

**DATE: 10 JUNE 2025**

**CELESTIAL ASIA SECURITIES HOLDINGS LIMITED**  
**(as the Company)**

**AND**

**CASH GUARDIAN LIMITED**  
**(as the Subscriber)**

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**SUBSCRIPTION AGREEMENT**

relating to the subscription and issue of 5% coupon  
convertible bonds in the aggregate principal amount of HK\$20,000,000  
to be issued by

**CELESTIAL ASIA SECURITIES HOLDINGS LIMITED**

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**CLKW LAWYERS LLP**  
**1901A, 1902 & 1902A, 19/F**  
**New World Tower I**  
**16-18 Queen's Road Central**  
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**Hong Kong**  
**Ref: CW/CST/JF/2500412**

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### **Execution**

**THIS AGREEMENT** is made on 10<sup>th</sup> day of June 2025

**BETWEEN:**

- (1) **CELESTIAL ASIA SECURITIES HOLDINGS LIMITED**, a company incorporated in Bermuda with limited liability having its registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong (the “**Company**”); and
- (2) **CASH GUARDIAN LIMITED**, a company incorporated in the British Virgin Islands having its registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands and its principal place of business in Hong Kong at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong (the “**Subscriber**”).

**WHEREAS:**

- (A) The Company is incorporated in Bermuda and the issued shares of which are listed on the Main Board of the Stock Exchange (as defined below) (stock code: 1049). As at the date hereof, the Company has an authorised share capital of HK\$ 30,000,000 divided into 150,000,000 Shares (as defined below) of HK\$0.2 each, of which 80,720,181 Shares are issued and are fully paid or credited as fully-paid and 22,000 Shares are pending for cancellation.
- (B) The Company has conditionally agreed to issue the Bonds (as defined below) and the Subscriber has conditionally agreed to subscribe or procure subscription for the Bonds upon and subject to the terms and conditions set out in this Agreement and the Instrument (as defined below).
- (C) As at the date of this Agreement, the Subscriber beneficially owns 39,599,098 Shares, representing approximately 49.05% of the total issued share capital of the Company. The Subscriber is wholly-owned by Dr. Kwan Pak Hoo Bankee, the executive director, chairman to the board of directors and Chief Executive Officer of the Company.
- (D) The Conversion Shares upon conversion of the Bonds will be issued and allotted under a specific mandate (the “**Special Mandate**”) to be approved at a special general meeting to be convened by the Company (the “**SGM**”).

**NOW IT IS HEREBY AGREED:**

**1. 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:

“ <b>Announcement</b> ”	the announcement to be made by the Company in relation to, inter alia, this Agreement and the
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proposed issue of the Bonds;

<b>“Bonds”</b>	the unlisted convertible bonds in the aggregate principal amount of HK\$20,000,000 to be issued by the Company pursuant to this Agreement with the benefit and subject to the provisions of the Conditions;
<b>“Business Day”</b>	a day (excluding a Saturday, a Sunday, a public holiday and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours;
<b>“Certificate”</b>	a certificate in or substantially in the form set out in Schedule 1 of the Instrument issued in the name of the holder of the Bonds;
<b>“Completion”</b>	completion of the subscription of the Bonds in accordance with the terms and conditions of this Agreement with the performance by the parties hereto of their respective obligations under Clause 4 and Schedule 2;
<b>“Completion Date”</b>	the date of the Completion, being the third Business Day after the fulfilment of the Conditions Precedent or such other date as the Company and the Subscriber may agree;
<b>“Conditions Precedent”</b>	the conditions precedent set out in Clause 3.1;
<b>“Conversion Rights”</b>	the rights attached to the Bonds to convert the principal amount (or any part(s) thereof) of the Bonds into Shares;
<b>“Conversion Shares”</b>	the new Shares (subject to adjustments as provided under the Instrument) at the initial conversion price of HK\$1.25 per Conversion Share, which may be allotted and issued by the Company under the Special Mandate upon exercise of the Conversion Rights pursuant to the Instrument;
<b>“Disclosed”</b>	disclosed fairly in this Agreement (including the Schedules) or in any announcement, circular or report of the Company and published on the websites of the Stock Exchange and the Company

	as of the date of this Agreement, for this purpose, “disclosed fairly” means disclosed in such manner and in such detail as to enable a reasonable purchaser to make an informed and accurate assessment of the matter concerned;
<b>“Group”</b>	the Company and its Subsidiaries;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“Independent Shareholders”</b>	the Shareholders not required under the Listing Rules to abstain from voting on the resolution(s) approving this Agreement and the transactions contemplated hereunder including but not limited to the issue of the Bonds and the Specific Mandate;
<b>“Instrument”</b>	the instrument to be executed by the Company by way of a deed poll constituting the Bonds substantially in the agreed form set out in Schedule 1, together with the schedules thereto (as from time to time altered in accordance with the instrument) and any other document executed in accordance with the instrument (as from time to time so altered) and expressed to be supplemental to the instrument;
<b>“Listing Rules”</b>	Rules Governing the Listing of Securities on the Stock Exchange;
<b>“Long Stop Date”</b>	30 September 2025 or such other date as may be agreed by the Company and the Subscriber in writing;
<b>“SFC”</b>	Securities and Futures Commission of Hong Kong;
<b>“SGM”</b>	has the meaning ascribed thereto under Recital (D);
<b>“Share(s)”</b>	ordinary share(s) of HK\$0.2 each in the share capital of the Company existing on the date of this Agreement and all other (if any) stock or shares from time to time and for the time being ranking <i>pari passu</i> 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;
<b>“Shareholders”</b>	the holders of issued Shares;
<b>“Specific Mandate”</b>	has the meaning ascribed thereto under Recital (D);

<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;
<b>“Subscription Price”</b>	HK\$20,000,000, being the total subscription price of the Bonds and the face value of the Bonds;
<b>“this Agreement”</b>	this subscription agreement, as amended from time to time;
<b>“Warranties”</b>	the representations, warranties and undertakings contained in Clause 5 and Schedule 3;
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong; and
<b>“%”</b>	per cent.

- 1.2 In this Agreement, unless the context otherwise requires, any reference to a **“Clause”** or a **“Schedule”** is a reference to a clause of and a schedule to this Agreement and, unless otherwise indicated, includes all the sub-clauses of that clause.
- 1.3 In this Agreement, the expressions the **“Company”** and the **“Subscriber”** shall, where the context permits, include their respective successors and personal representatives.
- 1.4 In this Agreement, words importing the singular include the plural and vice versa, words importing gender include both genders and the neuter and references to persons include bodies corporate or unincorporate.
- 1.5 The headings in this Agreement are for convenience only and shall not affect its interpretation.
- 1.6 References to statutory provisions shall be construed as references to those provisions as respectively amended or re-enacted (whether before or after the date hereof) from time to time and shall include any provision of which they are re-enactments (whether with or without modification) and any subordinate legislation made under provisions.
- 1.7 The Schedules are part of this Agreement and shall have effect accordingly.

## **2. SUBSCRIPTION FOR THE BONDS**

- 2.1 Subject to fulfilment of the Conditions Precedent, the Subscriber shall subscribe the Bonds in the aggregate principal amount of HK\$20,000,000 at its face value and the Subscription Price shall be paid by the Subscriber to the Company in clear funds by way of one or more cashier’s order(s) issued by, or cheque(s) drawn against, a licensed bank in Hong Kong at Completion as provided in Schedule 2.

### **3. CONDITIONS PRECEDENT**

3.1 The obligations of the parties hereto to effect Completion shall be conditional upon:

(i) the passing by the Independent Shareholders of the relevant resolution(s) at the SGM of the Company in compliance with the requirements of the Listing Rules approving:

(a) this Agreement and the transactions contemplated hereunder; and

(b) the issue of the Bonds and the specific mandate for the allotment and issue of the Conversion Shares to holder(s) of the Bonds in accordance with the terms and conditions of the Bonds;

(ii) all necessary consents and approvals required to be obtained on the part of the Company in respect of this Agreement and the transactions contemplated hereunder having been obtained;

(iii) all necessary consents and approvals required to be obtained on the part of the Subscriber in respect of this Agreement and the transactions contemplated hereunder having been obtained;

(iv) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Conversion Shares to be allotted and issued upon exercise of the Conversion Rights attached to the Bonds, and such approval remains valid and effective; and

(v) if required, all other approvals, consents and acts required under the Listing Rules or other applicable laws and regulations or otherwise required from any third parties (including banks or financial institutions) in connection with this Agreement and the transactions contemplated hereunder having been obtained and completed or, as the case may be, the relevant waiver from compliance with any of such laws, rules, regulations and requirements having been obtained from the Stock Exchange, the SFC, or other relevant regulatory authorities or the relevant third parties.

3.2 The Company shall use its best endeavours to procure the fulfilment of the Conditions Precedent set out in Clauses 3.1 (i), (ii), (iv) and (v) as soon as practicable. The Subscriber shall use its best endeavours to procure the fulfilment of the Condition Precedent set out in Clause 3.1 (iii) above as soon as practicable. Each of the Subscriber and the Company hereby undertakes to the other of that it shall procure that all information and documents required pursuant to the Listing Rules, and other applicable rules, codes and regulations whether in connection with the preparation of all announcements, circulars, reports, documents, independent advice or otherwise are duly given promptly to the other of them, the Stock Exchange, SFC and other relevant regulatory authorities.

3.3 For the avoidance of doubt, all Conditions Precedent set out in Clauses 3.1 cannot be waived. If the Conditions Precedent are not fulfilled on or before the Long Stop



Date, this Agreement (save and except Clauses 7, 8, 15 and 17) shall cease and determine and no party shall have any claim against the other party for costs, damages, compensation or otherwise in respect of any matter or thing arising out of or in connection with this Agreement save in respect of any antecedent breach of any obligation hereof.

#### **4. COMPLETION**

Subject to fulfillment of the Conditions Precedent in accordance with Clause 3 on or before the Long Stop Date, Completion shall take place at the principal place of business of the Company in Hong Kong at 4:00 p.m. (Hong Kong time) on the Completion Date (or such other place and/or such other time and/or other date as the Company and the Subscriber may agree) at which each party shall perform its obligations set out in Schedule 2.

#### **5. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS BY THE COMPANY**

- 5.1 Save as Disclosed, the Company hereby represents, warrants and undertakes to the Subscriber that the Warranties are true and correct in all material respects and not misleading in any material 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 undertakes to notify the Subscriber as soon as reasonably practicable on any matter or event coming to its attention prior to Completion which shows or could reasonably be expected to cause any of the Warranties to be or to have been untrue or misleading in any material respect or which may have any material adverse effect on the assets or liabilities of the Company.
- 5.3 The Warranties are qualified by reference to those matters Disclosed. The Company will not be liable to the Subscriber in respect of the Warranties only to the extent the relevant matters are Disclosed.
- 5.4 The Company hereby 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.
- 5.5 Each of the Warranties given by the Company 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.
- 5.6 The Warranties shall survive Completion and the rights and remedies of the Subscriber in respect of any breach of the Warranties shall not be affected by 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.

