

**EXECUTION VERSION**

Dated the 26<sup>th</sup> day of January 2023

**CA CULTURAL TECHNOLOGY GROUP LIMITED**  
**(華夏文化科技集團有限公司)**  
**(as Company)**

and

**KYOSEI BANK CO., LTD.**  
**(as Subscriber)**

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**SUBSCRIPTION AGREEMENT**

relating to 530,800,000 new ordinary shares of HK\$0.01 each in the share capital of  
CA Cultural Technology Group Limited  
(after completion of the Capital Reorganisation)

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**THIS AGREEMENT** is dated the 26<sup>th</sup> day of January 2023

**BETWEEN:**

- (1) **CA Cultural Technology Group Limited (華夏文化科技集團有限公司)**, an exempted company incorporated in the Cayman Islands with registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and a registered non-Hong Kong company having its principal place of business in Hong Kong at Suites 2905, 29/F China Resources Building, 26 Harbour Road, Wanchai, Hong Kong, whose shares are listed on The Stock Exchange of Hong Kong Limited with stock code 1566 (**Company**); and
- (2) **KYOSEI BANK CO., LTD.**, a company established under the laws of Japan and having its registered office at 5F, 7th Akiyama Building, 5-3 Kojimachi, Chiyoda Ku, Tokyo, Japan (**Subscriber**).

**WHEREAS:**

- (A) The Company was incorporated as a limited liability company in the Cayman Islands and registered in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).
- (B) As at the date of this Agreement, the Company has an authorised share capital of HK\$500,000,000 divided into 5,000,000,000 existing ordinary shares of HK\$0.1 each (**Existing Shares**), of which 1,182,042,000 Existing Shares have been issued and fully paid and are listed on the Main Board of the Stock Exchange (as defined below). Details of which are set out in column A of the table in Appendix I.
- (C) As part of the proposed debt restructuring of the Company (**Proposed Restructuring**), it is proposed that, conditional upon fulfillment of the Capital Reorganisation Conditions Precedent (as defined below), the Company will implement the capital reorganisation, which will comprise:
  - (i) share consolidation: every ten (10) issued Existing Shares of par value HK\$0.10 each in the share capital of the Company will be consolidated into one (1) issued consolidated share of par value HK\$1.00 each, and the total number of issued consolidated shares will become 118,204,200, details of which are set out in column B of the table in Appendix I;
  - (ii) increase in authorised share capital: following the share consolidation having become effective, the authorised share capital of the Company will increase from HK\$50,000,000 divided in to 500,000,000 shares of par value HK\$0.10 each to HK\$10,000,000,000 divided into 10,000,000,000 new consolidated shares of par value HK\$1.00 each by the creation of additional 9,500,000,000 new consolidated shares; and
  - (iii) capital reduction: following the share consolidation having become effective, the share capital of the Company will be reduced by cancelling



the paid-up capital to the extent of HK\$0.99 on each of the then issued consolidated shares such that the par value of each issued consolidated share will be reduced from HK\$1.00 to HK\$0.01.

(the actions set out in paragraphs (I) to (III) above are collectively referred to as **Capital Reorganisation**)

After the Capital Reorganisation having become effective, assuming there is no further change in share capital of the Company from the date of this Agreement and up to the effective date of the Capital Reorganisation, the Company will have an authorised share capital of HK\$10,000,000,000 divided into 1,000,000,000,000 New Shares (as defined below) of HK\$0.01 each, of which 118,204,200 New Shares (as defined below) will have been issued and fully paid.

- (D) The Company has conditionally agreed to allot and issue under the Specific Mandate (as defined below), and the Subscriber has conditionally agreed to subscribe for, 530,800,000 New Shares (the "**Subscription Shares**"), following the Capital Reorganisation having become effective and on the terms and subject to the conditions set out in this Agreement. The Subscription Shares will represent approximately 74.97% of the issued Shares as enlarged by the issuance of such Subscription Shares and the Creditors' Shares (as defined in paragraph G below). Details of which are set out in column C of the table in Appendix I.
- (E) Application shall be made to the Stock Exchange (as defined below) by the Company for the listing of, and permission to deal in, the Subscription Shares (as defined below).
- (F) It is noted that, immediately after the Capital Reorganisation becoming effective and immediately after the completion of the Subscription, the Subscriber would be required to make a mandatory general offer for all the issued Shares not already owned or agreed to be acquired by the Subscriber and the parties acting in concert with it under Rule 26.1 of the Takeovers Code, unless a waiver from strict compliance with Rule 26.1 of the Takeovers Code is granted by the Executive.
- (G) It is further noted that, upon Completion, the Company will also allot and issue 59,000,000 New Shares to SchemeCo for the benefits of the Scheme Creditors (**Creditors' Shares**) at the Subscription Price. The Creditors' Shares will represent approximately 8.33% of the issued Shares as enlarged by the Subscription Shares and the Creditors' Shares. Details of which are set out in the column C of the table in Appendix I.



