<u>Current liabilities</u>	
Trade and other payables and accrued charges	(20,535)
Lease liabilities	(5,790)
Borrowings	(29,378)
Tax payables	(2,775)
Convertible loan notes	(74,390)
	(132,868)
Net current assets	(30,151)
Total assets less current liabilities	(21,652)
<u>Non-current liabilities</u>	
Lease liabilities	(2,149)
Deferred tax liabilities	(171)
	(2,320)
Net liabilities	(23,972)
<u>EQUITY</u>	
Share capital	(7,705)
Share premium	(25,675)
Convertible loan notes equity reserve	(19,835)
Exchange fluctuation reserve	166
Retained earning brought forward	48,648
Loss for the period	28,373
Total deficit	23,972

China Healthwise Holdings Limited
Consolidated Statement of Profit or Loss
For the period ended 30 June 2024

	Unaudited HK\$'000
Revenue	(60,932)
Cost of sales	41,271
Gross profit	(19,661)
Other revenue, gains and losses, net	11,014
Selling and distribution expenses	15,256
General and administrative expenses	18,078
Finance costs	3,686
Loss before income tax	28,373
Income tax expenses	-
Loss for the period	28,373