- 5.7 The Subscriber shall be entitled to take action both before and after Completion in respect of any breach or non-fulfillment of any of the Warranties and Completion shall not in any way constitute a waiver of any right of the Subscriber.
- 5.8 The Company undertakes in relation to any Warranty which refers to the knowledge, information or belief of the Company that it has made full enquiry into the subject matter of that Warranty and that it does not have the knowledge, information or belief that the subject matter of that Warranty may not be correct, complete or accurate.
- 5.9 Notwithstanding any other provision in this Agreement, the Warranties and obligations of the Company under this agreement shall cease on the expiration of three months after Completion (the “**Warranty Expiry Date**”). The liability of the Company in respect of any breach of any Warranties and/or claims under this Agreement shall be limited as follows:
- (a) the Company shall not be liable to any claims in respect of any breach of any Warranties if the amount of such claim is less than HK\$1,000,000;
  - (b) the aggregate maximum liability of the Company in respect of all claims in respect of any breach of any Warranties shall in no event exceed the Subscription Price; and
  - (c) no claims can be brought against the Company in respect of any alleged breach of Warranties after the Warranty Expiry Date, and the Company shall not be liable for such breach (unless the Company receives the notification of such claim by the Subscriber prior to the Warranty Expiry Date), and any such claim shall (if not reached, solved or revoked) be deemed as waived or revoked as at the Warranty Expiry Date, unless such claim is initiated against the Company prior to the redemption of all outstanding principal amount of the Bonds and interests incurred herein.

## **6. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS BY THE SUBSCRIBER**

- 6.1 The Subscriber hereby represents, warrants and undertakes that as at the date hereof and as at Completion:
- (a) it is duly incorporated and validly existing under the laws of its place of incorporation and it 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) and does not and shall not do so in breach of any applicable legislation;
  - (b) it has adequate and necessary financial resources to pay the Subscription

Price, and the Subscription is made in its own capacity and not as agent or nominee;

- (c) the execution and delivery of this Agreement and the consummation of the transactions contemplated herein will not result in any violation of, or be in conflict with, or constitute a default under, any agreement or instrument to which the Subscriber is a party or by which the Subscriber or its properties are bound, or any judgment, decree, order or, to the Subscriber's knowledge, any statute, rule or regulation applicable to the Subscriber; and
  - (d) this Agreement constitutes valid, binding and enforceable obligations of the Subscriber.
- 6.2 The Subscriber hereby represents, warrants and undertakes to the Company that the warranties given by the Subscriber hereunder are true and correct in all material respects and not misleading in any material respects as at the date of this Agreement and will continue to be so up to and including the time of Completion.
- 6.3 The Subscriber undertakes to notify the Company as soon as reasonably practicable on any matter or event coming to its attention prior to Completion which shows or could reasonably be expected to cause any of its warranties given to be or to have been untrue or misleading in any material respect.
- 6.4 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 notwithstanding any enquiries or investigations which the Company may have conducted and notwithstanding anything of which the Company may or ought to have knowledge or notice, and the Company is entitled to treat such representations and warranties as conditions of the Agreement.
- 6.5 Each of the warranties given by the Subscriber is without prejudice to any other warranty and, except where expressly or otherwise stated, no provision in any warranty given by the Subscriber shall govern or limit the extent or application of any other provision in any warranty given by the Subscriber.
- 6.6 The warranties given by the Subscriber shall survive Completion and the rights and remedies of the Company in respect of any breach of the warranties given by the Subscriber shall not be affected by Completion or by the Company 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.
- 6.7 The Company shall be entitled to take action both before and after Completion in respect of any breach or non-fulfillment of any of the warranties given by the Subscriber and Completion shall not in any way constitute a waiver of any right

of the Company.

- 6.8 The Subscriber undertakes in relation to any warranty given by it which refers to the knowledge, information or belief of the Subscriber that it has made full enquiry into the subject matter of that warranty and that it does not have the knowledge, information or belief that the subject matter of that warranty may not be correct, complete or accurate.

## **7. NOTICES**

- 7.1 Each notice, demand or other communication given, made or serve under this Agreement shall be in writing and delivered or sent to the relevant party by prepaid postage (by airmail if to another country), facsimile transmission, email transmission or personal delivery to its address or email address or fax number as set out below (or such other address or email address or fax number as the addresses has by five (5) days' prior written notice specified to the other parties):

To the Company: **CELESTIAL ASIA SECURITIES HOLDINGS LIMITED**

Address: 28/F Manhattan Place, 23 Wang Tai Road,  
Kowloon Bay, Hong Kong

Attention: Mr. Morton Cheung

Email: morton.cheung@cash.hk

To the Subscriber: **CASH GUARDIAN LIMITED**

Address: 28/F Manhattan Place, 23 Wang Tai Road,  
Kowloon Bay, Hong Kong

Email: bankee.kwan@cash.com.hk

- 7.2 Each notice, demand or other communication given, made or serve under this Agreement shall be deemed to have been given and received by the relevant parties (i) within two (2) days after the date of posting, if sent by local mail; four (4) days after the date of posting, if sent by airmail; (ii) when delivered, if delivered by hand; and (iii) on despatch, if sent by email transmission or facsimile transmission.

## **8. 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, allotment and issue of the Conversion Shares and fulfilment of all obligations under the Bonds shall be borne by the Company.

**9. FURTHER ASSURANCE**

Each party hereto shall, at its own cost and expenses, execute, do and perform or procure to be executed, done and performed by other necessary parties all such further acts, agreements, assignments, assurances, deeds and documents as the other of them may reasonably require to give effect to the provisions of this Agreement.

**10. TIME AND NO WAIVER**

Time shall in every respect be of the essence of this Agreement but no failure on the part of any party hereto to exercise, and no delay on its part in exercising any right hereunder shall 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 other right(s) or prejudice or affect any right(s) against any other parties hereto under the same liability, whether joint, several or otherwise. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

**11. INVALIDITY**

If at any time any one or more of the provisions of this Agreement is/are or become(s) illegal, invalid or unenforceable in any respect under laws of any jurisdiction, the legality, validity or enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

**12. AMENDMENTS**

This Agreement shall not be amended, supplemented or modified except by instruments in writing signed by each of the parties hereto.

**13. ASSIGNMENT**

This Agreement shall be binding on and enure to the benefit of each party hereto and its respective successors and permitted assigns provided that the party shall not assign or transfer or purport to assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.

**14. ENTIRE AGREEMENT**

This Agreement constitutes an entire agreement between the parties hereto with respect to the matters dealt with herein and supersedes any previous agreements, arrangements, statements or transactions between the parties hereto in relation to the subject matters hereof.

**15. RESTRICTION ON ANNOUNCEMENTS**

- 15.1 Each of the parties undertakes to the other that it will not, at any time after the date of this Agreement, divulge or communicate 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.

- 15.2 No public announcement or communication of any kind shall be made in respect of the subject matter of this Agreement unless specifically agreed in writing between the parties or unless an announcement is required pursuant to the applicable law and the regulations or the requirements of the Stock Exchange, the SFC 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, the SFC 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.

## **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 be binding on all parties.

## **17. GOVERNING LAW AND JURISDICTION**

- 17.1 This Agreement is governed by and shall be construed in accordance with Hong Kong law and each party hereby submits to the non-exclusive jurisdiction of the courts of Hong Kong as regards any claim or matter arising under this Agreement.
- 17.2 Unless expressly provided to the contrary in this Agreement, a person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce any of the terms of this Agreement, and whether so provided in this Agreement or not, no consent of third party is required for the amendment to (including the waiver or compromise of any obligation), rescission of or termination of this Agreement.

**SCHEDULE 1**

**The Instrument**

**DATE:** 2025

**CELESTIAL ASIA SECURITIES HOLDINGS LIMITED**

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**DEED POLL  
constituting the  
3-year 5% coupon convertible bonds  
in the aggregate principal amount of HK\$20,000,000 of  
Celestial Asia Securities Holdings Limited**

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**CLKW LAWYERS LLP  
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16-18 Queen's Road Central  
Central  
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Ref: CW/CST/JF/2500412**



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### **Schedule**

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Form of Transfer  
Conversion Notice

#### **Schedule 2    Provisions for meetings of Bondholders**

### **Execution**

**THIS INSTRUMENT** is executed by way of Deed Poll on [\*] June 2025 by Celestial Asia Securities Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), a company incorporated in Bermuda with limited liability and having its registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong.

**NOW THIS INSTRUMENT WITNESSES AND THE COMPANY HEREBY DECLARES as follows:**

**1. DEFINITIONS AND INTERPRETATION**

**(A) Definitions**

In this Instrument, the following expressions shall have the meanings assigned:

<b>“Alternative Stock Exchange”</b>	once the Shares are no longer listed on the Stock Exchange, a stock exchange recognised under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) on which the issued Shares are listed;
<b>“Associates”</b>	in relation to a person, the “ <b>associates</b> ” and “ <b>connected persons</b> ” of such person (as these expressions are defined in Listing Rules);
<b>“Auditors” or “auditors”</b>	the auditors for the time being of the Company or, if there shall be joint auditors, any one or more of such auditors or, in the event of their being unable or unwilling to carry out any action requested of them pursuant to this Instrument, such other firm of accountants of international repute as may be nominated by the Company;
<b>“Bondholder”</b>	a person in whose name a Bond is registered in the register of Bondholders, and “ <b>holder</b> ” in relation to a Bond has a corresponding meaning;
<b>“Bonds”</b>	the 3-year 5% coupon convertible bonds for an aggregate maximum principal amount of HK\$20,000,000 in registered form to be issued by the Company in accordance with the Subscription Agreement and constituted by this Instrument and for the time being outstanding or, as the context may require, any number of them;

<b>“Business Day”</b>	a day (excluding a Saturday, a Sunday, a public holiday and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours;
<b>“Certificate”</b>	a certificate in or substantially in the form set out in Schedule 1 issued in the name of the holder of one or more Bonds;
<b>“Conditions”</b>	the terms and conditions endorsed on the Bonds 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;
<b>“Conversion Date”</b>	has the meaning assigned in Condition 5(B);
<b>“Conversion Price”</b>	the conversion price determined in accordance with Condition 5;
<b>“Conversion Right”</b>	has the meaning specified in Condition 5(A);
<b>“Conversion Shares”</b>	Shares falling to be allotted and issued upon exercise of the Conversion Rights;
<b>“Dispose”</b>	to make or to agree to make, and <b>“Disposal”</b> means, any sale, assignment, exchange, transfer, concession, loan, lease, direct or indirect reservation, waiver, compromise, release, dealing with or in or granting of any option, right of first refusal, power of attorney or other right or interest whatsoever and any agreement for any of the foregoing;
<b>“Early Redemption Date”</b>	the date of which early redemption of the Bonds is made by the Company pursuant to Condition 8(C);
<b>“Encumbrances”</b>	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation, equities, adverse claims, or other encumbrances, priority or security interest, deferred purchase, title retention, leasing, sale-

and-purchase, sale-and-leaseback arrangement over or in any property, assets or rights of whatsoever nature or interest or any agreement for any of same and **“Encumber”** shall be construed accordingly;

**“Event of Default”**

any of the events specified in Condition 10;

**“Group”**

the Company and its subsidiaries;

**“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 Main Board of the Stock Exchange;

**“Maturity Date”**

has the meaning ascribed to it in Condition 8;