**IT IS HEREBY AGREED:**

**1. DEFINITIONS AND INTERPRETATION**

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

**Affiliate** means, with respect to any person, any of such person's connected person(s) (as defined in the Listing Rules), any other person directly or indirectly controlling, controlled by or under common control with such person (including any subsidiary) or any investment funds managed or advised by such person or any of its other Affiliates and, for any person who is an individual, includes such individual's spouse, children or any person(s) cohabiting as a spouse of such person. Notwithstanding the foregoing, in the case of a person that is a pooled investment vehicle or an entity wholly owned by a pooled investment vehicle, **Affiliates** shall include any of its general partners and fund managers and pooled investment vehicles managed by its fund managers, and any officers, general partners and fund managers thereof. **Affiliates** and **Affiliated** shall have correlative meanings. For the purpose of this definition, the term "control" (including with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as used with respect to any person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities or by contract or otherwise;

**Announcement** means the announcement to be issued by the Company in respect of, among other things, this Agreement following the execution of this Agreement;

**Applicable Laws** means, with respect to any person, any laws, regulations, rules, measures, guidelines, treaties, judgments, determination, orders or notices of any Government Authority or stock exchange that is applicable to such person;

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<b>Board</b>	means the board of Directors;
<b>Business Day</b>	means any day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Hong Kong;
<b>Capital Reorganisation</b>	has the meaning given to it in paragraph (C) of the Recitals;
<b>Capital Reorganisation Conditions Precedent</b>	means the conditions precedent for the Capital Reorganisation, including: <ul style="list-style-type: none"> <li>(i) the special resolutions in relation to the Capital Reorganisation having been passed by the Shareholders at the general meeting;</li> <li>(ii) the Grand Court of the Cayman Islands granting an order confirming the capital reduction;</li> <li>(iii) compliance with any conditions which the Grand Court of the Cayman Islands may impose in relation to the capital reduction;</li> <li>(iv) registration by the Registrar of Companies in the Cayman Islands of the order of the Grand Court of the Cayman Islands confirming the capital reduction and a minute approved by the Grand Court of the Cayman Islands containing the particulars required under the Companies Law of the Cayman Islands with respect to the capital reduction;</li> <li>(v) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and the permission to deal in, the New Shares resulting from the Capital Reorganisation; and</li> <li>(vi) compliance with the relevant legal procedures and requirements under the laws of the Cayman Islands and the Listing Rules, and the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation;</li> </ul>




<b>CB Subscription</b>	means the subscription by the Subscriber of the convertible bonds in the principal amount of HK\$160,942,240 to be issued by the Company pursuant to the subscription agreement entered into between the Company and the Subscriber on the date of this Agreement;
<b>CCASS</b>	means the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;
<b>Circular</b>	means the circular proposed to be issued by the Company in respect of, among other things, the Capital Reorganisation, the transactions under the Proposed Restructuring and the Specific Mandate;
<b>Completion</b>	means completion of the Subscription pursuant to <u>Clause 4</u> of this Agreement;
<b>Companies Ordinance</b>	means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, modified and supplemented from time to time;
<b>Completion Date</b>	means a date falling within five (5) Business Days after fulfilment of the conditions set out in <u>Clause 3.1</u> of this Agreement (or such other date as the Company and the Subscriber may agree in writing before Completion) and the date on which Completion takes place;
<b>Creditors' Scheme</b>	means the scheme of arrangement to be entered into between the Company and the creditors of the Company pursuant to Sections 670, 671, 673 and 674 of the Companies Ordinance together with or subject to any modification of it, any addition to it, or any condition approved or imposed by the High Court of Hong Kong;
<b>Encumbrance</b>	means: <ul style="list-style-type: none"> <li>(a) any mortgage, charge, lien, pledge or other encumbrance securing any obligation of any person;</li> <li>(b) any option, right to acquire, right of pre-emption, right of set-off or other arrangement under which money or claims</li> </ul>



to, or for the benefit of, any person may be applied or set off so as to effect discharge of any sum owed or payable to any person; or

