

**Dated 16 November 2023**

**PROSPERITY INVESTMENT HOLDINGS LIMITED**

**and**

**OPUS SECURITIES LIMITED**

---

**PLACING AGREEMENT**  
relating to  
8% coupon convertible notes  
in the aggregate principal amount of HK\$5,000,000 due 2025  
to be issued by  
**Prosperity Investment Holdings Limited**

---

## **INDEX**

## **PAGES**

Parties.....	2
Recitals.....	2

### **Clauses**

1. Definitions and Interpretation .....	2
2. Conditions.....	5
3. Placing.....	6
4. Placing Agent's Power.....	8
5. Undertakings .....	8
6. Payment of Fees, Commissions and Expenses.....	9
7. Representations, Warranties and Indemnities.....	10
8. Termination.....	15
9. Announcements.....	16
10. Time of the Essence.....	17
11. Notices.....	17
12. Waiver.....	17
13. Successors and Assigns.....	17
14. Applicable Law and Jurisdiction.....	18
15. Contracts (Rights of Third Parties) Ordinance.....	18

### **Execution**

### **Schedule**

Schedule I	CN Instrument
------------	---------------

**THIS PLACING AGREEMENT** is made on 16 November 2023

BETWEEN:

- (1) **PROSPERITY INVESTMENT HOLDINGS LIMITED**, a company incorporated in Bermuda with registered office at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda and principal place of business in Hong Kong at Suite 305, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong (the “**Company**”); and
- (2) **OPUS SECURITIES LIMITED**, a corporation licensed by the Securities and Futures Commission whose registered address is at 8/F Fung House, 19-20 Connaught Road Central, Central, Hong Kong (the “**Placing Agent**”).

WHEREAS:

- (A) The Company was incorporated in Bermuda whose shares are listed on the Main Board of the Stock Exchange (as defined herein below). As at the date hereof, the Company has an authorised share capital of HK\$100,000,000 divided into 4,000,000,000 Existing Shares (as defined herein below) of HK\$0.025 each, of which HK\$30,283,005 comprising 1,211,320,200 Existing Shares have been issued and are fully paid or credited as fully paid.
- (B) The Company proposed to undertake and implement the Capital Reorganisation (as defined herein below).
- (C) Subject to the Capital Reorganisation becoming effective, the Company has agreed to appoint the Placing Agent and the Placing Agent has agreed to act as placing agent, on a best effort basis, for the purpose of arranging subscribers for the Convertible Notes (as defined herein below), on the terms and subject to the conditions herein contained.
- (D) The Company will make application to the Listing Division of the Stock Exchange (as defined herein below) for the listing of, and permission to deal in the Conversion Shares (as defined herein below).

**NOW IT IS HEREBY AGREED** as follows:

**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:

“**Agreement**” means this placing agreement as may be amended or varied from time to time by agreement in writing duly executed and delivered by the Parties;

“**Announcement**” means the announcement in relation to, inter alia, the proposed Capital Reorganisation, the proposed Placing to be issued by the Company as soon as practicable following the execution of this Agreement;

“**associates**” has the meaning ascribed to it under the Listing Rules;

“**Business Day**” means a day (other than a Saturday, a Sunday and a public holiday) on which banks are generally open for business in Hong Kong;

“**Capital Reduction**” means the capital reduction of the par value of each Consolidated Share from HK\$0.25 to HK\$0.001 by cancelling the paid-up capital of the Company to the extent of HK\$0.0249 on each of the then issued Consolidated Share;

“**Capital Reorganisation**” means the capital reorganisation to be implemented by the Company which involves (i) the Share Consolidation; (ii) immediately following the Share Consolidation, the Capital Reduction; and (iii) immediately following the Capital Reduction, the share subdivision of each of the then authorised but unissued Existing Share into 25 New Shares;

“**CN Instrument**” means the instrument to be executed by the Company constituting the Convertible Notes substantially in the form set out in Schedule I hereto;

“**Closing Date**” means five (5) Business Days following the date on which the conditions precedent set out in the Placing Agreement are fulfilled or being satisfied;

“**Closing Price**” in respect of a Share on any Trading Day shall be the closing price published in the Daily Quotation Sheet published by the Stock Exchange for such day;

“**Companies Ordinance**” means the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) for the time being in force;

“**Conditions Precedent**” means the conditions precedent to completion of the Issue as specified in Clause 2.1;

“**connected person**” has the meaning ascribed to it under the Listing Rules;

“**Consolidated Share(s)**” means ordinary share(s) of HK\$0.25 each in the capital of the Company immediately after the Share Consolidation becoming effective but before the Capital Reduction;

“**Convertible Notes**” means convertible notes in the aggregate principal amount of up to HK\$5,000,000 to be issued by the Company in accordance with this Agreement with the benefit of and subject to the provisions and conditions as set out in the CN Instrument;

“**Conversion Shares**” means the New Shares which would fall to be issued by the Company pursuant to the conditions as set out in the CN Instrument upon exercise of the conversion rights attached to the Convertible Notes;

“**Directors**” means the directors of the Company;



“**Existing Share(s)**” means the ordinary share(s) of HK\$0.025 each in the capital of the Company before the Capital Reorganisation becomes effective;

“**Group**” means the Company and its subsidiaries and the expression “**member of the Group**” shall be construed accordingly;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“**Issue**” means the issue of the Convertible Notes by the Company to Placees on the terms and subject to the conditions of this Agreement and the CN Instrument;

“**Issue Price**” means 100% of the principal amount of the Convertible Notes, payable in full on application and subscription of the Convertible Notes under the Issue;

“**Listing Rules**” means The Rules Governing the Listing of Securities on the Stock Exchange for the time being in force;

“**Long Stop Date**” means 29 February 2024 (or such later date as the Company and the Placing Agent may agree in writing);

“**New Share(s)**” means the ordinary share(s) of the Company immediately upon the Capital Reorganisation becoming effective;

“**Parties**” means the named parties to this Agreement and their respective successors and permitted assigns;

“**Placee**” means any person or entity whom the Placing Agent has procured to purchase any of the Convertible Notes pursuant to the Placing Agent’s obligations hereunder;

“**Placing**” means the private placing of the Convertible Notes by the Placing Agent to selected Placees on the terms and subject to the conditions set out in this Agreement;

“**Placing Period**” means the period commencing upon the execution of this Agreement and terminating at the Closing Date (or such later time and date as the Placing Agent and the Company may agree in writing), unless terminated earlier pursuant to the terms of this Agreement;