**“Ordinary Resolution”**

has the meaning set out in paragraph 17 of Schedule 2;

**“outstanding”**

in relation to the Bonds, all the Bonds issued other than:

- (a) those which have been redeemed or in respect of which Conversion Rights have been exercised and which have been cancelled in accordance with the Conditions;
- (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys have been duly paid to the relevant Bondholder or on its behalf or to the Paying Agent as provided in Clause 3 and remain available for payment against presentation and surrender of Bonds;
- (c) those which have become void or those in respect of which claims have become prescribed under Condition 11;
- (d) those mutilated or defaced Bonds which have been surrendered in exchange for replacement Bonds pursuant to Condition 14;
- (e) (for the purpose only of determining how many Bonds are outstanding and without

prejudice to their status for any other purpose) those Bonds alleged to have been lost, stolen or destroyed and in respect of which replacement Bonds have been issued pursuant to Condition 14;

- (f) those which have been purchased and cancelled as provided in Condition 8;

**“Paying Agent”**

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

**“Potential Event of Default”**

an event or circumstance which would with the giving of notice and/or lapse of time and/or the issuing of a certificate and/or the fulfillment of any other requirement provided for in Condition 10 become an Event of Default;

**“Record Date”**

the date and time by which a subscriber or transferee of securities of the class in question would have to be registered in order to participate in the relevant distribution or rights;

**“Registrar”**

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

**“Shareholders”**

the holders of Shares;

**“Shares”**

ordinary shares of par value of HK\$0.2 each of the Company 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;

**“Share Option Scheme”**

the share option scheme of the Company adopted on 30 September 2021 in accordance with the provisions of the Listing Rules, under which the Company may grant options to eligible participants (including, among others, directors, employees, business or joint venture partners, consultants, advisers, customers and distributors of the Group) to subscribe for Shares;

<b>“Specified Office”</b>	in relation to the Paying Agent and 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 Clause 14(A);
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;
<b>“Subsidiary”</b>	any company or other business entity of which the Company owns or controls (either directly or through one or more other Subsidiaries) 50% or more of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers, trustees or other governing body of such company or other business entity or any company or other business entity which at any time has its accounts consolidated with those of the Company or which, under Hong Kong law, regulations or generally accepted accounting principles in Hong Kong from time to time, should have its accounts consolidated with those of the Company;
<b>“Subscription Agreement”</b>	the subscription agreement dated [*] 2025 and made between the Company as issuer and Cash Guardian Limited as subscriber in relation to the subscription of the Bonds;
<b>“Successor”</b>	in relation to the Paying Agent and the Registrar, such other or further person as may from time to time be appointed by the Company as Paying Agent and the Registrar (as the case may be) and notice of whose appointment is given to Bondholders pursuant to Clause 10(C) and Condition 16;
<b>“Takeovers Code”</b>	the Hong Kong Code on Takeovers and Mergers;
<b>“Taxation”</b>	all forms of taxation, including taxation in Hong Kong and in any territory outside Hong Kong and all forms of profits tax (income tax), interest tax, value added tax, stamp duty and all levies, imposts, duties, charges, fees, deductions and withholdings whatsoever charged or imposed by any statutory, governmental, state, federal, provincial, local or municipal authority whatsoever whether on or in respect of profits, income, revenue, sales, trading, the use, ownership or licensing to or from any person of tangible or intangible assets and the carrying on of other activities, including any fines, interests

or other payments relating to taxes, the loss of relief and exemption from and the loss of right of repayment or credit of any tax already paid, and the expression “**Tax**” shall be construed accordingly;

“**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; and

“**%**”

per cent.

**(B) Construction of certain references**

References in this Instrument to:

- (a) costs, charges, remuneration or expenses shall include any value added tax, turnover tax or similar tax charged in respect thereof;
- (b) **Hong Kong dollars** and **HK\$** shall be construed as references to the lawful currency for the time being of Hong Kong;
- (c) any action, remedy or method of judicial proceedings for the enforcement of rights of creditors shall include, in respect of any jurisdiction other than Hong Kong, references to such action, remedy or method of judicial proceedings for the enforcement of rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate thereto;
- (d) any reference to an obligation to be performed or warranty to be given by more than one person, it shall be deemed to be performed or given by the persons jointly and severally;
- (e) words denoting the singular number only shall include the plural number also and vice versa;
- (f) words denoting one gender only shall include the other genders;
- (g) words denoting persons only shall include firms and corporations and vice versa; and
- (h) any provision of any statutory or non-statutory provisions (including the Listing Rules and the Statements of Standard Accounting Practice) 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.



(C) **Definitions in Conditions**

Words and expressions defined in the Conditions and not defined in the main body of this Instrument shall when used in this Instrument have the same meanings as are given to them in the Conditions.

(D) **Headings**

Headings shall be ignored in construing this Instrument.

(E) **Schedules**

The Schedules are part of this Instrument and shall have effect accordingly.

(F) **Enforceability**

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.

**2. ISSUE OF THE BONDS**

Subject to the satisfaction of the conditions precedent set out in the Subscription Agreement being fulfilled as provided therein on or before the time specified in such clause (or such other time and date as the parties thereto shall agree in writing), the Company shall issue the Bonds in such subscription amounts to the Subscriber in accordance with the terms of the Subscription Agreement.

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

(A) **Amount of the Bonds:** The aggregate principal amount of the Bonds is HK\$20,000,000.

(B) **Covenant to pay:** 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 Paying Agent by 4:00 p.m. (Hong Kong time) in Hong Kong dollars in immediately available funds in Hong Kong the principal amount of the relevant Bonds becoming due for redemption on that date together with 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 Paying Agent, provided that every payment of any sum due in respect of the Bonds made to or to the account of the Paying Agent 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.

The Paying Agent will hold the benefit of the covenants in this Clause on trust for the Bondholders, and the perpetuity period for such trust shall, for the

purposes of the Perpetuities and Accumulations Ordinance, be 20 years from the date of this Instrument.

- (C) **Discharge:** Any payment to be made in respect of the Bonds by the Company or the Paying Agent 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 or the Paying Agent, as the case may be.

#### 4. FORM AND DENOMINATION OF THE BONDS

- (A) **The Certificates:** On issue of the relevant Bonds, every Bondholder will be entitled to a definitive Certificate in or substantially in the form set out in Schedule 1 with the Conditions in or substantially in the form also set out in that Schedule.
- (B) **Denomination:** The Bonds shall be denominated in Hong Kong dollars and shall be issued in principal amounts of HK\$1,000,000 each, save that if the outstanding amount of the Bonds to be issued is less than HK\$1,000,000, the Bonds may be issued in such amount.
- (C) **Signature:** The definitive Certificates will be signed manually or in facsimile by two Directors of the Company and (unless the Company is the Paying Agent) authenticated manually by or on behalf of the Registrar. The Company may use the facsimile signature of any person who at the date of this Instrument is a Director of the Company even if at the time of issue of any Certificate he no longer holds such office and the Bonds in respect of which a Certificate is so executed and authenticated will be binding and valid obligations of the Company.
- (D) **Issue:** Issue and delivery of the Bonds shall be completed on the issue and delivery of the Certificate(s) to the Bondholder (or its representative) by, or by the order of, the Company and completion of the register of Bondholders by or on behalf of the Registrar.
- (E) **Entitlement to treat holder as owner:** The holder of any Bond 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. CAPITAL DUTIES AND TAXES

- (A) **Capital duties, etc:** The Company will pay any capital, stamp, issue, registration, documentary or other similar taxes and duties, including, if any, interest and penalties, payable in Hong Kong in respect of the creation and original issue and offering of the Bonds and the execution or delivery of this Instrument. The Company will also indemnify the Paying Agent and the Bondholders from and against all capital stamp, issue, registration, documentary or other similar taxes paid by any of them in any jurisdiction in relation to which

the liability to pay arises directly as a result of any action taken by or on behalf of the Paying Agent or the Bondholders to enforce the obligations of the Company under this Instrument or the Bonds.

- (B) **Change of taxing jurisdiction:** If the Company becomes subject generally to the taxing jurisdiction of any territory or any authority of or in that territory having power to tax other than Hong Kong or any such authority of or in such territory then the Company will give to the Bondholders an undertaking in terms corresponding to the terms of Condition 9 with the substitution for the references in that Condition to Hong Kong of references to that other territory or authority to whose taxing jurisdiction the Company has become so subject and in such event this Instrument and the Bonds will be read accordingly.

## 6. COVENANT TO COMPLY WITH PROVISIONS

The Company hereby covenants to and with each 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 Bondholders. The provisions contained in Schedule 1 shall have effect in the same manner as if herein set forth.

## 7. ADJUSTMENT

- (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 (a) to (f) inclusive of this Clause 7(A) it shall fall within the first of the applicable paragraphs to the exclusion of the remaining paragraphs:
- (a) 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.
  - (b) 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.

- (c) If and whenever the Company shall make any Capital Distribution (as defined in Condition 6(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 adjusted by multiplying it by the following fraction:

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

where:

A = the market price (as defined in Clause 7(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 the Auditors for the time being, of the portion of the Capital Distribution or of such rights which is attributable to one Share. For avoidance of doubt, if the Capital Distribution is distributions in cash the fair market value shall be the cash value and determination by the auditors is not required.

Provided that:

- (aa) if in the opinion of the Auditors, 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 (c) 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.

- (d) 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 70% of the market price on the date of the announcement 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 shall be 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 Bondholders (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 they had exercised the Conversion Rights under the Bonds registered in their Bondholder holds out of the total principal amount of the Bonds outstanding at the time of the proposed redemption.

- (e) (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 70% of the market price on 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 retroactively) 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 mentioned in section (aa) of this sub-paragraph (e) are modified so that the total Effective Consideration per Share initially receivable for such securities shall be less than 70% of the market price on 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 (e), 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 total 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; and

- (f) If and whenever the Company shall issue wholly for cash any Shares at a price per Share which is less than 70% of the market price on 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.

- (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 Stock Exchange and **“date of announcement”** shall mean the date on which the announcement is first so released, delivered or transmitted;

**“auditors”** means auditors of the Company for the time being, or such other accountants as may be agreed between the Company and the Bondholder from time to time;

**“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 it is paid out of the aggregate of the net profits (less losses) accrued and attributable to the holders of Shares for all financial periods after 31 December 2024 as shown in the audited consolidated profit and loss account of the Company and its subsidiaries for each financial period;

**“issue”** shall include allot;

**“market price”** means the average of the closing prices per Share on the Stock Exchange for each of the last five consecutive Stock Exchange dealing days on which dealings in the Shares on the 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-paragraphs (c), (d), (e) or (f) of Clause 7(A), any such ordinary shares of the Company as, when fully paid, will be Shares; and

**“Stock Exchange”** means The Stock Exchange of Hong Kong Limited.

- (C) The provisions of sub-paragraphs (b), (c), (d), (e) and (f) of Clause 7(A) shall not apply to:
- (a) 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 or any other convertible bond of the same class as this 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);
  - (b) an issue of fully paid Shares upon the exercise of any subscription warrants of the Company listed on the Stock Exchange the initial exercise price of which is not less than the market price (as defined hereinabove) of the Shares on the trading day before the announcement of a proposal



for the creation and issue of such warrants 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);

- (c) an issue of Shares or other securities of the Company or any subsidiary of the Company wholly or partly convertible into, or rights to acquire, Shares pursuant to any employee or executive share scheme adopted by the Company from time to time (including the Share Option Scheme);
  - (d) 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 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);
  - (e) 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 rights to acquire Shares;
  - (f) 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% 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 a Share shall mean the average of the closing prices for such 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; or
  - (g) an issue of Shares to the directors, employees, service providers and/or consultants by way of share-based payment in exchange for service rendered.
- (D) Any adjustment to the Conversion Price shall be made to the nearest one tenth of a cent so that any amount under one twentieth of a cent shall be rounded down and any amount of one twentieth of a cent or more shall be rounded up and in no event shall any adjustment (otherwise than upon the consolidation of Shares into Shares of a larger nominal amount) involve an increase in the Conversion Price. In addition to any determination which may be made by the directors of the Company every adjustment to the Conversion Price shall be certified either (at the option of the Company) by the Auditors.
- (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 cent and any adjustment that would otherwise be required then to be made shall not be carried forward.