- (c) any equity, assignment, hypothecation, title retention, claim, restriction, power of sale or other type of preferential arrangement the effect of which is to give a creditor in respect of indebtedness a preferential position in relation to any asset of a person on any insolvency proceeding of that person;

<b>Escrowed Consideration</b>	means the funds in the amount of JPY3,520,000,000 deposited by the Subscriber in the bank account (account number: 001-2514196) maintained in the MUFG Bank, Ltd., which is currently being held in escrow for the purpose of settling the Total Subscription Price;
<b>Existing Share(s)</b>	has the meaning given to it in paragraph (B) of the Recitals;
<b>Executive</b>	means the Executive Director of the Corporate Finance Division of the SFC or any of his delegates;
<b>Government Authorities</b>	means any foreign, national, provincial, municipal, country or local government, administrative or regulatory body or department, court, tribunal, arbitrator or any body that exercises the function of a regulator;
<b>Group</b>	means the Company and its subsidiaries;
<b>Group Company</b>	means each member of the Group;
<b>HK\$</b>	means Hong Kong dollar, the lawful currency of Hong Kong;
<b>Hong Kong</b>	means the Hong Kong Special Administrative Region of the People's Republic of China;
<b>JPY</b>	means Japanese Yen, the lawful currency of Japan;
<b>Listing Rules</b>	means The Rules Governing the Listing of Securities on the Stock Exchange, as amended

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from time to time;

<b>New Share(s)</b>	means share(s) of a par value of HK\$0.01 each in the share capital of the Company immediately after the Capital Reorganisation having become effective;
<b>Parties</b>	means the named parties to this Agreement and its successors and permitted assigns, and a <b>Party</b> means any one of them;
<b>PRC</b>	means the People's Republic of China excluding, for the purposes of this Agreement, Hong Kong, the Macao Special Administrative Region and Taiwan;
<b>Proposed Restructuring</b>	has the meaning given to it in paragraph (C) of the Recitals;
<b>SchemeCo</b>	a special purpose vehicle to be established in Hong Kong and entirely held and controlled by scheme administrators to hold the scheme assets, including the Creditors' Shares, pursuant to the terms of the Creditors' Scheme;
<b>Scheme Creditors</b>	creditor(s) with claim(s) admitted in the Creditors' Scheme by the scheme administrators in accordance with the terms of the Creditors' Scheme;
<b>SFC</b>	means the Securities and Futures Commission of Hong Kong;
<b>SFO</b>	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, modified and supplemented from time to time;
<b>Share(s)</b>	means, (i) prior to the Capital Reorganisation having become effective, the Existing Share(s), and (ii) after the Capital Reorganisation having become effective, the New Shares;
<b>Shareholder(s)</b>	means holders of the Shares from time to time;
<b>Specific Mandate</b>	means the specific mandate to the Directors to be obtained from the independent Shareholders at the general meeting for the allotment and issue of, among others, the



	Subscription Shares
<b>Stock Exchange</b>	means The Stock Exchange of Hong Kong Limited;
<b>Subscription</b>	means the subscription by the Subscriber for the Subscription Shares on the terms and subject to the conditions set out in this Agreement;
<b>Subscription Price</b>	means HK\$0.1772 per Subscription Share;
<b>Subscription Shares</b>	has the meaning given to it in paragraph (B) of the Recitals, being 530,800,000 New Shares to be allotted and issued by the Company and subscribed by the Subscriber at Completion pursuant to <u>Clause 2.1</u> of this Agreement, and each a <b>Subscription Share</b> ;
<b>Subsidiary(ies)</b>	has the meaning ascribed to it under the Companies Ordinance (and <b>Subsidiaries</b> shall be construed accordingly);
<b>Takeovers Code</b>	means The Codes on Takeovers and Mergers and Share Buy-backs;
<b>Tax</b>	means (a) taxes on gross or net income, profits and gains, and (b) all other taxes, levies, duties, imposts, charges and withholdings of any nature, including any excise, property, value added, sales, commercial, use, occupation, transfer, franchise and payroll taxes and any national insurance or social security contributions, any payment whatsoever which the relevant person may make to any Tax Authority and any payment whatsoever which the relevant person may be or become bound to make to any person as a result of the discharge by that person of any tax which the relevant person has failed to discharge, together with all penalties, charges and interest relating to any of the foregoing or to any late or incorrect return in respect of any of them, and regardless of whether such taxes, levies, duties, imposts, charges, withholdings, penalties and interest are chargeable directly or primarily against or attributable directly or primarily to the relevant person or any other person and of whether any amount in respect of them is recoverable from