“**Registrar**” means such person, firm or company as for the time being maintains the register of the Convertible Notes;

“**SFC**” means Securities and Futures Commission of Hong Kong;

“**Share(s)**” means the Existing Share(s) and/or New Share(s), as the case may be;

“**Shareholders**” means holders of Shares;

“**Share Consolidation**” means the share consolidation of 10 Existing Shares into one Consolidated Share;

“**Specific Mandate**” means the specific mandate to be granted to the Directors by the Shareholders at the special general meeting of the Company for the Issue and the allotment and issue of the Conversion Shares;

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

“**substantial shareholder**” has the meaning ascribed to it under the Listing Rules;

“**Takeovers Code**” means the Code on Takeovers and Mergers and Share Repurchases of the SFC;

“**taxation**” and “**tax**” mean all forms of taxation whether of Hong Kong or elsewhere in the world whenever imposed and all statutory, governmental, state, provincial, local governmental or municipal impositions, duties and levies and all penalties, charges, costs and interests relating thereto;

“**Trading Day**” means a day when the Stock Exchange is open for dealing business;

- 1.2 References in this Agreement to persons or entities include references to bodies corporate and unincorporated; references to any gender include references to all genders, and references to the singular include references to the plural and vice versa.
- 1.3 References to Recitals, Clauses and Schedules are references to the recitals and clauses of and the schedules to this Agreement and the Schedules shall be deemed to form part of this Agreement.
- 1.4 Clause headings are inserted for convenience only and shall not affect the interpretation of this Agreement.
- 1.5 In this Agreement, references to any statute, statutory provisions or Listing Rule includes a reference to that statute, statutory provisions or Listing Rule as from time to time, amended, extended or re-enacted.
- 1.6 References herein to a document “in the agreed terms” means a document the terms of which have been approved by or on behalf of the Company and the Placing Agent and a copy of which has, on or prior to the execution of this Agreement, been signed for the purposes of identification by or on behalf of the Company and the Placing Agent.

## **2. CONDITIONS**

- 2.1 The Issue and the obligations of the Placing Agent under Clause 3 of this Agreement are conditional upon the following matters:
  - (a) the passing of the special resolution by the Shareholders at the special general meeting of the Company approving the Capital Reorganisation and the Capital Reorganisation having become effective;
  - (b) the passing of the ordinary resolution by the Shareholders at the special general meeting of the Company approving this Agreement and the transactions

contemplated hereunder, including the Issue and the grant of the Specific Mandate for the issue and allotment of the Conversion Shares;

- (c) the Listing Division of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked approval for the listing of, and permission to deal in the Conversion Shares; and
- (d) the compliance of any other requirements under the Listing Rules and Takeovers Code or otherwise of the Stock Exchange and/or the SFC which requires compliance in relation to the Placing and the Issue.

2.2 The Conditions Precedent in Clause 2.1 are incapable of being waived. The parties hereto shall use their respective reasonable endeavours to procure the fulfilment of the Conditions Precedent on or before the Long Stop Date and in particular (without limiting the generality of the foregoing) shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be reasonably required in connection with the application for the listing of, and permission to deal in the Conversion Shares.

2.3 If the Conditions Precedent are not fulfilled or waived (as the case maybe) by the Long Stop Date, this Agreement shall forthwith cease and terminate and neither the Company nor the Placing Agent shall have any claim against each other in respect of any matter or thing arising out of or in connection with this Agreement save in respect of the following:

- (a) any antecedent breach; and
- (b) liabilities under Clauses 6.2, 6.3, 7.3 and 7.4.

### **3. PLACING**

3.1 Subject to the provisions of this Agreement, the Company hereby appoints the Placing Agent as its exclusive agent and the Placing Agent, relying on the representations, warranties and undertakings herein contained and subject as hereinafter mentioned, agrees to act as placing agent, on a best effort basis, for the Company during the Placing Period to procure purchasers for the Convertible Notes at the Issue Price. The Placing Agent undertakes to use its best endeavours to procure at least six (6) Placees for the Convertible Notes who are not connected persons of the Company.

3.2 The Placing Agent undertakes to the Company that it shall take all such steps as shall be appropriate, including but not limited to the making of sub-placing arrangements, to avoid it and together with the parties acting in concert with it (as defined in Takeovers Code), assuming full issuance of all the Conversion Shares which would fall to be issued upon exercise of the respective rights under the Convertible Notes, holding 30% or more of the issued share capital of the Company immediately after the Issue as enlarged by the issue of all the Conversion Shares.

3.3 The choice of Placees for the Convertible Notes shall be determined by the Placing Agent, subject to the requirements of the Listing Rules, provided that the Placing Agent shall use its best endeavours to ensure that no Convertible Notes shall be

offered to or placed with any person, firm or company which is a connected person of the Company or any parties acting in concert with the Company or its connected persons.

- 3.4 By 5:00 p.m. (Hong Kong time) on the Closing Date, in respect of the principal amount of Convertible Notes successfully placed,
- (a) contemporaneously with the compliance by the Company of its obligations under clause 3.4(b) below, the Placing Agent shall pay to the Company the net subscription monies in respect of such Convertible Notes (being the full amount of the Issue Price less (i) the aggregate amount of the commissions, costs, charges and expenses payable to the Placing Agent pursuant to Clause 6.1; and (ii) all other amounts payable by the Company under Clauses 6.2(b), 6.2(c) and 6.2(d)); and
  - (b) the Company shall:
    - (i) issue such Convertible Notes and deliver to the Placing Agent the certificates evidencing title to such Convertible Notes to the Placees and/or, the Placing Agent and/or its nominee(s), as the case may be, in such denominations (in minimum principal amount of HK\$20,000 and integral multiple thereof) as the Placing Agent shall specify in writing to the Company before 5:00 p.m. on the Business Day immediately preceding the Closing Date (such written notice to the Company specifying the names, country of incorporation (if a corporation), address (or registered address if a corporation) relating to each Placee;
    - (ii) procure the Registrar to register the Placees and/or, the Placing Agent and/or its nominee(s), as the case may be, as holders of the Convertible Notes subscribed by and issued to them respectively.
- 3.5 The Company hereby acknowledges that in performing its functions under this Clause 3, the Placing Agent is authorised to appoint one or more sub-placing or selling agents and that such agents shall be agents of the Company in despatching documents relating to the Placing to Placees and the Company hereby authorises and confirms that it will forthwith upon request by the Placing Agent (provided that the identity of the said sub-placing or selling agents has been disclosed by the Placing Agent to the Company before the expiry of the Placing Period) ratify and approve all action properly and reasonably taken or to be taken by such agents and the Placing Agent in connection with the Placing in accordance with or in anticipation of the terms of this Agreement. All fees of such agents shall be paid and borne by the Placing Agent absolutely out of the commissions payable by the Company to the Placing Agent under Clause 6.1, and for the avoidance of doubt, the Company shall in no event be liable to pay any fees to such sub-placing or selling agents of the Placing Agent. The Placing Agent may enter into any agreements with any of the agents for such purpose.
- 3.6 Any transaction carried out by the Placing Agent (and any sub-placing or selling agent referred to in Clause 3.5) under and in accordance with this Agreement on behalf of the Company shall constitute a transaction carried out at the request of the Company and as its agent and not in respect of or for the benefit of the Placing



Agent's own account and the Placing Agent shall not be responsible for any loss or damage to any persons arising from any such transaction.