- (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 the auditors to consider whether any adjustment to the Conversion Price is appropriate (and if such auditors shall certify that any such adjustment is appropriate, the Conversion Price shall be adjusted accordingly and the provisions of Clauses 7(F), 7(G) and 7(H) shall apply).
- (G) Notwithstanding the provisions of Clause 7(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 the auditors 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 auditors 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 auditors to be in its opinion appropriate.
- (H) Whenever the Conversion Price is adjusted as herein provided the Company shall give notice to the Bondholder forthwith 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 the Bond remains outstanding make available for inspection at its principal place of business in Hong Kong a signed copy of the said certificate of the auditors of the Company or (as the case may be) of the relevant auditors 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) If application of any of the provisions of this Clause 7 would but for this paragraph (I) result in the Conversion Price being reduced so that on Conversion Shares shall fall to be issued at a discount to their nominal value, then the Conversion Price shall be adjusted to an amount equal to the nominal value of one Share.

## 8. CONVERSION

- (A) **Rights of Conversion:** The holder of each Bond will have the right, subject to Clause 8(B) and the Conditions, and in accordance with the provisions of Condition 6, to convert such Bond into Shares, credited as fully paid. 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.
- (B) **Limitation of Conversion:** Notwithstanding any provision in this Instrument, the right of each holder of the Bond to convert the Bond into Shares is subject to the following limitation:
  - (i) any conversion of the Bond (a) shall not (i) trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Bondholder which exercised the conversion right and party(ies) acting in concert (as defined under the Takeovers Code) with it; or (ii) the Executive Director of the Corporate Finance Division of the SFC (or any delegate of the Executive Director) has granted a waiver, pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code, from the obligation of the Bondholder to make a mandatory general offer to the Shareholders to acquire all the Shares not already owned or agreed to be acquired by it pursuant to Rule 26 of the Takeovers Code as a results of the issue of the Conversion Shares (the “**Whitewash Waiver**”) and all conditions attached with the Whitewash Waiver are satisfied; and (b) will not cause the public float of the Company becoming unable to meet the requirement under the Listing Rules; and
  - (ii) fractions of Shares will not be issued on conversion and no cash adjustments will be made in respect thereof.

## 9. COVENANTS RELATING TO CONVERSION

9.1 The Company hereby undertakes to and covenants with the Bondholders that so long as any Conversion Right remains exercisable, it will, save with the approval of an Ordinary Resolution:

- (A) **Maintain sufficient unissued share capital:** ensure that the Conversion Shares and all other rights of conversion into, subscription for or exchange into Shares exercisable at that time to be satisfied in full are kept available for issue free from pre-emptive rights out of its authorised but unissued share capital;
- (B) **Limited modification of rights:** not in any way modify the rights attaching to the Shares with respect to voting, dividends or liquidation nor issue any other class of equity share capital carrying any rights which are more favourable than the rights attaching to the Shares but so that nothing in this sub-Clause (B) shall prevent (i) the issue of any equity share capital pursuant to any scheme or plan relating to employees now in existence or which may in the future be approved by the Company in general meeting or (ii) any cancellation of paid-up capital, consolidation or subdivision of the Shares or the conversion of any Shares into

stock or vice versa or (iii) any modification of such rights which is not, in the opinion of the Auditors, and acting as an expert, materially prejudicial to the interests of the Bondholders or (iv) without prejudice to any rule of law or legislation, the conversion of Shares into, or the issue of any Shares in, uncertificated form (or the conversion of Shares in uncertificated form to certificated form) or the amendment of the bye-laws of the Company to enable title to securities of the Company (including Shares) to be evidenced and transferred without a written instrument or any other alteration to the bye-laws of the Company made in connection with the matters described in this sub-Clause or which is supplemental or incidental to any of the foregoing (including any amendments made to enable or facilitate procedures relating to such matters and any amendment dealing with the rights and obligations of holders of securities (including Shares) dealt with under such procedures);

- (C) **Restricted action:** not make any grant or distribution or take any other action if the effect thereof would be that, on the conversion of Bonds, Shares would have to be issued at a discount;
- (D) **Extend offer:** if any offer is made to all (or as nearly as may be practicable all) Shareholders other than the offeror and/or any associate or associates of the offeror and/or parties acting in concert with the offeror to acquire all or a majority of the issued ordinary share capital of the Company, or if any person proposes a scheme with regard to such acquisition, give notice of such offer or scheme to the Paying Agent and the Bondholders at the same time as any notice thereof is sent to its Shareholders (or as soon as practicable thereafter) stating that details concerning such offer or scheme may be obtained from the Specified Office of the Paying Agent and, where such an offer or scheme has been recommended by the Board of Directors of the Company, or where such an offer has become or been declared unconditional in all respects, use its best endeavours to procure that a like offer or scheme is extended to the holders of any Shares issued during the period of the offer or scheme arising out of the exercise of the Conversion Rights and a comparable offer is made to the Bondholders in respect of their Bonds;
- (E) **Listing of Shares:** maintain a listing on the Stock Exchange for all the issued Shares for the time being and, as soon as reasonably practicable after their issue, for all Conversion Shares to be issued on exercise of the Conversion Rights attaching to the Bonds, and give notice to the Paying Agent and the Bondholders of any delisting of Shares by the Stock Exchange or an Alternative Stock Exchange and in the event of such delisting, the Company shall use its best endeavours to procure a listing of all Shares (including the Shares falling to be allotted and issued upon the exercise of the Conversion Rights) on another Alternative Stock Exchange;
- (F) **Compliance with stock exchange rules:** comply with all rules, regulations, practice directions and other applicable directives imposed by the Stock Exchange, the Alternative Stock Exchange and other regulatory authorities having jurisdiction over it;
- (G) **No reduction of issued share capital:** not reduce its issued share capital, share

premium account, contributed surplus or capital redemption reserve and save in circumstances where such share premium account, contributed surplus or capital redemption reserve is converted into share capital or used in the payment of any related expenses and other than any reduction for the purposes of (to the extent permissible under applicable law) writing off goodwill arising from the acquisition of business or shares in a corporation or resulting from the purchase of Shares pursuant to the authority granted to the Directors of the Company by the Shareholders in general meeting or any uncalled liability in respect thereof except pursuant to the terms of issue of the relevant share capital or by means of a purchase or redemption of share capital of the Company;

- (H) **Closing of register of members:** 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 prevents the transfer of its Shares generally and ensure that the Bonds may be converted legally and the Conversion Shares to be issued upon conversion may (subject to any limitation imposed by law) be transferred (as between transferor and transferee although not as against the Company) at all times during the period of such closure or while such other action is effective, nor take any action which prevents the conversion of the Bonds or the issue of the Conversion Shares in respect of them, and in the event of any closure or proposed closure of its register of shareholders permitted pursuant to this sub-Clause (I), give notice of such closure or proposed closure to the Paying Agent and the Bondholders as soon as is practicable;
- (I) **Maintenance of register of Bondholders:** to maintain a register of holders of the Bonds in a place outside of Hong Kong in accordance with the requirements of the Companies Act 1981 of Bermuda (as amended from time to time);
- (J) **Expenses:** to pay the expenses of the issue of, and all expenses of obtaining listing on the Stock Exchange or on Alternative Stock Exchange for, Shares arising on conversion of the Bonds;
- (K) **Paying Agent and Registrar:** if and whenever required to do so by the Bondholders pursuant to an Ordinary Resolution, appoint such a professional firm of paying agents and a professional firm of registrars to act as Paying Agent and Registrar, enter into agreements with such paying agent and registrar containing provisions with respect to such matters as are specified in such Ordinary Resolution, and to pay all charges of the Paying Agent and the Registrar that are payable to them under their respective agreements with the Company. The Paying Agent and the Registrar must, unless the Bondholders resolve otherwise by Ordinary Resolution, maintain their respective Specified Offices in Hong Kong; and
- (L) **Part 16 registration:** to register itself as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).



## 10. COVENANTS

So long as any Bond is outstanding, the Company covenants to and with each Bondholder that:

- (A) **Books of account:** the Company will keep proper books of account, allow such Bondholder access to the audited accounts of the Company during normal business hours provided that nothing in this sub-Clause shall oblige the Company to disclose confidential information concerning customers;
- (B) **Notice of Events of Default:** the Company will notify the Bondholders in writing immediately upon becoming aware of the occurrence of any Event of Default or Potential Event of Default;
- (C) **Change in Paying Agent or Registrar:** the Company will give not less than 7 Business Days' prior notice to the Bondholders of any future appointment or any resignation or removal of the Paying Agent or of the Registrar or of any change by the Paying Agent or the Registrar of its Specified Office or, if later, notice as soon as reasonably practicable after becoming aware thereof;
- (D) **Compliance:** the Company will comply with and perform and observe all the provisions of this Instrument which are expressed to be binding on it. The Conditions shall be binding on the Company and the Bondholders. The Bondholders shall be entitled to enforce the obligations of the Company under the Bonds and the Conditions as if the same were set out and contained in this Instrument which shall be read and construed as one document with the Bonds. The provisions contained in Schedule 2 shall have effect in the same manner as if herein set forth;
- (E) **Conversion Rights:** upon the exercise of any Conversion Rights pursuant to the Conditions it will within 20 Business Days after the Conversion Date (and subject, with regard to fractional entitlements, to Condition 5(A)(ii)) allot such number of Conversion Shares in respect of which Conversion Rights are exercised; and
- (F) **Ranking:** all Shares allotted in accordance with (E) above shall rank pari passu in all respects with the fully paid Shares in issue on the relevant Conversion Date and shall accordingly entitle the holders to participate in full in all dividends or other distributions paid or made on the Shares 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 and notice of the amount and record date for which shall have been given to the Stock Exchange or the Alternative Stock Exchange (where the Shares are listed on the Alternative Stock Exchange), the Paying Agent and the Bondholders prior to the relevant Conversion Date and, for this purpose, the notice to the Paying Agent and the Bondholders may take the form of sending a copy of the relevant paid announcement to them.