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any other person;

<b>Tax Authority</b>	means any taxing or other authority competent to impose any tax liability or assess or collect any Tax;
<b>Term Sheet</b>	means the Term Sheet dated 12 December 2022 (together with any supplemental term sheet which amends and supplements the original term sheet) entered into between the Company and the Subscriber in respect of the proposed debt restructuring of the Company and the proposed issuance of new ordinary shares of the Company;
<b>Total Subscription Price</b>	has the meaning given to it in <u>Clause 2.1</u> of this Agreement;
<b>Warranties</b>	means the warranties as contained in <u>Schedule</u> of this Agreement, and each a <b>Warranty</b> ; and
<b>Whitewash Waiver</b>	means a waiver from the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the obligations of the Subscriber to make a mandatory general offer for all of the issued Shares not already owned or agreed to be acquired by the Subscriber and any parties acting in concert with it which would otherwise arise as a result of the completion of the Proposed Restructuring.

- 1.2 Any reference to a document being **in the agreed form** means in the form of the document or the draft thereof signed for identification on behalf of the Subscriber and the Company with (in the case of a draft) such alterations (if any) as may be agreed between the Subscriber and the Company.
- 1.3 Save as otherwise expressly stated herein, references to any statute, statutory provision or Listing Rules includes a reference to that statute, statutory provision or Listing Rules as from time to time amended, extended or re-enacted.
- 1.4 In this Agreement, references to:
- (a) Recitals and Clauses are to the recitals and clauses of this Agreement;
  - (b) the singular includes the plural and vice versa;
  - (c) words importing gender or the neuter include both genders and the neuter; and

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(d) persons include bodies corporate or unincorporate.

1.5 Headings are for convenience only and shall not affect the interpretation of this Agreement.

## 2. AGREEMENT TO SUBSCRIBE

2.1 The Subscriber agrees to subscribe for (or procure its nominee to subscribe for), and the Company agrees to allot and issue, the Subscription Shares at the Subscription Price per Subscription Share, or the aggregate subscription price of HK\$94,057,760 (the **Total Subscription Price**), free from Encumbrance and adverse claims on the Completion Date on the terms and subject to the conditions set out in this Agreement.

2.2 The Company agrees that the Subscription Shares shall, when fully paid, rank *pari passu* in all respects with the other Shares in issue on the Completion Date including the rights to all dividends and other distributions declared, made or paid at any time after the date of allotment.

## 3. CONDITIONS

3.1 Completion of this Agreement is conditional upon:-

- (a) the Listing Committee of the Stock Exchange having granted (either unconditionally or subject only to conditions reasonable acceptable to both the Company and the Subscriber) the listing of, and permission to deal in, the Subscription Shares, and such approval not having been revoked before Completion;
- (b) the Whitewash Waiver having been granted by the SFC and the satisfaction of conditions attached thereto, if any;
- (c) the special deals between the Company and its existing Shareholder(s) derived from the transactions in connection with the Creditors' Scheme having been approved by the SFC and the satisfaction of any conditions attached thereto, if any;
- (d) resolutions in relation to this Agreement and the transactions contemplated hereunder (including the Subscription, the Whitewash Waiver, the Specific Mandate and any transaction constituting a special deal between the Company and its existing Shareholders) having been duly passed by the independent Shareholders in general meeting, and the Board having been granted the Specific Mandate in accordance with the Listing Rules;
- (e) resolutions in relation to this Agreement and the transactions contemplated hereunder (including the Subscription, the Whitewash Waiver, the Specific Mandate and any transaction constituting a special deal between the Company and its existing Shareholders) having been duly passed by the Board;

- (f) the Capital Reorganisation having become effective;
- (g) the Creditors' Scheme having been sanctioned by the High Court of Hong Kong; and
- (h) the closing of the CB Subscription taking place no later than the Completion Date.

3.2 Neither the Company nor the Subscriber shall have the right to waive the conditions precedent set out in Clause 3.1 of this Agreement. In the event that any of the conditions above are not fulfilled on or before 31 December 2023 or such later date as the Parties may from time to time agree in writing (the **Long Stop Date**), this Agreement and everything contained in it shall terminate and be null and void and of no further effect and neither of the Parties shall have any liability to any other Party, save for any antecedent breach(es) of any obligation under this Agreement.