3.7 The Placing Agent hereby represents, warrants and undertakes that:

- (a) it has not offered or sold and shall not offer or sell any of the Convertible Notes and it has not distributed and shall not distribute any prospectus or similar document in any jurisdiction except such as, and under circumstances that, will not result in or constitute a breach of any applicable laws and regulations or give rise to a requirement for any prospectus to be published or filed or any registration or qualification to be made or obtained (other than such as are made or obtained by the Placing Agent) in any country or jurisdiction and then only in compliance with all applicable laws and regulations of that jurisdiction; and
- (b) it will use its best endeavours to ensure that the Placees shall be third parties independent of and not acting in concert with (for the purpose of the Takeovers Code) (i) the Company; or (ii) any director, chief executive or substantial shareholder of the Company or any of its subsidiaries or any of their respective associates.

#### **4. PLACING AGENT'S POWER**

- 4.1 The Company hereby confirms that this appointment confers on the Placing Agent all powers, authorities and discretion on behalf of the Company which are necessary for, or reasonably incidental to, the Placing and the Issue and hereby agrees to ratify and confirm everything which the Placing Agent may lawfully do in the exercise of such powers, authorities and discretion in accordance with this Agreement.
- 4.2 The Placing Agent shall have no liability in respect of any omission of information or any information or statement of fact or opinion made or issued by the Company in relation to the Issue being untrue, incorrect or misleading, for which the Company and the Directors are solely responsible.

#### **5. UNDERTAKINGS**

- 5.1 The Company hereby undertakes with the Placing Agent that the Company shall comply in all respects with the terms and conditions of the Issue and, in particular, that the Company shall duly create, allot and issue the Convertible Notes and shall issue certificates in respect of the Convertible Notes in accordance with the provisions of this Agreement and the bye-laws of the Company.
- 5.2 The Company undertakes with the Placing Agent that it will, prior to the Closing Date, engage the Registrar to keep and maintain register of the holders of the Convertible Notes and shall procure that the Registrar shall do all such acts and things as may be required to be done by it in connection with the Issue and its associated transactions.
- 5.3 The Company hereby agrees to deliver, or procure to deliver to the Placing Agent (i) certified copies of the minutes of its board of Directors approving the Capital Reorganisation, this Agreement and the transactions contemplated hereunder including

the Issue and the allotment and issue of the Conversion Shares; and (ii) copy of confirmation by the Stock Exchange agreeing to grant approval for the listing of, and permission to deal in all the Conversion Shares.

- 5.4 The Company hereby undertakes to provide, without unreasonable withholding or delay, the Placing Agent with all such information known to it and relating to the Group or otherwise as may be reasonably required by the Placing Agent in connection with the Placing and the Issue for the purposes of complying with all applicable law, regulation or direction or any requirement of the Stock Exchange or of the SFC or any other regulatory body.
- 5.5 Without prejudice to the foregoing obligations, the Company undertakes with the Placing Agent that it shall do all such other acts and things as may be reasonably required to be done by it to carry into effect the Placing and the Issue in accordance with the terms of this Agreement.
- 5.6 The Company undertakes that there shall remain at all times a sufficient amount of authorised share capital in the Company to enable it to perform its obligations under this Agreement when the conversion rights under the Convertible Notes are exercised and all Convertible Shares shall rank *pari passu* in all respects with all other fully paid Shares in issue on the relevant exercise dates.
- 5.7 The Company shall procure that particulars of every significant new factor known to it which is capable of materially affecting assessment of the Issue and which arises between the date hereof and the Closing Date shall be promptly provided to the Placing Agent and the Company (following, if applicable, confirmation and approval from the Stock Exchange and/or any other relevant regulatory authority that considers such action necessary or appropriate) undertakes to make such announcements or issue such further documents in relation thereto as the Placing Agent may reasonably require.
- 5.8 In the event that the Company becomes aware of the fact that any Placee is not independent of the Company and its connected persons and their respective associates, it shall notify the Placing Agent of such fact by notice in writing as soon as practicable.

## **6. PAYMENT OF FEES, COMMISSIONS AND EXPENSES**

- 6.1 In consideration of the Placing Agent's obligation under this Agreement to provide its services in relation to the Placing and the Issue, the Company shall pay to the Placing Agent a commission, in Hong Kong dollars, of 2.0% of the total principal amount of the Convertible Notes successfully placed (subject to a minimum commission of HK\$100,000), out of which the Placing Agent will meet their selling concession and sub-placing commission obligations (if any) in accordance with this Agreement. Such commission shall not be payable if this Agreement does not become unconditional or if it is terminated by the Placing Agent pursuant to clause 8, other than by reason of any breach by the Company of any provisions of this Agreement.

6.2 In addition to the commission payable under Clause 6.1 above, the Company shall also:

- (a) pay the costs, charges and expenses of:
  - (i) the application to the Stock Exchange for the listing of, and permission to deal in the Conversion Shares, including the fees of the Stock Exchange in connection therewith;
  - (ii) the type-setting, translation and issue of the Announcement and all other documents relating to the Placing and the Issue; and
  - (iii) all other costs incurred in connection with the Placing and the Issue;
- (b) other out of pocket expenses incurred by the Placing Agent;
- (c) pay any capital duty, premium duty and any other fees, charges and expenses payable on the increase in the share capital of the Company and the allotment and issue of the Conversion Shares; and
- (d) reimburse the Placing Agent for any such expenses as are referred to above which it has paid or incurred on behalf of the Company.

6.3 If this Agreement does not become unconditional or is terminated pursuant to Clause 8 or if for any other reason the Issue is not completed, the Company shall remain liable for the payment of all costs, charges and expenses which are referred to in Clause 6.2.