## **11. TRANSFER, TRANSMISSION AND REGISTER**

Subject to and in accordance with Condition 3, the Bonds shall be transferable in whole multiples of HK\$1,000,000 (or such lesser amount as may represent the entire principal amount thereof) by instrument of transfer in the form set out at the end of the Conditions or in any usual or common form or such other form as may be approved by the directors of the Company. For this purpose, except where required otherwise by the Bondholders pursuant to an Ordinary Resolution, the Company shall appoint the Registrar to maintain a register of Bondholders and, unless the Bondholders shall otherwise require by Ordinary Resolution, the provisions in the bye-laws of the Company from time to time regarding the transfer and transmission of Shares shall apply to the transfer and transmission of the Bonds and shall have full effect as if the same had been incorporated herein save that the Company shall be obliged (unless the Bondholders shall otherwise permit by Ordinary Resolution) to maintain a register of Bondholders outside Hong Kong and the register of Bondholders may not be closed other than as permitted by Condition 3(E).

## **12. MODIFICATIONS**

- (A) 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 Bondholders under the Instrument) only if it shall first have been sanctioned by an Ordinary Resolution of the Bondholders.
- (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 to the Bondholders as soon as reasonably practicable.

## **13. 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 and the holder(s) of the Conversion Shares.
- (B) Each Bondholder and holder of the Conversion Shares shall be entitled severally to enforce the said covenants, obligations and conditions against the Company insofar as each such Bondholder's Bonds and holder of the Conversion Shares are concerned, without the need to join the allottee of any such Bond or the predecessor in title of the Conversion Shares or any intervening or other Bondholder or holder of the Conversion Shares in the proceedings for such enforcement.
- (C) The Bondholders 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 Bondholders. Such provisions may be altered by Ordinary Resolution.



#### 14. COMMUNICATIONS

- (A) Any communication to the Company shall be in writing delivered personally or by email transmission to it at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong (email address: [morton.cheung@cash.hk](mailto:morton.cheung@cash.hk)) (or such other address or email address as shall be notified in writing by the Company to the Bondholders, the Paying Agent and the Registrar from time to time with specific reference to this Deed).
- (B) Any such communication will take effect, in the case of delivery, at the time of delivery or, in the case of email transmission, at the time of despatch.

#### 15. GOVERNING LAW

- (A) **Governing law:** This Instrument shall be governed by and construed in accordance with Hong Kong law.
- (B) **Jurisdiction:** The courts of Hong Kong are to have 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).
- (C) **Third Parties Right:** The Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) does not apply to the Subscription Agreement and no third party will have any right to enforce or rely on any provision of the Bonds.

## **SCHEDULE 1**

### **Form of Certificate**

Certificate no.:

**CELESTIAL ASIA SECURITIES HOLDINGS LIMITED**  
*(incorporated in Bermuda with limited liability)*

Convertible Bonds for an aggregate principal amount of HK\$[\*] due 2028

The Bond or Bonds in respect of which this Certificate is issued, the certificate number of which is noted below, are in registered form in the aggregate principal amount of HK\$[\*] (the “**Bonds**”) issued by Celestial Asia Securities Holdings Limited (the “**Company**”) and constituted by the Instrument referred to in the Terms and Conditions of the Bonds attached hereto. The Bonds are subject to, and have the benefit of, that Instrument, which is enforceable severally by each Bondholder and holder of Conversion Shares against the Company insofar as each Bondholder’s Bonds and holder of Conversion Shares are concerned. Such Instrument (together with any instruments supplemental thereto) and copies of the bye-laws of the Company are and will be held by the Paying Agent (as referred to in the Terms and Conditions of the Bonds attached hereto) for the time being and will be available for inspection by Bondholders and holder of Conversion Shares at the principal offices for the time being in Hong Kong of the Company and of the Paying Agent.

Bondholders and holder of Conversion Shares 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 Paying Agent for the time being or 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 Bondholders as the holder of Bonds in the principal amount indicated below. For value received, the Company promises to pay the person who appears at the relevant time on the register of Bondholders as holder of the Bonds in respect of which this Certificate is issued such amount or amounts as shall become due in respect of such Bonds and otherwise to comply with the Conditions.

Folio	Bondholders and address	Principal amount of Bonds HK\$	Certificate no.	Transfer no.	Date of issue

The Bonds in respect of which this Certificate is issued are convertible into fully-paid ordinary shares of the Company (or such ordinary shares of the Company resulting from any cancellation of paid-up capital, subdivision, consolidation or re-classification of such shares) subject to and in accordance with the Conditions and the Instrument.

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 payments on Bonds in respect of which this Certificate is issued.



## TERMS AND CONDITIONS OF THE BONDS

The issue of convertible bonds in the aggregate principal amount of HK\$20,000,000 due 2028 (the “**Bonds**”) of Celestial Asia Securities Holdings Limited (the “**Company**”) and the issue of the Shares upon conversion were authorised by resolutions of the Board of Directors of the Company passed on [\*] 2025 pursuant to the specific mandate granted by the resolutions of the shareholders of the Company passed on [\*] 2025. The Bonds are constituted by a deed poll (the “**Instrument**”, such expression shall include amendments and modifications from time to time made thereto) dated [\*] 2025 executed by the Company.

The Company will act as the initial registrar, paying, conversion and transfer agent. The registrar and the paying/conversion/transfer agent for the time being are referred to below as the “**Registrar**” and the “**Paying Agent**” respectively).

The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Instrument. Copies of the Instrument are available for inspection by Bondholders and holders of Conversion Shares at the principal office of the Company being at the date hereof at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong and at the Specified Office(s) of the Paying Agent and the Registrar. The Bondholders and holders of Conversion Shares are entitled to the benefit of the Instrument and are bound by, and are deemed to have notice of, all the provisions of the Instrument and the paying agency agreement (if any).

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) The Bonds constitute 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 Bonds 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 the listing of the Bonds on the Stock Exchange of any stock or securities exchange.
- (B) For the avoidance of doubt, the Bondholder shall not be entitled to attend or vote at any general meetings of the shareholders of the Company by reasons only it being the Bondholder.

### 2. FORM, DENOMINATION AND TITLE

#### (A) Form and denomination

The Bonds are issued in registered form. A bond certificate (each a “**Certificate**”) will be issued to each Bondholder in respect of its registered holding of Bonds. Each bond and each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate

and in the register of Bondholders kept by the Registrar on behalf of the Company.

**(B) Title**

Title to the Bonds passes only by registration in the register of Bondholders. The holder of any Bond will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it or any entry on the register of Bondholders) and no person will be liable for so treating the holder. In these terms and Conditions “**Bondholder**” and (in relation to a Bond) “**holder**” means the person in whose name a bond is registered in the register of Bondholders.

**3. TRANSFERS OF BONDS; ISSUE OF CERTIFICATES**

**(A) Transfers**

The Bondholder may assign or transfer the Bonds to the transferee subject to the prior notification to the Company. The Bonds may not be assigned or transferred, in whole or in part, to any connected person of the Company (as defined under the Listing Rules) without prior written consent of the Company. The Bonds may be assigned or transferred in whole or in part (provided that the principal amount to be assigned or transferred shall be at least HK\$1,000,000 and in integral multiples of HK\$1,000,000 unless the outstanding principal amount of the Convertible Bonds is less than HK\$1,000,000 in which case the whole (but not part only) of that amount may be assigned and transferred) 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 Stock Exchange for the said approval (if required).

A transfer 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 Schedule 1 to the Conditions.

**(B) 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 Specified Office of the Paying Agent accompanied by (i) a duly executed transfer from (which is available at the Specified Office); (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 Business Days of receipt of such documents from the Bondholder, cancel the existing Certificate and issue a new Certificate in favour of the transferee or assignee as applicable.

**(C) Delivery of new certificates**

Each new Certificate to be issued upon a transfer of Bonds will, within ten Business Days of receipt by the Paying Agent of the form of transfer, be mailed by registered mail or delivered by hand, in each case at the risk of the holder entitled to the Bond, to the address specified in the form of transfer, or made available for collection by the holder entitled to the Bond at the Specified Office of the Paying Agent upon production of such identification papers as may be reasonably required by the Paying Agent. For the purposes of these Conditions, “**Business Day**” shall mean a day (other than a Saturday, Sunday or public holiday and any day on which a tropical cyclone warning No.8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours.

Where some but not all the Bonds in respect of which a Certificate is issued are to be transferred, converted or redeemed, a new Certificate in respect of the Bonds not so transferred, converted or redeemed will, within ten Business Days of delivery of the original Certificate to the Paying Agent, be mailed by registered mail or delivered by hand, in each case at the risk of the holder of the Bonds not so transferred, converted or redeemed, to the address of such holder appearing on the register of Bondholders, or made available for collection by such holder at the Specified Office of the Paying Agent upon production of such identification papers as may be reasonably required by the Paying Agent.

**(D) Formalities free of charge**

Registration of transfer of Bonds will be effected without charge by or on behalf of the Company or the Paying Agent, but upon (a) payment of a fee of HK\$2.50 (or such higher amount as may from time to time allowed by the 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.

**(E) Closed periods**

No Bondholder may require the transfer of a Bond to be registered during the period of seven Business Days ending on the due date for any payment of principal of or premium on that Bond.

**4. INTEREST**

- (A) Subject to Condition 4(B), the Bonds will bear interest from and including the date of issue at the rate of 5% per annum on the principal amount of the Bond outstanding, which subject as provided herein, will be payable by the Company (i) quarterly in arrear in each year; and (ii) on the Maturity Date or the Early



Redemption Date (as appropriate). For avoidance of doubt, such interest rate will also be applied in the case the Bonds are early redeemed. Interest on the principal amount of the Bond shall be calculated on a 365-day year basis. 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.

- (B) In the event that the Bondholders have converted part or whole of the principal amount of the Bonds, the Bondholders shall be entitled to interest in respect of such remaining part or whole of the principal amount for the period from the immediately preceding interest payment date or the date of issue of the Bonds, as the case may be, to the Maturity Date or the Early Redemption Date (as appropriate).

## 5. CONVERSION

### (A) Conversion Right

- (i) **Conversion Period:** The Bondholders have the right to convert their Bonds into Shares at any time during the Conversion Period referred to below.

The right of a Bondholder to convert the principal amount (or any part(s) thereof) of the Bond into Shares is called the **"Conversion Right"**. Subject to, and upon compliance with, the provisions of this Condition and provided that any conversion of the Bonds (a) shall not (i) trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Bondholder which exercised the conversion right and party(ies) acting in concert (as defined under the Takeovers Code) with it; or (ii) the Executive Director of the Corporate Finance Division of the SFC (or any delegate of the Executive Director) has granted a waiver, pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code, from the obligation of the Bondholder to make a mandatory general offer to the Shareholders to acquire all the Shares not already owned or agreed to be acquired by it pursuant to Rule 26 of the Takeovers Code as a results of the issue of the Conversion Shares (the **"Whitewash Waiver"**) and all conditions attached with the Whitewash Waiver are satisfied; and (b) will not cause the public float of the Company becoming unable to meet the requirement under the Listing Rules, the Conversion Right attaching to any Bond may be exercised, at the option of the holder thereof, at any time during the period commencing from six (6) months of the date of the issue of the relevant Bond up to 4:00 pm (Hong Kong time) immediately prior to and exclusive of the Maturity Date (the **"Conversion Period"**) in amounts (the **"Conversion Amount"**) not less than a whole multiple of HK\$1,000,000 on such conversion, save that if at any time the outstanding principal amount of the Bond held by a Bondholder is less than HK\$1,000,000, 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 6 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 lapse of the Conversion Period.