3.3 The Company shall use its reasonable endeavours to procure the fulfilment of the conditions set out in Clause 3.1 of this Agreement by the Long Stop Date and in particular, shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may reasonably be required by each other and/or the Stock Exchange and/or the SFC in connection with the fulfilment of such conditions. The Company shall advise the Subscriber immediately after the fulfilment of the conditions as set out in Clause 3.1 of this Agreement in writing.

3.4 The Subscriber shall make an application to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code. The Subscriber shall also furnish such information, supply such documents, give such undertaking and do all such acts and things as may reasonably be required by the SFC and/or the Stock Exchange in connection with the application for the listing of, and permission to deal in, the Subscription Shares.

#### 4. COMPLETION OF THE SUBSCRIPTION

4.1 Subject to the fulfilment of the conditions set out in Clause 3.1 of this Agreement, completion of the Subscription shall take place at the principal place of business of the Company in Hong Kong (or such other place in Hong Kong that the Parties may agree) at 10 a.m. (Hong Kong time) on the Completion Date or such other time as the Parties may agree in writing, at which time:

- (a) the Company shall:
  - (i) allot and issue to the Subscriber or its nominee as the Subscriber may direct the Subscription Shares and shall register the Subscriber and/or its nominee as a member or members of the Company and shall cause to be delivered to the Subscriber

definitive certificates of title in respect thereof in the name of the Subscriber or as the Subscriber may direct in board lots (or as nearly as practicable) or otherwise as the Subscriber may direct or deposit the same in CCASS in accordance with the instructions of the Subscriber; and

- (ii) deliver to the Subscriber a certified copy of the resolutions of the board of directors of the Company allotting and issuing the Subscription Shares pursuant to Clause 4.1(a)(i) of this Agreement and approving the entering into and performing the obligations of the Company under this Agreement; and

(b) the Subscriber shall:

- (i) subject to Clauses 4.2 and 5.2 of this Agreement, convert the Escrowed Consideration into Hong Kong dollars, and release and transmit the Escrowed Consideration to the bank account mutually agreed by the Parties to settle the Total Subscription Price (for the avoidance of doubt, the Subscriber shall be entitled to refund of any surplus or be liable to pay any shortfall amount to make up the Total Subscription Price as a result of the currency conversion); and
- (ii) a certified copy of the resolutions of the directors of the Subscriber approving the entering into and performing the obligations of the Subscriber under this Agreement.

4.2 The Parties acknowledges that as at the date of this Agreement, the Escrowed Consideration is being held in escrow in the bank account (account number: 001-2514196) maintained in the MUFG Bank, Ltd. for the purpose of settling the Total Subscription Price. The Parties agree that:

- (a) prior to the Completion Date: (i) with mutual consent of the Parties, the Escrowed Consideration will be transferred to a bank account in Hong Kong as designated by the Parties ("**HK Bank Account**"); and (ii) where necessary, with prior consent of the Subscriber, the Escrowed Consideration can be withdrawn by the Company from the HK Bank Account to support the Group's business and pay the professional fees in respect of the Proposed Restructuring; and
- (b) if any amount has been withdrawn from the Escrowed Consideration by the Company prior to the Completion Date pursuant to Clause 4.2(a) of this Agreement, such amount shall be counted towards to set-off the Total Subscription Price upon Completion.

## 5. EXPENSES

5.1 Each Party shall be responsible for its own fees and costs in connection with negotiation, completion and enforcement of this Agreement.

5.2 Any professional fees in respect of the Proposed Restructuring (the "**Professional Fees**") shall be borne by the Company. However, the Subscriber agrees to pay the Professional Fees on behalf of the Company prior to the Completion Date, and such Professional Fees paid by the Subscriber shall be counted towards to set-off the Total Subscription Price upon Completion.

5.3 Except as otherwise provided in this Agreement, each Party shall be responsible for its own Tax liabilities arising from (a) the Subscription under this Agreement; and (b) any future exit out or disposal of the Shares.

## **6. WARRANTIES, REPRESENTATIONS AND UNDERTAKINGS**

6.1 The Company represents, warrants and undertakes to the Subscriber in the terms set out in this Clause 6 and Schedule of this Agreement.

6.2 The Company agrees and acknowledges that the Subscriber is entering into this Agreement in reliance on the Warranties.

6.3 All Warranties are true and accurate and deemed to be made on the date of this Agreement and are repeated every day until Completion and on Completion Date.

6.4 None of the Warranties shall be limited or restricted by reference to or inference from the terms of any other Warranties or any other term of this Agreement.