6.4 The Company hereby acknowledges that, in addition to the commissions, fees and expenses referred to in Clause 6.1 and 6.2, the Placing Agent shall be entitled to keep for its own account any brokerage (if any) that it may receive from the Placees.

6.5 All payments to be made by the Company pursuant to this Clause 6 shall be made in full without any set-off, deduction or withholding for or on account of any taxation unless the payer is required by law to make such deduction or withholding. In the event that any deduction or withholding is required by law the payer will pay to the payee such increased amount as will result, after the deduction or withholding of the relevant tax, in the receipt by the payee of a net amount equal to the full amount which would otherwise have been received by it had no such deduction or withholding been made.

6.6 The amounts payable pursuant to Clause 6.1 shall be due and payable on the Closing Date. Such amounts, as well as amounts payable by the Company under Clauses 6.2(b), (c) and (d) may be deducted by the Placing Agent from any payment to be made by it to the Company under Clause 3.

## **7. REPRESENTATIONS, WARRANTIES AND INDEMNITIES**

7.1 In consideration of the Placing Agent entering into this Agreement and agreeing to perform its obligations hereunder, the Company hereby represents, warrants and undertakes to the Placing Agent as follows:

- (a) each member of the Group is duly incorporated and validly existing under the laws of the place of its incorporation with power to own its assets and to conduct its business in the manner presently conducted and there has been no petition filed, order made or resolution passed for the liquidation or winding up of any member of the Group;
- (b) upon fulfilment of the Conditions Precedent and save as expressly contemplated in this Agreement, all necessary authorities will have been obtained from the holders of Shares to enable the Convertible Notes to be issued and the Company has power under its bye-laws and the Directors have the Specific Mandate to allot and issue the Conversion Shares upon exercise of the conversion rights attached to the Convertible Notes without any further sanction or consent and the Company has power under its bye-laws to enter into this Agreement and this Agreement is duly authorised and when executed will constitute valid and legally binding obligations of the Company;
- (c) there is no litigation, arbitration, prosecution or other legal proceedings in progress or pending or threatened in writing against any member of the Group nor so far as the Company is aware, to its best information, knowledge and belief after all reasonable enquiries is there any claim or fact which may give rise to a claim against any member of the Group, which in any such case may have or have had a significant effect on the financial position of any member of the Group which is material in the context of the Issue and the Placing;
- (d) each member of the Group has carried on its business in the ordinary and usual course and, there has been no material adverse change in the financial or trading position of the Group since 31 December 2022;
- (e) each member of the Group has obtained such authorisations and licences (if any) as are required under the provisions of any applicable law in connection with the operation of its business and to the best of its information, belief and knowledge having made all reasonable enquiries the Company is not aware of any breach by any member of the Group of the provisions of any ordinance, statute or regulation governing such authorisations or licences nor of any reason why any such authorisation or licence should be withdrawn or cancelled;
- (f) no outstanding indebtedness of the Group has become payable or repayable by reason of any default of any member of the Group and no event has occurred or is pending which, with the lapse of time or the fulfilment of any condition or the giving of notice or the compliance with any formality, may result in such indebtedness becoming payable or repayable prior to its maturity date or a demand being made for such indebtedness to be paid or repaid;
- (g) no member of the Group has granted any guarantee or indemnity for the obligation or liability of any person other than another member of the Group;



- (h) the audited consolidated accounts of the Group for the financial year ended on 31 December 2022:-
- (i) have been prepared on a recognised and consistent basis and in accordance with generally accepted accounting principles, standards and practice in Hong Kong;
  - (ii) comply with the Companies Ordinance and all other applicable ordinances, statutes and regulations and show a true and fair view of the state of affairs of the Group and of its results for the period in question;
  - (iii) are not affected by any unusual or non-recurring items and do not include transactions not normally undertaken by the relevant member of the Group (save as disclosed in the said accounts); and
  - (iv) make adequate provision for all taxation whether in Hong Kong or any other part of the world in respect of all accounting periods ended on or before the respective date for which the relevant member of the Group was then or might at any time thereafter become or have been liable;
- (i) Save for the transactions contemplated under this Agreement, no unissued share capital of the Company is under option or agreed conditionally or unconditionally to be put under option and save as aforesaid the Company shall not from the date hereof until the Closing Date issue any Shares or issue or grant any share options or other securities convertible into, exchangeable for or which carry rights to acquire Shares;
- (j) the Conversion Shares will be issued free from all claims, charges, liens, encumbrances and equities whatsoever and the Conversion Shares will rank *pari passu* in all respects with any existing Shares in issue save for any right or entitlement to dividends or other rights or distributions the record date for which precedes the date on which such Conversion Shares are issued;
- (k) all the Existing Shares are listed on the Main Board of the Stock Exchange;
- (l) no receiver has been appointed in respect of the Company or all or any of its assets; and, except as disclosed (if any) by the Company in the audited consolidated accounts of the Group for the financial year ended on 31 December 2022, no unsatisfied judgement which is material to the condition of the Company is outstanding against the Company;
- (m) the Conversion Shares will be issued in accordance with the bye-laws of the Company and with all relevant laws of Bermuda and the Listing Rules and will rank *pari passu* in all respects *inter se* and with all other unsecured and unsubordinated obligations of the Company;
- (n) the Capital Reorganisation, the execution of this Agreement, the creation of the Convertible Notes, the Conversion Shares and their issue pursuant to this

Agreement will not cause any breach of any agreement to which any member of the Group 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, obligation or commitment whatsoever of any member of the Group and/or their respective boards of directors;

- (o) no member of the Group is in breach in any material respect of any rules, regulations or requirements of the SFC, Stock Exchange or any applicable law, decree, judgments, legislation, order, regulation, statute, ordinance, treaty or other legislative measure which would have a material adverse effect on the Group taken as a whole;
- (p) all statements of fact contained or to be contained in the Announcement (including, in particular, the section headed “Reasons for and Benefits of the Placing and Use of Proceeds”) are and will at the date of issue thereof be true in all material respects and not misleading and all expressions of opinion, intention and expectation expressed therein (including, in particular, the section headed “Reasons for and Benefits Of the Placing and Use of Proceeds”) are and will be fair and made after due and careful consideration;
- (q) there will be no material information not disclosed in the Announcement (i) the omission of which makes any statement therein misleading or which, in the context of the Capital Reorganisation, the Placing and the Issue, might be material for disclosure therein or (ii) which is necessary to enable investors to make an informed assessment of the activities, assets and liabilities, financial position, management, profits and losses and prospects of the Company and of the rights attaching to the Convertible Notes;
- (r) the execution, delivery and performance of this Agreement, the CN Instrument, and the consummation of the transactions contemplated hereunder and thereunder and compliance with the terms hereof do not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, the documents constituting the Company, or any agreement or instrument to which any member of the Group is a party or by which it or any of its properties are bound, or infringe any existing applicable law, rule, regulation, judgment, order, authorisation or decree of any government, governmental body or court having jurisdiction over any member of the Group or any of their properties or assets;
- (s) the statements, forecasts, estimates and expressions of opinion (if any) contained in the Announcement have been and will at the respective dates of issue thereof be made after due and proper consideration, are and will at the respective dates of issue thereof be fair and honest in all material respects and represent reasonable expectations based on facts known to the Company;
- (t) all publicly available information and records of the Group (including information contained in annual reports, statutory filings and registrations) is and was, when supplied or published, true and not misleading, save and except such minor errors or mistakes (if any) which are immaterial in nature; and