If the Bondholder is a Clearing House representing different ultimate beneficiaries of the Bonds, such Bondholder may act upon instructions of the relevant ultimate beneficiary and convert the Bonds to which such ultimate beneficiary is beneficially entitled in whole or in part (in whole multiples of HK\$1,000,000) of its outstanding principal amount into Conversion Shares during the Conversion Period.

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.

Subject to the above provision, if more than one Bond held by the same holder is converted at any one time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Bonds to be converted.

- (ii) **Fractions of Shares:** 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 Bondholders 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 same Bondholder, then the Conversion Rights represented by such bonds shall be aggregate. Notwithstanding the foregoing, in the event of a consolidation or re-classification of Shares by operation of law or otherwise occurring after the date of this Instrument, the Company will upon conversion of Bonds pay in cash (in Hong Kong dollars by means of a Hong Kong dollar draft drawn on a licensed bank in Hong Kong) a sum equal to such portion of the principal amount of the Bond or Bonds represented by the Certificate deposited in connection with the exercise of Conversion Rights as corresponds to any fraction of a Share not issued as aforesaid if such sum exceeds HK\$100.

- (iii) **Conversion Price:** The conversion price (the “**Conversion Price**”) per Share shall be HK\$1.25 per Conversion Share, subject to adjustments as hereafter described.

The number of Shares to be issued on exercise of the Conversion Right will be determined by dividing the aggregate of the principal amount of the relevant Bond (or, in the case of a conversion of part only of the Bonds represented by a Certificate, the principal amount thereof being converted) by the Conversion Price in effect on the Conversion Date.

- (iv) **Meaning of “Shares”:** As used in these Conditions, the expression “**Shares**” means ordinary shares of the Company.
- (v) **Limitation:** The Conversion Rights shall only be exercised on the condition that at the time a Conversion Notice is issued (i) any conversion of the Bonds does not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code or such mandatory offer obligation has been waived on the part of the Bondholder(s) which exercised the Conversion Rights, whether or not such mandatory offer obligation is triggered off by the fact that the number of Conversion Shares to be allotted and issued upon the exercise of the Conversion Rights attaching to the Bonds (if applicable, including any Shares acquired by the parties acting in concert with the holder(s) of the Bonds); and (ii) the public float of the Shares shall not be less than 25% (or any given percentage as required by the Listing Rules for the minimum percentage of Shares being held by the public as per Rule 11.23 of the Listing Rules) of the issued Shares of the Company at the time in compliance with the Listing Rules, a 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 (in authorised denominations) of the outstanding principal amount of Bonds registered in its name into Shares at the Conversion Price.

**(B) Conversion, etc. procedure**

- (i) **Conversion Notice:** To exercise the Conversion Right attaching to any Bond, the holder thereof must complete, execute and deposit at his own expense during normal business hours at the Specified Office of the Paying Agent a notice of conversion (a “**Conversion Notice**”) in duplicate in the form (for the time being current) obtainable from the Specified Office of the Paying Agent or in such other form that the intentions of the converting Bondholder are clearly stated, together with the relevant Certificate.

In respect of an exercise of a Conversion Right, the conversion date in respect of relating Bond (the “**Conversion Date**”) will be deemed to be: (a) except in the case described in (b) below, the Business Day immediately following the date of the surrender of such Bond and delivery of Conversion Notice therefor or; (b) where the date of

surrender and delivery as aforesaid is the record date for any distribution or other right exercisable in respect of the Shares, the Conversion Date shall be deemed to be such date of surrender and delivery. A Conversion Notice once delivered shall be irrevocable.

- (ii) **Capital duty etc.:** The Company shall pay any taxes and capital, stamp, issue and registration duties arising on conversion (including any taxes or transaction levies or capital or stamp duties payable in Hong Kong by the Company in respect of the allotment and issue of Shares pursuant to the Instrument and listing of the Shares on conversion) and the Company must pay all, if any, taxes arising by reference to any disposal or deemed disposal of a Bond in connection with such conversion (other than taxes on gain on disposal or Conversion Shares or the overall income of the Bondholder or similar taxes). The Company will pay all other expenses arising on the issue of Shares on conversion of Bonds and on the conversion of the Bonds (including the charges of the Paying Agent).
- (iii) **Delivery of certificates:** As soon as practicable, and in any event not later than 20 Business Days after the Conversion Date, the Company will, in the case of Bonds converted on exercise of the Conversion Right and in respect of which (aa) a Conversion Notice has been delivered; and (bb) the relevant Certificate deposited as required by sub-paragraph (i), register the person or persons designated for the purpose in the Conversion Notice as holder(s) of the relevant number of Shares in the Company's branch share register in Hong Kong and will cause the Registrar to make a certificate or certificates for the relevant Shares available for collection at its Specified Office or, if so requested in the relevant Conversion Notice, will cause the Registrar to mail (at the risk, and, if sent at the request of such person otherwise than by ordinary mail, at the expense, of the person to whom such certificate or certificates are sent) such certificate or certificates to the person and at the place specified in the Conversion Notice or make available for personal collection by the holder of the Bonds during normal business hours (Monday to Friday, 9:00 a.m. to 4:30 p.m.) at the Specified Office, together with any other securities, property or cash required to be delivered upon conversion or subscription and such assignments and other documents (if any) as may be required by law to effect the transfer thereof.
- (iv) **Registration date:** The person or persons specified for that purpose will become the holder of record of the number of Shares issuable upon conversion with effect from the date he is or they are registered as such in the Company's branch register of shareholders maintained in Hong Kong (the "**Registration Date**"). The Shares issued upon conversion of the Bonds will in all respects rank *pari passu* with the Shares in issue on the relevant Registration Date as if the Shares issued on conversion or subscription had been issued on such date (except for any right excluded by mandatory provisions of applicable law). Save as set out below, a holder of Shares issued on conversion of Bonds shall not be entitled to

any rights the record date for which precedes the relevant Registration Date.

If the record date for the payment of any dividend or other distribution (excluding the distribution element of a rights issue) in respect of the Shares is on or after the Conversion Date in respect of any Bond, but before the Registration Date, the Company will pay to the converting Bondholder or his designee an amount (the “**Equivalent Amount**”) in Hong Kong dollars equal to any such dividend or other distribution to which he would have been entitled had he on that record date been such a shareholder of record and will make the payment at the same time as it makes payment of the dividend or other distribution, or as soon as practicable thereafter, but, in any event, not later than 20 Business Days thereafter. The Equivalent Amount shall be paid by means of a Hong Kong dollar cheque drawn on a branch of a bank in Hong Kong and sent to the address specified in the relevant Conversion Notice.

If the record date for the issue of Shares to all or substantially all Shareholders as a class by way of rights or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase any Shares is on or after the Conversion Date in respect of any Bond, but before the Registration Date the Company will issue or grant to all Bondholders (or their designees) who exercised any Conversion Rights attached to the Bonds prior to the record date, such number of Shares, options, warrants or rights to subscribe for Shares by way of rights to which they would have been entitled had they on that record date been holders of the Shares falling to be issued in respect of the Conversion Rights exercised by them.

- (v) **Ranking of Shares:** The Shares issued upon conversion of the Bonds will in all respects rank *pari passu* with the Shares in issue on the relevant Conversion Date as if the Shares issued on conversion had been issued on such date 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 Bonds shall not be entitled to any rights the record date for which precedes the relevant Conversion Date.

(C) **Company’s undertakings**

The Company will undertake in the Instrument that so long as any Bonds remain outstanding it will (a) maintain a listing for all the issued Shares on the Stock Exchange, and (b) obtain and maintain a listing for the Conversion Shares to be issued on the exercise of the Conversion Rights attaching to the Bonds on the Stock Exchange and will forthwith give notice to the Bondholders in accordance with Condition 15 below of the listing or delisting of the Shares (as a class) by

any of such stock exchanges and, in the event of any delisting, to exercise its best endeavours to procure a listing of the Shares (including all the Conversion Shares falling to be allotted and issued upon the exercise of the Conversion Rights to be listed on an Alternative Stock Exchange).

The Company will undertake in the Instrument to pay the expenses of the issue of, and all expenses of obtaining listing for, the Conversion Shares arising on conversion of the Bonds.

The Company has also given certain other undertakings in the Instrument for the protection of the Conversion Rights.

**(D) 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 Bondholders and the Paying Agent and the Registrar of such event in accordance with Condition 15 and (so far as legally possible) 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 holder of each Bond then outstanding 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. Such supplemental instrument will provide for adjustments which will be as nearly equivalent as may be practicable to the adjustments provided for in the foregoing provisions of this Condition. The above provisions of this Condition 5(D) will apply in the same way to any subsequent consolidations, amalgamations, mergers, sales or transfers.

**6. ADJUSTMENT**

(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 (a) to (g) inclusive of this Condition 6(A) it shall fall within the first of the applicable paragraphs to the exclusion of the remaining paragraphs:

(a) 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.

- (b) 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.
- (c) If and whenever the Company shall make any Capital Distribution (as defined in Condition 6(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 adjusted by multiplying it by the following fraction:

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

where:

A = the market price (as defined in Condition 6(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) next preceding day 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 the Auditors, of the portion of the Capital Distribution or of such rights which is attributable to one Share. For avoidance of doubt, if the Capital Distribution is distributions in cash the fair market value shall be the cash value and determination by the Auditors is not required.

Provided that:

- (aa) if in the opinion of the Auditors, 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 (c) 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 grant.

- (d) 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 70% of the market price on the date of the announcement 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 shall be 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 Bondholders (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 they had exercised the Conversion Rights under the Bonds registered in their Bondholder holds out of the total principal amount of the Bonds outstanding at the time of the proposed redemption.
- (e) (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 70% of the market price on 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 retroactively) 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 (e) are modified so that the total Effective Consideration per Share initially receivable for such securities shall be less than 70% of the market price on 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 (e), 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 total 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.