6.5 No claim by the Subscriber shall be prejudiced in consequence of any information relating to the Group which may have at any time come to the knowledge of the Subscriber, or any investigation made by it and it shall not be a defence to any claim against the Company that the Subscriber knew or ought to have known or had constructive knowledge of any information relating to the circumstances giving rise to the claim.

6.6 The Subscriber undertakes to provide all reasonable assistance to the Company to facilitate the issue of the Announcement and Circular in relation to the Subscription pursuant to the Listing Rules.

6.7 The Company covenants and agrees that, between the date of this Agreement and the Completion Date, except as required by Applicable Laws or as expressly contemplated under or permitted by any provision of this Agreement, unless the Subscriber shall otherwise consent in writing (which consent shall not be unreasonably withheld, delayed or conditioned), the businesses of the Group shall be conducted in the ordinary course materially consistent with existing practice as at the date of this Agreement.

6.8 The Company undertakes that upon the request of the Subscriber, it will take all necessary actions to facilitate the deposit by the Subscriber of the Subscription Shares into the stock account of the Subscriber's broker or

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custodian CCASS participant immediately after Completion for the purpose of dematerialization of the Subscription Shares, including but not limited to having the Subscriber registered as a Shareholder of the Company at its Hong Kong registrar upon Completion and approving the transfer of the Subscription Shares by the Subscriber to its broker or custodian CCASS participant as part of the dematerialization of the Subscription Shares.

## **7. ANNOUNCEMENT**

The Parties hereby authorise the publication of the Announcement following the signing of this Agreement.

## **8. TIME OF THE ESSENCE**

Any date or period mentioned in any clause in this Agreement may be extended by mutual agreement between the Parties, but, as regards any date or period originally fixed or any date or period so extended as aforesaid, time shall be of the essence.

## **9. NOTICES**

9.1 All notices delivered hereunder shall be in writing and shall be communicated to the following addresses:

If to the Company, to:

Address : Suites 2905, 29/F China Resources Building, 26 Harbour Road, Wanchai, Hong Kong

Facsimile : (852) 2180-9700

Email : jasonjong168@gmail.com

Attention : Mr. Chong Heung Chung Jason

If to the Subscriber, to:

Address : 5F, 7th Akiyama Building, 5-3 Kojimachi Chiyoda Ku, Tokyo, Japan

Facsimile : 050-3385-8155

Email : h-kaneko@kyosei-bank.co.jp

Attention : Mr. Hiroshi Kaneko

9.2 Any such notice shall be served either by hand, by facsimile or by electronic mail. Any notice shall be deemed to have been served:

(a) if served by hand, when delivered;



- (b) if sent by facsimile, on receipt of confirmation of transmission;
- (c) if sent by electronic mail, the earlier of:
  - (i) the time sent (as recorded on the device from which the sender sent the email) unless, within 4 hours of sending the email, the party sending the email receives an automated message that the email has not been delivered;
  - (ii) receipt by the sender of an automated message confirming delivery; and
  - (iii) the time of receipt as acknowledged by the recipient (either orally or in writing).

## **10. ENTIRE AGREEMENT**

10.1 This Agreement constitutes the entire agreement between the Parties in relation to the Subscription and supersedes any previous agreement, whether express or implied, regarding the Subscription. In the event of any inconsistency between the terms and conditions of the Term Sheet and this Agreement in relation to the Subscription, the terms and conditions of this Agreement shall prevail.

10.2 The Parties hereby further unconditionally and irrevocably agree to terminate and cancel the proposed assignment of certain Subscription Shares by the Subscriber to certain members of the Company's management team as Management Shares (as defined in the Term Sheet) under the Term Sheet, and the Subscriber is fully and absolutely discharged and released from such obligation under the Term Sheet.

## **11. COUNTERPARTS**

This Agreement may be executed in any number of counterparts each of which when executed and delivered is an original, but all the counterparts together constitute the same document.

## **12. GOVERNING LAW AND JURISDICTION**

This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong for the time being in force and the Parties hereby irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts in connection herewith.

## **13. RIGHTS OF THIRD PARTIES**

A person who is not a party to this Agreement shall have no rights under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of



Hong Kong) to enforce or enjoy the benefit of any terms of this Agreement. The consent of any person who is not a party to this Agreement is not required to rescind or vary this Agreement.