- (u) no event has occurred or circumstance arisen which, had the CN Instrument already been executed, could reasonably be expected to (whether or not with the giving of notice and/or the passage of time and/or the fulfilment of any other requirement) constitute an event described under “Events of Default” in such instrument.
- 7.2 The representations, warranties and undertakings set out in Clause 7.1 are given as at the date hereof and shall remain true and accurate and in force up to and including the Closing Date as if given or made on such date, with reference in each case to the facts and circumstances then subsisting having made all reasonable enquiries. The Company undertakes to notify the Placing Agent of any matter or event coming to its attention prior to the Closing Date which shows or may show any of the representations, warranties and undertakings set out in Clause 7.1 to be or to have been untrue or misleading. The Company acknowledges that the Placing Agent is entering into this Agreement in reliance on each of such representations, warranties and undertakings.
- 7.3 No claim shall be made against the Placing Agent by the Company to recover any damage, cost, charge or expense which the Company may suffer or incur by reason of or arising out of the carrying out by the Placing Agent of the work to be done by it pursuant hereto or the performance of its obligations hereunder or otherwise in connection with the Placing and the Issue and its associated transactions save and except that such damage, cost, charge or expense are incurred due to the gross negligence and/or wilful default of the Placing Agent in performing its work hereunder.
- 7.4 The Company hereby covenants and undertakes with the Placing Agent that it will keep the Placing Agent fully indemnified from and against all losses, liabilities, costs, charges and expenses arising out of any claim (save and except claims caused by the gross negligence and/or wilful default of the Placing Agent) which may be brought against the Placing Agent or, after consultation with the Company, compromised or settled, in relation to or by reason of:
- (a) their lawful performance of the obligations of the Placing Agent hereunder; or
  - (b) the implementation of the Capital Reorganisation; or
  - (c) the creation, offer and issue of the Convertible Notes; or
  - (d) the publication of the Announcement; or
  - (e) any misrepresentation or alleged misrepresentation contained in the Announcement; or
  - (f) any breach of any of the representations, warranties and undertakings set out in Clause 7.1.
- 7.5 If the Placing Agent becomes aware of any claim which is relevant for the purposes of Clause 7.4, the Placing Agent will as soon as reasonably practicable give notice in writing thereof to the Company and will consult fully with the Company and give full

consideration to the views of the Company in relation to the manner in which the Placing Agent shall conduct such claim.

- 7.6 The foregoing provisions of this Clause 7 shall remain in full force and effect notwithstanding completion of the Issue.
- 7.7 The Company shall not, and shall procure that no member of the Group shall, at any time prior to or on the Closing Date do or omit to do anything which may cause any of the representations, warranties and undertakings set out in Clause 7.1 to be untrue.
- 7.8 Any liability to the Placing Agent hereunder may in whole or in part be released, compounded or compromised and time or indulgence may be given by the Placing Agent as regards any person under such liability without prejudicing the Placing Agent's rights against any other person under the same or a similar liability.
- 7.9 For the avoidance of doubt, the Placing Agent is acting for the Company alone in relation to the Placing and will not be responsible to anyone other than the Company for providing the protections afforded to customers of the Placing Agent, or for providing advice in relation to the Placing.

## **8. TERMINATION**

8.1 If at any time on or prior to 5:00 p.m. (Hong Kong time) on the Closing Date:

- (a) in the reasonable opinion of the Placing Agent, the Placing would be materially and adversely affected by:
- (i) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Placing Agent materially and adversely affect the business or the financial or trading position or prospects of the Company or the Group as a whole; or
  - (ii) the occurrence of any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof, of a political, financial, economic currency, market, pandemic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, affecting local securities markets; or
  - (iii) any material adverse change in the business or in the financial or trading position or prospect of the Company or the Group as a whole; or
  - (iv) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, pandemic, terrorism, strike or lock-out which would, in the reasonable opinion of the Placing Agent materially and adversely affect the business or the financial or trading position or prospects of the Company or the Group as a whole; or

- (v) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise; or
- (vi) the commencement by any third party of any litigation against any member of the Group which is or might be material to the Company or the Group taken as a whole; or
- (b) any adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the PRC or other jurisdiction relevant to the Group or any member of the Group and a change in currency conditions for the purpose of this Clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable to proceed with the Placing; or
- (c) the Announcement, when published, contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company and which in the reasonable opinion of the Placing Agent is material to the Group as a whole and is likely to affect materially and adversely the success of the Placing; or
- (d) any breach (which is material in the reasonable opinion of the Placing Agent) of any of the representations, warranties and undertakings set out in Clause 7.1 comes to the knowledge of the Placing Agent or there has been a breach (which is material in the reasonable opinion of the Placing Agent) of any other provision of this Agreement,

then and in any such case, the Placing Agent may terminate this Agreement without liability to the Company by giving notice in writing to the Company, which notice may be given at any time prior to 5:00 p.m. (Hong Kong time) on the Closing Date.

- 8.2 In the event that the Placing Agent terminates this Agreement pursuant to Clause 8.1, all obligations of each of the Parties under this Agreement shall cease and determine and no Party shall have any claim against any other Party in respect of any matter arising out of or in connection with this Agreement except for:-

- (a) any antecedent breach of any obligation under this Agreement; and
- (b) liabilities under Clauses 6.2, 6.3, 7.3 and 7.4.

## 9. **ANNOUNCEMENTS**

No announcement or communication to the press or the shareholders of the Company shall be made by or on behalf of the Company relating to the Capital Reorganisation, the Issue and its associated transactions save and except such announcement as required to be made by the Company under the Listing Rules or applicable laws,



provided that the Company shall promptly consult the Placing Agent and take into account any reasonable opinion of the Placing Agent on any such announcements or communication before publishing of the same.