- (f) If and whenever the Company shall issue wholly for cash any Shares at a price per Share which is less than 70% of the market price on 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; and

- (g) If and whenever the Company shall issue Shares for the acquisition of asset at a total Effective Consideration per Share (as defined in this sub-paragraph (g) below) which is less than 70% of the market price (as defined in Condition 6(B)) at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted in such manner as may be determined by the auditors. Such adjustment shall become effective on the date of issue. For the purpose of this sub-paragraph (g) **“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 Condition 6:

**“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 Stock Exchange and **“date of announcement”** shall mean the date on which the announcement is first so released, delivered or transmitted;

**“auditors”** means Deloitte Touche Tohmatsu, Certified Public Accountants, or such other accountants as may be agreed between the Company and the Bondholder from time to time;

**“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 it is paid out of the aggregate of the net profits (less losses) accrued and attributable to the holders of Shares for all financial periods after 31 December 2024 as shown in the audited consolidated profit and loss account of the Company and its subsidiaries for each financial period;

**“issue”** shall include allot;

**“market price”** means the average of the closing prices of one Share on the Stock Exchange for each of the last five consecutive Stock Exchange dealing

days on which dealings in the Shares on the 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-paragraphs (c), (d), (e), (f) or (g) of Condition 6(A), any such ordinary shares of the Company as, when fully paid, will be Shares; and

**“Stock Exchange”** means The Stock Exchange of Hong Kong Limited.

- (C) The provisions of sub-paragraphs (b), (c), (d), (e), (f) and (g) of Condition 6(A) shall not apply to:
- (a) 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 or any other convertible bond of the same class as this Bond) to acquire Shares provided that an adjustment has been made under this Condition 6 in respect of the issue of such securities or granting of such rights (as the case may be);
  - (b) an issue of fully paid Shares upon the exercise of any subscription warrants of the Company listed on the Stock Exchange the initial exercise price of which is not less than the market price (as defined hereinabove) of the Shares on the trading day before the announcement of a proposal for the creation and issue of such warrants provided that an adjustment has been made under this Condition 6 in respect of the issue of such securities or granting of such rights (as the case may be);
  - (c) an issue of Shares or other securities of the Company or any subsidiary of the Company wholly or partly convertible into, or rights to acquire, Shares pursuant to any employee or executive share scheme adopted by the Company from time to time (including the share option scheme of the Company adopted on 30 September 2021);
  - (d) 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 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 Condition 6 in respect of the issue of such securities or granting of such rights (as the case may be);
  - (e) 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 rights to acquire Shares; or

- (f) 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% 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 a Share shall mean the average of the closing prices for such 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; or
  - (g) an issue of Shares to the directors, employees, service providers and/or consultants by way of share-based payment in exchange for service rendered.
- (D) Any adjustment to the Conversion Price shall be made to the nearest one tenth of a cent so that any amount under one twentieth of a cent shall be rounded down and any amount of one twentieth of a cent or more shall be rounded up and in no event shall any adjustment (otherwise than upon the consolidation of Shares into Shares of a larger nominal amount) involve an increase in the Conversion Price. In addition to any determination which may be made by the directors of the Company every adjustment to the Conversion Price shall be certified either (at the option of the Company) by the auditors of the Company for the time being or by the auditors.
- (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 Condition 6 would be less than one cent and any adjustment that would otherwise be required then to be made shall not be carried forward.
- (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 the auditors to consider whether any adjustment to the Conversion Price is appropriate (and if such auditors shall certify that any such adjustment is appropriate, the Conversion Price shall be adjusted accordingly and the provisions of Conditions 6(F), 6(G) and 6(H) shall apply).
- (G) Notwithstanding the provisions of Condition 6(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 the auditors 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 auditors 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 auditors to be in its opinion appropriate.

- (H) Whenever the Conversion Price is adjusted as herein provided the Company shall give notice to the Bondholder forthwith that the Conversion Price has been adjusted (setting forth the event giving rise to the adjustment, the adjustment 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 the Bond remains outstanding make available for inspection at its principal place of business in Hong Kong a signed copy of the said certificate of the auditors of the Company or (as the case may be) of the relevant auditors 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) If application of any of the provisions of this Condition 6 would but for this paragraph (I) result in the Conversion Price being reduced so that on Conversion Shares shall fall to be issued at a discount to their nominal value, then the Conversion Price shall be adjusted to an amount equal to the nominal value of one Share.
- (J) For the purpose of this Condition 6, the “**closing price per Share**” means, on any Business Day, the closing price for one Share as quoted on the daily quotation list of the Stock Exchange on that day Provided that in the event that trading in the Shares is suspended, the closing price per Share means the last reported trade price of the Shares on the day of such suspension and provided further that if there has been no trading in the Shares on the day of such suspension or on a given day, the closing price per Share means the closing price of the Shares on the Business Day immediately preceding the date of suspension of the Shares or that given date.

## **7. PAYMENTS**

### **(A) Principal**

Payment of principal and premium (if any) will be made by transfer in Hong Kong dollars to the registered account of the Bondholder or by Hong Kong dollar cheque drawn on a licensed bank in Hong Kong mailed by registered mail to the registered address of the Bondholder if it does not have a registered account, payments of principal and premium (if any) will only be made against surrender of the relevant Certificate at the Specified Office of the Paying Agent.



**(B) Registered accounts**

For the purposes of this Condition, a Bondholder's registered account means the Hong Kong dollar 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 first Business Day before the due date for payment, and a Bondholder's registered address means its address appearing on the register of Bondholders at that time.

**(C) Fiscal laws**

All payments are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 9. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

**(D) Payment initiation**

Where payments is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Business Day, for value the first following day which is a Business Day) will be given and, where payment is to be made by cheque, the cheque will be mailed, on the due date for payment or, in the case of a payment of principal and premium (if any), if later, on the Business Day on which the relevant Certificate is surrendered at the Specified Office of the Paying Agent.

**(E) Delay in payment**

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day, if the Bondholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment. If the amount of principal, premium which is due on the Bonds is not paid in full, the Paying Agent will annotate the register of Bondholders with a record of the amount of principal, premium in fact paid.

**8. REDEMPTION, PURCHASE AND CANCELLATION**

**(A) Maturity**

Unless previously redeemed or converted or purchased and cancelled as provided herein, the Company shall redeem the relevant Bonds which remains outstanding by 4:00 p.m. on the third anniversary of the date of issue of the relevant Bonds or any other date mutually agreed between the Company and the Bondholder (or, if that is not a Business Day, the first Business Day thereafter) (the "**Maturity Date**") at 100% of the principal amount.

**(B) Purchases**



The Company or any Subsidiary may at any time and from time to time purchase the Bonds at any price as agreed between the Company or such Subsidiary and the relevant Bondholder. Any purchase by tender shall be made available to all Bondholders alike.

**(C) Early Redemption**

Right of the Company: The Company may at any time after the expiry of 1 year from the date of issue of the Bonds and before the Maturity Date redeem, in whole or in part and from time to time, such Bonds at 100% of the outstanding principal amount (in whole or in part) plus the redemption premium (the “**Redemption Premium**”) at the rate of five per cent. (5%) per annum thereon from and including the date of issue up to the day prior to and excluding the Early Redemption Date, together with all outstanding interest accrued thereon in cash by serving at least 15 Business Days’ prior written notice (the “**Early Redemption Notice**”) on the Bondholder with the total amount proposed to be redeemed from the Bondholder specified therein. The Redemption Premium (if any) shall be calculated on a 365-day year basis. The Bondholders can within 15 Business Days after the date of the Early Redemption Notice convert any outstanding amount of the Bonds in multiples of HK\$1,000,000 (or such lesser amount as may represent the entire principal amount thereof) into the Conversion Shares at the Conversion Price. Upon the expiry of 15 Business Days after the date of the Early Redemption Notice (the “**Early Redemption Date**”), the Company shall redeem the outstanding principal amount of the Bonds as set out in the Early Redemption Notice, together with any interest or other payment that has accrued thereon (including the Redemption Premium) in accordance with the relevant Bonds up to the day prior to and excluding the Early Redemption Date but has not been paid, unless previously redeemed or converted. For the avoidance of doubts, no interest shall be paid for such amount of the principal amount of the Bonds converted into Conversion Shares.

**(D) Cancellation**

All Bonds which are redeemed or converted, or purchased by the Company or any of its Subsidiaries, will forthwith be cancelled. Certificates in respect of all Bonds cancelled will be forwarded to or to the order of the Company and such Bonds (and any Bonds purchased by any Subsidiary) may not be reissued or resold.

**9. TAXATION**

All payments of principal or premium (if any) by the Company will be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Cayman Islands or Bermuda or Hong Kong or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law. In such event, the Company will pay such additional amounts as will result in the receipt by the Bondholders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been

required except that no such additional amount shall be payable in respect of any Bond:

- (i) to a holder (or a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with Hong Kong otherwise than merely by holding the Bond or by the receipt of principal, premium (if any) in respect of the Bond; or
- (ii) to a holder (or a third party on behalf of a holder) who would not be liable or subject to such withholding or deduction by making a declaration or non-residence or other similar claim for exemption to the relevant tax authority; or
- (iii) if the Certificate in respect of such Bond is surrendered more than 30 days after the relevant date except to the extent that the holder would have been entitled to such additional amount on surrendering the relevant Certificate for payment on the last day of such period of 30 days.

For the purposes hereof “**relevant date**” means whichever is the later of (a) the date on which such payment first becomes due and (b) if the full amount payable has not been received in Hong Kong by the Paying Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders.

References in these Conditions to principal and premium (if any) shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Instrument.

## 10. EVENTS OF DEFAULT

Any Bondholder may give notice to the Company that the Bonds are immediately due and repayable if:

- (i) **Payment default:** a default is made in the payment of the principal or premium (if any), in respect of any of the Bonds when and as the same ought to be paid in accordance with these Conditions; or
- (ii) **Other default:** a default is made by the Company in the performance or observance of any covenant, condition or provision contained in the Instrument or in the Bonds and on its part to be performed or observed (other than the covenant to pay the principal, premium (if any) in respect of any of the Bonds) and such default continues for the period of 28 days next following the service by any Bondholder on the Company of notice specifying brief details of such default and requiring such default to be remedied; or
- (iii) **Dissolution of the Company and Disposals:** a resolution is passed or an order of a court of competent jurisdiction is made that the Company be wound up or dissolved or the Company disposes of all or substantially all of its assets, otherwise, in any such case, than for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reorganisation, the terms of which

shall have previously been approved in writing by an Ordinary Resolution of Bondholders and/or than for any disposal which has previously been approved in writing by an Ordinary Resolution of Bondholders, such approval should not be unreasonably withheld or delayed; or

- (iv) **Bankruptcy:** the Company is unable to pay its debts as and when they fall due or the Company shall initiate or consent to proceedings relating to itself under any applicable bankruptcy, reorganisation or insolvency law or make an assignment for the benefit of, or enter into any composition with, its creditors; or
- (v) **Bankruptcy proceedings:** proceedings shall have been initiated against the Company under any applicable bankruptcy, reorganisation or insolvency law and such proceedings shall not have been discharged or stayed within a period of 21 days; or
- (vi) **Analogous events** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (iv) to (vi) (inclusive) above.

Upon any such notice being given to the Company, the Bonds will immediately become due and repayable at their principal amount on which full payment of all amounts payable under this Condition 10 is made in accordance with the provisions of the Instrument.

## 11. PRESCRIPTION

Claims in respect of principal, premium (if any) will become prescribed unless made within ten years (in the case of principal or premium) in respect thereof.

## 12. ENFORCEMENT

At any time after the Bonds have become due and repayable, any Bondholder may, at its discretion and without further notice, take such proceedings against the Company as it may think fit to enforce repayment of the Bonds and to enforce the provisions of the Instrument.

## 13. MEETINGS OF BONDHOLDERS, MODIFICATION AND WAIVER

### (A) Meetings

The Instrument contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the sanctioning by Ordinary Resolution of a modification of the Bonds or the provisions of the Instrument. The quorum at any such meeting for passing an Ordinary Resolution will be two or more persons holding or representing at least 10% in principal amount of the Bonds for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented. An Ordinary Resolution passed at any meeting of Bondholders will be binding

on all Bondholders, whether or not they are present at the meeting. The Instrument provides that a written resolution signed by or on behalf of a holder or the holders of not less than 50% of the aggregate principal amount of Bonds outstanding shall be as valid and effective as a duly passed Ordinary Resolution.