**14. ASSIGNMENT**

No Party shall (nor shall it purport to) assign, transfer, charge, put in trust or otherwise deal with the benefit of all or any of its rights or interests under this Agreement, nor subcontract or otherwise deal with all or any of its obligations under this Agreement, provided that the Subscriber may assign its rights and obligations under this Agreement to any of its Affiliates. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

**15. AMENDMENT**

This Agreement may be amended or modified only upon the written consent of the Parties. Any term or condition of this Agreement (apart from the relevant conditions set out in Clause 3.1) may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. No waiver by any Party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion. No failure on the part of any party to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of any Party in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy.

**16. SURVIVAL**

Except to the extent that they have been performed and except where this Agreement provides otherwise, the obligations contained in this Agreement remain in force after Completion.

**17. WAIVER OF CERTAIN DEFENCES**

Each of the Parties irrevocably and unconditionally waives any immunity to which it or its property may at any time be or become entitled, whether characterised as sovereign immunity or otherwise, from any set-off or legal action, including immunity from service of process, immunity from jurisdiction of any court or tribunal, and immunity of any of its property from attachment prior to judgment or from execution of a judgment.



**18. FURTHER ASSURANCE**

Each of the Parties agrees to perform (or procure the performance of) all such acts and things and/or to execute and deliver (or procure the execution and delivery of) all such documents, as may be required by law or as may be necessary or reasonably requested by the other parties for giving full effect to this Agreement.

**19. SEVERANCE**

If any provision of this Agreement is held to be invalid or unenforceable in any respect, but would be valid and enforceable if deleted in part or reduced in application, such provision shall apply with such deletion or modification as may be necessary to make it valid and enforceable.

**20. INDEPENDENT LEGAL ADVICE**

The Subscriber hereby agrees and acknowledges that: (a) prior to its execution of this Agreement, it had been advised to obtain and had obtained or had the opportunity to obtain independent legal advice on the purposes, effect, consequences and implications of this Agreement and the documents referred to herein; and (b) upon its execution of this Agreement, it has carefully read the provisions of this Agreement and fully understands and is fully aware of the purposes, effect, consequences and implications of this Agreement and the documents referred to herein; and it executes this Agreement freely and voluntarily without duress or undue influence on the part of the parties or any other person.

*[The remainder of this page is intentionally left blank.]*



## SCHEDULE

### Warranties

As at the date of this Agreement, and immediately prior to Completion, the information set out in this Schedule is true, accurate and complete in all aspects.

1. Each of the Company and the other Group Company is duly incorporated and validly existing under the laws of the place of its incorporation with power and authorisation (including but not limited to all necessary licences, consents, approvals and permits) under Applicable Laws and contracts entered into by it to conduct its business in the manner presently conducted and the information contained in the recitals to this Agreement is true, accurate and complete.
2. The Subscription Shares (a) will be allotted and issued in accordance with the constitution documents of the Company, (b) will be fully paid and rank *pari passu* in all respects *inter se* and with all other Shares in issue, and no person has any pre-emptive or other rights with respect to the Subscription Shares; (c) when issued, will comprise approximately 74.97% of the issued Shares as enlarged by the Subscription Shares and the Creditors' Shares; (d) will be duly listed on the Stock Exchange, (e) will be fully and freely transferrable and (f) will not be the subject of any order, ruling or decision by the Stock Exchange or any other regulatory body or court of competent jurisdiction that would have the effect of restricting trades in such Subscription Shares.
3. Except as stipulated in Clause 3.1 of this Agreement, the Company has full powers, authorities and shareholders' consent to issue the Subscription Shares and does not require the consent thereto of any other party.
4. Except as stipulated in Clause 3.1 of this Agreement, all authorities necessary to enable the Subscription Shares to be allotted and issued by the Company to each of the Subscriber and/or its nominees have been obtained.
5. Except as stipulated in Clause 3.1 of this Agreement, the Company has all powers and authorities to enter into this Agreement and this Agreement has been duly authorised and executed by, and constitutes legally binding obligations of the Company and the creation of the Subscription Shares and their allotment and issue pursuant to this Agreement will not cause any breach of any agreement to which the Company and/or any of its Subsidiaries is a party or by which it is or any of them is bound and will not infringe or exceed any limits on, powers of, or restrictions on or the terms of any contract, general mandate, obligations or commitment whatsoever of, the Company and/or any of its Subsidiaries and/or their respective boards of directors.
6. The Subscription Shares will, on allotment and issue, be free from all Encumbrances together with all rights attaching thereto as at the date of this Agreement including the right to receive all dividends and other distributions which may be declared, made or paid in respect of the Shares, the record date for which shall fall on or after the date of the Completion Date.