**10. TIME OF THE ESSENCE**

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

**11. NOTICES**

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

If to the Company, to:

Address: Suite 305, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong  
Facsimile: (852) 3106 3938  
Attention: the board of directors

If to the Placing Agent, to:

Address: 8/F Fung House, 19-20 Connaught Road Central, Central, Hong Kong  
Facsimile: (852) 2344 9603  
Attention: Mr. Tang Tsz Tung

- 11.2 Any such notice shall be served either by hand or by sending it through the post or by facsimile. Any notice shall be deemed to have been served, if served by hand, when delivered; if sent by post, forty eight (48) hours after it is posted and if sent by facsimile, on receipt of confirmation of transmission. Any notice received on a Sunday or public holiday shall be deemed to be received on the next Business Day.

**12. WAIVER**

No failure or delay by any Party in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any further exercise thereof or the exercise of any other right, power or remedy. Without limiting the foregoing, no waiver by any Party of any breach of any provision hereof shall be deemed to be a waiver of any subsequent breach of that or any other provision hereof.

**13. SUCCESSORS AND ASSIGNS**

- 13.1 This Agreement shall be binding on and ensure for the benefit of each Party's respective successors and permitted assigns.

13.2 The benefit of the representations, warranties and undertakings contained in this Agreement may be assigned in whole or in part by the Placing Agents or by any of them. Save as aforesaid, no Party may assign or transfer any of its rights or obligations under this Agreement.

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

**14. APPLICABLE LAW AND JURISDICTION**

This Agreement shall be governed by and 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.

**15. CONTRACTS (RIGHTS OF THIRD PARTIES) ORDINANCE**

Notwithstanding any other provisions of this Agreement, a person who is not a party to this Agreement shall not have any right under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce any provisions of this Agreement.

IN WITNESS WHEREOF this Agreement has been entered into the day and year first before written.

SIGNED BY  
for and on behalf of  
**PROSPERITY INVESTMENT  
HOLDINGS LIMITED**  
in the presence of:

)  
)  
)  
)  
)



CAROL CHUNG



SIGNED BY TANG TSZ TUNG  
for and on behalf of  
**OPUS SECURITIES LIMITED**  
in the presence of:

A handwritten signature in black ink, appearing to read 'Tang Tsz Tung', with a large, sweeping loop at the end.A handwritten signature in black ink, appearing to read 'Koh Kwai Yim', with a long, horizontal stroke extending from the end.

KOH KWAI YIM

**SCHEDULE I**

**CN Instrument**

**Dated [\*/]**

**PROSPERITY INVESTMENT HOLDINGS LIMITED**

---

**INSTRUMENT  
constituting  
8% COUPON CONVERTIBLE NOTES  
IN THE PRINCIPAL AMOUNT OF HK\$5,000,000 DUE 2026 OF  
PROSPERITY INVESTMENT HOLDINGS LIMITED**

---

## INDEX

<u>Clause</u>	<u>Heading</u>	<u>Page</u>
I.	INTERPRETATION .....	1
II.	CONDITIONS.....	
1.	Maturity .....	5
2.	Status and Transfer .....	5
3.	Interest .....	7
4.	Redemption and Other Payments by the Company.....	7
5.	Conversion Rights .....	8
6.	Conversion Shares .....	9
7.	Provisions for Conversion .....	9
8.	Adjustments to the Conversion Price .....	10
9.	Protection to Noteholders .....	22
10.	Events of Defaults .....	25
11.	Voting .....	27
12.	Replacement of Certificate .....	27
13.	Undertakings and Covenants .....	28
14.	Notices .....	28
15.	Amendment.....	28
16.	Meeting of Noteholders .....	28
17.	Governing Laws and Jurisdiction.....	29
	EXECUTION .....	30
	SCHEDULE 1 - FORM OF CERTIFICATE AND CONDITIONS .....	31
	SCHEDULE 2 – PROVISIONS FOR MEETING OF NOTEHOLDERS .....	33

THIS INSTRUMENT is made by way of deed poll on [\*] 2024

BY:-

**PROSPERITY INVESTMENT HOLDINGS LIMITED**, a company incorporated in Bermuda with registered office at Clarendon House, Church Street, Hamilton HM 11, Bermuda and principal place of business in Hong Kong at Suite 305, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong (the “**Company**”)

WHEREAS pursuant to a resolution of the Directors passed on 16 November 2023 and pursuant to a special mandate granted by the Shareholders to the Directors on [\*] 2023, the Company has resolved to create and issue the Placing Convertible Notes on the terms hereof.

## **I. INTERPRETATION**

(A) In this Instrument and the Certificate, the following words and expressions shall have the following meanings except where the context otherwise requires:

“ <b>Business Day</b> ”	a day (excluding Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business;
“ <b>CCASS</b> ”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;
“ <b>Certificate</b> ”	the certificate to be issued in respect of the Convertible Note in the form set out in Schedule 1;
“ <b>Closing Price</b> ”	in respect of a Share on any Trading Day shall be the closing price published in the Daily Quotation Sheet published by the Stock Exchange;
“ <b>Conditions</b> ”	the terms and conditions of the Placing Convertible Notes set out in the paragraph headed “ <b>Conditions</b> ” below and “ <b>Condition</b> ” refers to the relative numbered paragraph thereof;
“ <b>connected person</b> ”	has the meaning ascribed to it under the Listing Rules;
“ <b>Conversion Date</b> ”	a date on which a conversion notice is given pursuant to Condition 7.1 in respect of the exercise of the Conversion Rights in accordance with the Conditions;
“ <b>Conversion Price</b> ”	initially HK\$0.0166 per Share, subject to adjustments pursuant to the Conditions;
“ <b>Conversion Period</b> ”	the period commencing from the Issue Date up to and including the date falling on the seventh (7th) day immediately prior to the Maturity Date;