**(B) Modifications and Waivers**

Modifications to the Instrument may be effected only by deed poll, executed by the Company and expressed to be supplemental to the Instrument, and (save for minor amendments by the Company which shall not adversely affect the rights of the Bondholders under the Instrument) only if it shall first have been sanctioned by our Ordinary Resolution of the Bondholders.

**(C) Interests of Bondholders**

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification or waiver) the Company shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Company shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Company any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders.

**14. REPLACEMENT OF CERTIFICATES**

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the Specified Office of the Registrar for the time being 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.

**15. NOTICES**

- (A)** Every Bondholder shall register with the Company an address either in Hong Kong or elsewhere to which notices can be sent and if any Bondholder shall fail to do so, notice may be given to such 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 principal place of business and the registered 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)** All notices with respect to Bonds standing in the names of joint holders shall be given to whichever of such persons is named first on the register of Bondholders maintained by the Registrar and notice so given shall be sufficient notice to all the holders of such Bonds.

- (D) Notices sent by personal delivery or prepaid registered mail or the posting of the same at the principal place of business and the registered office of the Company as provided by paragraph (C) 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.
- (E) All notices to Bondholders shall be validly given if mailed to them at their respective addresses in the register of Bondholders.
- (F) A Bondholder may require either generally or specifically any document or notice sent to be it under the Instrument to be copied at the same time to such other member of its group of companies at such address as it may require. The Company shall comply with such requirement.

## **16. AGENTS**

The initial Paying Agent and the initial Registrar are the Company. The Company reserves the right at any time to appoint a professional provider of registration services as replacement Paying Agent, or Registrar and to vary or terminate such appointment, provided that where the Bondholders have, pursuant to an Ordinary Resolution, prescribed the terms of appointment of the Paying Agent and the Registrar under the Instrument, the terms of appointment of any Successor shall not be materially different from such prescribed terms without the approval of the bondholders by Ordinary Resolution. Notice of any such termination or appointment, of any changes in the Paying Agent or the Registrar shall be given promptly by the Company to the Bondholders.

## **17. GOVERNING LAW AND JURISDICTION**

The Bonds 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 Bonds the Company has in the Instrument irrevocably submitted to the jurisdiction of courts of Hong Kong.

## FORM OF TRANSFER

**FOR VALUE RECEIVED** the undersigned hereby transfers to:

.....  
.....

*(Please print or typewrite name and address of transferee)*

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

All payments in respect of the Bonds hereby transferred are to be made (unless otherwise instructed by the transferee) to the following account, which shall (until further notice) be the registered account of the transferee for the purposes of Condition 7(B):

Name of bank :

HK\$ account number :

For the account of :

The registered address of the transferee for the purposes of Condition 15(A) is that stated above.

**Date:** \_\_\_\_\_

Transferor's name : \_\_\_\_\_

Transferor's signature : \_\_\_\_\_

Transferor's witness : \_\_\_\_\_

Transferee's name : \_\_\_\_\_

Transferee's signature : \_\_\_\_\_

Transferee's witness : \_\_\_\_\_



**Notes:**

- (i) A representative of the Bondholder should state the capacity in which he signs, e.g. director.
- (ii) 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 Paying Agent or the Registrar require.
- (iii) Any transfer of the Bonds shall be in accordance with Condition 3 of the Terms and Conditions attached to the Bonds.

Paying Agent and its Specified Office  
Celestial Asia Securities Holdings Limited  
28/F Manhattan Place  
23 Wang Tai Road  
Kowloon Bay  
Hong Kong

## CONVERSION NOTICE

To: **CELESTIAL ASIA SECURITIES HOLDINGS LIMITED** (the “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 of association and bye-laws 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 will be deemed to be: (a) except in the case described in (b) below, the Business Day immediately following the date of the surrender of such Bond Certificate and delivery of Conversion Notice therefor or; (b) where the date of surrender and delivery as aforesaid is the record date for any distribution or other right exercisable in respect of the Shares, the Conversion Date shall be deemed to be such date of surrender and delivery.

- (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\$1,000,000, unless the outstanding principal amount of the Bond is less than HK\$1,000,000. 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) If Shares arising on conversion are to be issued in the name(s) of person(s) different from the name(s) standing on the Register as the Bondholder represented by this Certificate, insert in the space provided the name(s) and address of the person(s) in whose name(s) the certificate(s) for such Shares are to be registered. If no name and address are inserted, the certificate(s) for such Shares will be issued to and registered in the name of the Bondholder.
- (iv) Bondholder who wishes to collect from the principal office of the Company in Hong Kong their Share certificate may only do so by prior arrangement with the Company.
- (v) 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.

## **SCHEDULE 2**

### **Provisions for meetings of Bondholders**

1. The Company at any time may, and upon a request in writing of Bondholders holding not less than one-tenth in principal amount of the Bonds for the time being outstanding shall, convene a meeting of Bondholders. Every such meeting shall be held at such time and place as the Directors of the Company may reasonably approve.
2. Subject to paragraph 17 below, at least 21 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 shall be given to the Bondholders. The accidental omission to 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 place, as may be decided by the chairman. At such adjourned meeting two or more persons present in person holding Bonds or voting certificates 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 in the first instance by a show

of hands and in case of equality of votes the chairman shall both on a show of hands and on a poll have a 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. At any meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, the Company or by one or more persons holding one or more Bonds or being proxies or representatives and holding or representing in the aggregate not less than one-fiftieth in principal amount of the Bonds for the time being outstanding, a declaration by the chairman that a resolution has been carried or carried by a particular majority or lost or not carried by any particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
10. If at any meeting a poll is so demanded, it shall be taken in such manner and (subject as provided below) either at once or after such an adjournment as the chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuation of the meeting for the transaction of any business other than the question on which the poll has been demanded.
11. Any poll demanded at any meeting on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.
12. 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.
13. At any meeting on a show of hands every person who is present in person and who produces a Bond or is a proxy or a representative shall have one vote and on a poll every person who is so present shall have one vote in respect of each HK\$1,000,000 in principal amount of the Bonds so produced 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.
14. 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.
15. 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 Ordinary Resolution:
  - (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 conversion of the Bonds into, 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 Ordinary Resolution;
- (e) to give any authority, discretion or sanction which under this Instrument or the Bonds is required to be given by Ordinary 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 committee any powers or discretions which the Bondholders could themselves exercise by Ordinary Resolution;
- (g) to approve the substitution of any entity for any liability in respect of any act or omission for which it may become responsible under this Instrument or the Bonds;
- (h) to make any modification to the provisions contained in this Instrument or the Bonds which would have the effect of:
  - (i) changing the maturity of the Bonds; or
  - (ii) modifying the status and conversion terms of the Bonds; or
  - (iii) reducing or cancelling the principal amount of, or other amounts in respect of, the Bonds; or
  - (iv) modifying the provisions contained in this Schedule concerning the quorum required at any meeting of Bondholders or the majority required to pass an Ordinary Resolution; or
  - (v) changing the currency of payment of the Bonds; or
  - (vi) to sanction any compromise or arrangement proposed to be made between the Company and the Bondholders or any of them; or
  - (vii) 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; or
  - (viii) amending this proviso.



16. An Ordinary 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.
17. The expression ***Ordinary Resolution*** means a resolution passed at a meeting of Bondholders duly convened and held in accordance with these provisions by a majority consisting of not less than half of the votes cast. A written resolution signed by or on behalf of a holder or the holders of not less than 50% of the aggregate principal amount of Bonds outstanding shall be as valid and effective as a duly passed Ordinary Resolution.
18. 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.
19. Subject to all other provisions contained in this Instruments the Company may without the consent of the Bondholders prescribe such further regulations regarding the holding of the meetings of Bondholders and attendance and voting at them as the Company may in its sole discretion determine including particularly (but without prejudice to the generality of the foregoing) such regulations and requirements as the Directors of the Company think reasonable so as to satisfy themselves that persons who purport to requisition a meeting in accordance with paragraph 1 are, in fact, Bondholders, their proxies or representatives.

**IN WITNESS** whereof this Instrument has been executed as a deed poll on the date stated at the beginning.

<b>EXECUTED</b> as a <b>DEED</b>	)
and <b>SIGNED</b> by	)
	)
	)
and	)
	)
	)
for and on behalf of	)
<b>CELESTIAL ASIA SECURITIES</b>	)
<b>HOLDINGS LIMITED</b>	)
in the presence of:	)

## **SCHEDULE 2**

### **Completion Requirements**

#### 1. **Obligations of the Company**

At Completion, the Company shall deliver to the Subscriber:

- (a) a copy of the letter from the Stock Exchange confirming that the Listing Committee of the Stock Exchange has granted listing of, and permission to deal in, the Conversion Shares falling to be issued and allotted upon the exercise of the Conversion Rights or otherwise pursuant to the Instrument;
- (b) a copy of the Instrument duly executed by the Company; and
- (b) one or more Certificate(s) for the Bonds for the aggregate principal amount of HK\$20,000,000 duly issued in favour of the Subscriber or its nominee(s) in such denomination and manner as the Subscriber may direct.

#### 2. **Obligations of the Subscriber**

At Completion, the Subscriber shall deliver to the Company:

- (a) evidence reasonably satisfactory to the Company that the Conditions Precedent have been fulfilled, including but not limited to a certified copy of its board resolution approving and authorising the execution and completion of this Agreement and the transactions contemplated under this Agreement; and
- (b) evidence reasonably satisfactory to the Company that one or more cashier's order(s) issued by, or cheque(s) drawn against, a licensed bank in Hong Kong in the aggregate sum of HK\$20,000,000 in favour of the Company are in clear funds.

### **SCHEDULE 3**

#### **Warranties**

1. The existing issued Shares are listed on the Main Board of the Stock Exchange and the Company is not aware of any circumstances whereby such listing will be cancelled or revoked before Completion as a result of the transactions contemplated by this Agreement.
2. The Company has the authority to enter into and perform this Agreement and that in entering into this Agreement, the Company does not do so in breach of any existing obligation or applicable legislation.
3. The Company has full power and authority to issue the Bonds and perform its obligations thereunder subject to the fulfillment of the Conditions Precedent and compliance with applicable laws and regulations.
4. Upon the issue of the Bonds and the execution of the corresponding Certificates by the Company and delivery of the same, the Bonds and the Certificates will constitute the legal and binding obligations of the Company enforceable against the Company in accordance with its terms.
5. The particulars relating to the share capital of the Company in Recital (A) of this Agreement are correct and accurate as at the date of this Agreement.

IN WITNESS WHEREOF this Agreement has been executed on the day and year first above written.

**THE COMPANY**

SIGNED by Cheung Tsz Yui Morton )  
for and on behalf of )  
CELESTIAL ASIA SECURITIES )  
HOLDINGS LIMITED )  
in the presence of: )

For and on behalf of  
CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

  
.....  
Authorized Signature(s)

**THE SUBSCRIBER**

SIGNED by Kwan Pak Hoo Bankee )  
for and on behalf of )  
CASH GUARDIAN LIMITED )  
in the presence of: )

For and on behalf of  
CASH GUARDIAN LIMITED

  
.....  
Authorised Signature(s)