7. The Company is not in breach in any respect in the context of the Subscription of any rules, regulations or requirements of the Stock Exchange or any Applicable Laws, decree, judgment, legislation, order, regulation, statute, ordinance, treaty or other legislative measure.
8. All statements and information disclosed in (a) the annual report of the Company in relation to the financial year ended 31 March 2022; and (b) any announcements, circulars or disclosure documents published by the Company in accordance with the Listing Rules and the SFO in relation to the business, operations, assets, liabilities, financial conditions or financial results of the Group are complete, true and accurate in all material respects and not misleading.
9. Other than pursuant to the announcement of the Company in relation to the transactions contemplated under this Agreement, there is not in existence any material information relating to the Company which is required to be disclosed by the Company under the Listing Rules.
10. Each of the documents and information provided in writing by a Group Company to the Subscriber or its representatives (if any) is true and accurate and not misleading in any material aspect.
11. All public filings, reports and records of the Company (including information contained in annual reports, statutory filings and registrations) (a) were made in compliance in all material respects with the requirements of the Stock Exchange, the Listing Rules and the SFO; and (b) did not, at the time of their filing, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect. The financial statements of the Company included in such filings, reports and records comply in all material respects with applicable accounting requirements and the rules and regulations of the Stock Exchange with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis during the periods involved, except as may be otherwise specified in such financial statements or the notes thereto, and fairly present in all material respects the financial position of the Company and its consolidated subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, year-end audit adjustments.
12. All the material assets of the businesses of the Group which are necessary for the operation of its business as currently conducted are (where capable of possession) in its possession or under its control and where any such material assets are used but not owned by a Group Company, so far as the Company is aware, no event or circumstance has occurred which entitles any person to terminate the relevant licence agreement in respect of such use.



**Appendix I**  
**Shareholding Structure of the Company**

	A. As at the date hereof	B. As at completion of capital reorganisation	C. As at completion of share subscription and issue of creditors' shares	D. As at completion of share subscription, issue of creditors' shares and assuming full conversion of the conversion shares
Issued shares	1,182,042,000	118,204,200	708,004,200	1,616,256,118
Par value	HK\$0.100	HK\$1.00	HK\$0.01	HK\$0.01

1. Capital reorganisation  
Share consolidation + Capital reduction  
Consolidation ratio

10 issued Existing Shares will be consolidated into 1 issued consolidated share

2A. Subscription of Shares  
Share Subscription amount  
Subscription price  
Subscription Shares

HK\$94,057,760  
HK\$0.1772  
\$30,800,000

2B. Issue of Creditors' Shares

59,000,000

3. Subscription of Convertible Bonds  
CB conversion price  
No. of CB Conversion Shares

HK\$160,942,240  
HK\$0.1772  
908,251,918

	Shares	%	New Shares	%	New Shares	%	New Shares	%
Mr. Chong Heung Chung Jason & PAIC Subscriber	291,264,000	24.64%	29,126,400	24.64%	530,800,000	74.97%	1,439,051,918	89.04%
Public:	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Creditors	-	0.00%	-	0.00%	59,000,000	8.33%	59,000,000	3.65%
Mr. Chong Heung Chung Jason & PAIC	-	0.00%	-	0.00%	29,126,400	4.11%	29,126,400	1.80%
Other Public	890,778,000	75.36%	89,077,800	75.36%	89,077,800	12.58%	89,077,800	5.51%
<b>Total</b>	<b>1,182,042,000</b>	<b>100.00%</b>	<b>118,204,200</b>	<b>100.00%</b>	<b>708,004,200</b>	<b>100.00%</b>	<b>1,616,256,118</b>	<b>100.00%</b>

Share Subscription Agreement

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

**THE COMPANY**

SIGNED by Chong Heung Chung Jason )  
for and on behalf of )  
CA CULTURAL TECHNOLOGY )  
GROUP LIMITED )  
( 華夏文化科技集團有限公司 )  
in the presence of: )



.....  
Title: Director



.....  
Name: CHONG WING SZE WINCY



**THE SUBSCRIBER**

**SIGNED** by Yanase Kenichi

for and on behalf of  
**KYOSEI BANK CO., LTD.**  
in the presence of:

)  
)  
)  
)  
)  
)

*Yanase Kenichi*  
Title: President

*Haga Takahiro*  
Name: HAGA TAKAHIRO

*[Handwritten marks]*