<b>“Conversion Rights”</b>	the rights to convert the principal amount (or part thereof) of the Convertible Note into Shares as set out in Condition 5;
<b>“Conversion Shares”</b>	means the new Shares which would fall to be issued by the Company upon exercise of the Conversion Rights attached to the Convertible Notes;
<b>“Convertible Note”</b>	the 8% coupon convertible note(s) due 2026 in the principal amount as specified in the Certificate to be issued by the Company to the Noteholder in accordance with this Instrument with the benefit of and subject to the provisions of the Conditions, being part of the Placing Convertible Notes;
<b>“Director”</b>	the board of directors for the time being of the Company;
<b>“Group”</b>	means the Company and its subsidiaries;
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“Issue Date”</b>	[*] 2024;
<b>“Listing Rules”</b>	means the Rules Governing the Listing of Securities on the Stock Exchange;
<b>“Maturity Date”</b>	means the date falling on the day being the second (2nd) anniversary of the Issue Date or if that is not a Business Day, the first Business Day thereafter;
<b>“Noteholder”</b>	the person who is for the time being the holder of the Convertible Note and “Noteholders” shall mean the persons who are for the time being the holder of the Placing Convertible Notes;
<b>“Ordinary Resolution”</b>	has the meaning set out in paragraph 17 of Schedule 2;
<b>“Placing Agreement”</b>	means the placing agreement dated 16 November 2023 entered into between the Company and Opus Securities Limited for the placing of the Placing Convertible Notes;
<b>“Placing Convertible Notes”</b>	means convertible notes in the aggregate principal amount of HK\$5,000,000 issued or to be issued by the Company in accordance with the Placing Agreement with the benefit of and subject to the provisions and conditions as set out in this

	Instrument;
<b>“Redemption Premium”</b>	has the meaning ascribed to it under Condition 1.3;
<b>“Registrar”</b>	means the Company or such other person, firm or company as for the time being engaged by the Company to maintain the register of the holders of the Convertible Notes;
<b>“Restricted Holder”</b>	means a Noteholder who is a resident or national of any jurisdiction other than Hong Kong under the laws and regulations of which, in the opinion of the Directors, an exercise of the Conversion Rights by such Noteholder or the performance by the Company of the obligations expressed to be assumed by it under 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;
<b>“SFC”</b>	Securities and Futures Commission of Hong Kong;
<b>“Shareholders”</b>	holders of Shares;
<b>“Shares”</b>	shares of HK\$0.001 each in the share capital of the Company existing on the date of this Instrument and all other (if any) stock or shares from time to time and for the time being ranking pari passu therewith and all other (if any) shares or stock resulting from any sub-division, consolidation or re-classification thereof and the expression <b>“Share”</b> shall be construed accordingly;
<b>“Special Resolution”</b>	has the meaning set out in paragraph 16 of Schedule 2;
<b>“Specified Office”</b>	in relation to the Registrar, either the office identified with its name at the end of the Conditions or any other office notified to the Noteholders pursuant to Condition 2.5, or in relation to the Company, the head office and principal place of business of the Company in Hong Kong for the time being which as at the date of this Instrument is located at Suite 305, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong or any other office notified to the Noteholders pursuant to Condition 14;
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited;
<b>“Takeovers Code”</b>	The Codes on Takeovers and Mergers and Share Repurchases of the SFC; and

**“Trading Day”**

means a day when the Stock Exchange is open for dealing business, provided that if no Closing Price is reported in respect of the relevant Shares on the Stock Exchange for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not have existed when ascertaining any period of dealing days.

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

**II. CONDITIONS**

**1. Maturity**

- 1.1 Unless previously redeemed, converted or purchased and cancelled, the Company shall redeem the Convertible Notes on the Maturity Date at the redemption amount which is 100% of the principal amount thereof outstanding plus the Redemption Premium, together with interest accrued thereon (and not yet paid) up to the actual date of redemption.
- 1.2 Notwithstanding any provisions in this Instrument, the Company shall, subject to the Listing Rules, be at liberty from time to time to issue further Shares, bonds, notes and other securities, including bonds ranking pari passu with the Placing Convertible Notes.
- 1.3 For the purpose of Condition 1.1, Condition 4.1 and Condition 10, “Redemption Premium” means a sum equivalent to the following:

$$A \times B \times C$$

Where:

- A is:
- (i) in respect of redemption under Condition 1.1, the outstanding principal amount of the Convertible Note(s) on the Maturity Date;
  - (ii) in respect of early redemption under Condition 4.1, the principal amount to be redeemed under the relevant notice issued by the Company; and
  - (iii) in respect of redemption under Condition 10, the outstanding principal amount of the Convertible Note held by the Noteholder giving the notice.



B is: the rate of four percent (4%) per annum

C is: the number of days from the Issue Date until (but excluding) the Maturity Date (for redemption under Condition 1.1) or the date for redemption pursuant to the relevant notice issued by the Company (for early redemption under Clause 4.1) or the notice issued by the relevant Noteholder (for redemption under Condition 10) divided by 360 days.

## **2. Status and transfer**

2.1 The obligations of the Company arising under the Convertible Note constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Company and rank, and shall rank, equally among themselves and pari passu and rateably without any preference among themselves, and with all other present and future, unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law. Each Convertible Note is issued subject to the terms of the Conditions and in registered form. The Certificate as referred to in Schedule 1 hereto shall be issued to the Noteholders in accordance with the Conditions hereof.

2.2 No application will be made for a listing of the Placing Convertible Notes on any stock exchange.

2.3 The Noteholder shall (except as otherwise required by law) be treated as absolute owner of the Convertible Note 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 Noteholder.

2.4 The Convertible Note or any part(s) thereof may be assigned or transferred to any third party, subject only to compliance of Conditions 2.5 and 2.6 and further subject to the conditions, approvals, requirements and any other provisions of or under:

(a) the Stock Exchange or their rules and regulations; and

(b) all applicable laws and regulations,

provided that the Convertible Note (or any part thereof) shall not be assigned or transferred to a connected person of the Company without prior written consent of the Company.

2.5 Any assignment or transfer of the Convertible Note shall be in respect of the whole or any part (in the minimum amount of HK\$20,000 or whole multiple thereof) of its outstanding principal amount. Title to the Convertible Note passes only on registration on the Register (as defined below) and only the registered holder is entitled to payment on the Convertible Note in respect of which the Certificate is issued. The Company shall use all reasonable endeavours to facilitate any such assignment or transfer of the Convertible Note, including making any necessary applications to the Stock Exchange for approval, if required.

The Company will cause to be kept by the Registrar a register on which shall be entered the names and addresses of the holders of all the Convertible Notes and the particulars of the Convertible Notes held by them and all of the transfers of the Convertible Notes (the “**Register**”).

The Company will give not less than 7 days’ prior notice to the Noteholders of any future appointment or any resignation or removal of the Registrar or of any change of the Specified Office of the Registrar.

2.6 In relation to any transfer of the Convertible Note permitted under or otherwise pursuant to this Condition 2:-

- (a) the relevant Convertible Note may only be transferred by execution of a form of transfer (the “**Transfer Form**”) in or substantially in the form annexed hereto as Annexure I (or in such form as may be approved by the Company) under the hand of the transferor and the transferee or, where the transferor or transferee is a corporation, under its common seal (if any) and under the hand of one of its officers duly authorised in writing or otherwise executed by a duly authorised officer thereof. In this Condition, “**transferor**” shall, where the context permits or requires, include joint transferors or can be construed accordingly; and
- (b) the Certificate must be delivered for cancellation to the Company accompanied by (i) a duly completed and executed (and if required, duly stamped) Transfer Form; (ii) in the case of the execution of the Transfer Form on behalf of a corporation by its officers, the authority of that person or those persons to do so and a copy of the constitutional document; (iii) such other evidence as the Company may reasonably require if the Transfer Form is executed by some other person on behalf of the Noteholder and/or the transferee; and (iv) such other evidence (including legal opinions) as the Company may reasonably require to support that the Transfer Form has been duly executed by the transferor and the transferee and the conditions and requirements of this Condition 2.6 are satisfied. The Company shall, within five (5) Business Days of receipt of such documents from the Noteholder, cancel the existing Certificate and issue a new Certificate under the seal of the Company, in favour of the transferee or assignee in respect of the outstanding principal of the Convertible Note (or the transferred or assigned part of the Convertible Note) as applicable and, if the Convertible Note is assigned or transferred in part only, issue a new certificate under the seal of the Company, in favour of the transferor in relation to the part of the Convertible Note not assigned or transferred.
- (c) Any new certificate issued pursuant to Condition 2.6(b) shall be sent by registered post at the risk of the holder entitled thereto, to the address specified in the Form of Transfer, or if no such address is given in the Form of Transfer, made available for collection by the holder entitled thereto at the principal place of business of the Company in Hong Kong.

3. **Interest**

- 3.1 Subject to Condition 4.4, a Convertible Note bears interest from the Issue Date at the rate of eight per cent. (8%) per annum on the principal amount of the Convertible Note outstanding from time to time. The interest shall, subject as provided herein, be payable by the Company in arrears on a semi-annual basis on the 180th day and 360th day after the Issue Date.
- 3.2 Interest shall accrue from day to day and shall be calculated on the basis of the actual number of days elapsed and a 360-day year and rounded down to the nearest cent.
- 3.3 Upon issue of the Conversion Shares to the Noteholder pursuant to the conversion of principal amount of the relevant Convertible Note in accordance with Condition 5, the right of the Noteholder to repayment of the principal amount of the Convertible Note converted shall be fully and absolutely extinguished and released but the Noteholder shall still be entitled to interest in respect of the principal amount being converted up to and including the Conversion Date concerned.

**4. Early Redemption and other payments by the Company**

- 4.1 At any time commencing from the first anniversary of the Issue Date and prior to the Maturity Date, the Company may, by giving to a Noteholder not less than three (3) Business Days' written notice of its intention to make such redemption, redeem its Convertible Note in whole or in part (if in part, in the minimum amount of HK\$20,000 or an integral multiple thereof) at the principal amount thereof plus interest accrued thereon (but not yet paid) pursuant to Condition 3 up to the actual date of redemption and the applicable Redemption Premium. Such notice once given shall be irrevocable and shall oblige the Company to make the redemption in such amount and on such date as stated in the notice. Any Convertible Note so redeemed will forthwith be cancelled by the Company. Save as provided in Condition 10 and in this Condition 4, the Noteholders shall not have the right to request the Company to redeem any Convertible Note at any time prior to the Maturity Date.
- 4.2 All payments by the Company hereunder shall be made in Hong Kong dollars in immediately available funds free and clear of any withholdings or deductions for any present or future taxes, imposts, levies, duties or other charges. In the event that the Company is required by law to make any such deduction or withholding from any amount paid, the Company shall pay to the Noteholder such additional amount as shall be necessary so that the Noteholder continues to receive a net amount equal to the full amount which it would have received if such withholding or deduction had not been made.
- 4.3 All payments by the Company shall be made not later than 11:00 am (Hong Kong time) on the due date by remittance to such registered account of the Noteholder in Hong Kong or by HK\$ cheque drawn on a licensed bank in Hong Kong mailed by registered mail to the registered address of the Noteholder (if it does not have a registered account) as the Noteholder may notify the Company in writing from time to time. For the purpose of this Condition, a Noteholder'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 Noteholders at the close of business on the Business Day immediately before the due date for payment, and a Noteholder's



registered address means its address appearing on the register of Noteholders at that time.

- 4.4 If the Company defaults in the payment of any sum due and payable under these Conditions in respect of the Convertible Note, the Company shall pay interest on such sum to the Noteholder from the due date to the date of actual payment in full (both before and after judgment) calculated at the rate of eighteen per cent. (18%) per annum.
- 4.5 The Company may at any time and from time to time purchase any Convertible Note at any price as may be agreed between the Company and the Noteholder. Any Convertible Note so purchased will forthwith be cancelled by the Company.

## **5. Conversion Rights**

- 5.1 Subject to Condition 5.2 below, a Noteholder shall have the right on any Business Day during the Conversion Period to convert the whole or any part (in minimum amount of HK\$[24,900] or an integral multiple thereof) of the outstanding principal amount of his Convertible Note into Shares at the Conversion Price per Share subject to adjustments as hereinafter described. The Shares shall be allotted and issued in the name of the Noteholder or such other person (who is not a connected person of the Company) as it may specify in the conversion notice and shall be delivered to the Noteholder or such other person within seven (7) Business Days after the date of presentation of the relevant original Certificate .
- 5.2 The Noteholder shall not exercise any Conversion Rights to the extent that immediately after such conversion (i) the Noteholder together with parties acting in concert with it, taken together, will, directly or indirectly, control or be interested in 30% or more of the voting rights of the Company (or in such percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or otherwise being obliged to make a general offer for Shares in accordance with the requirement of the Takeovers Code or (ii) there will not be sufficient public float of the Shares as required under the Listing Rules, unless prior approval or waiver has been obtained from the Stock Exchange for such purposes and where any conditions to which such approval or waiver is subject are duly complied with.
- 5.3 No Conversion Rights may be exercised by any person who is a Restricted Holder, and the exercise of any Conversion Rights by the Noteholder shall constitute a confirmation, representation and warranty by it to the Company that it is not a Restricted Holder and that all necessary governmental, regulatory or other consents or approvals and all formalities have been obtained and observed by it to enable it to exercise legally and validly the relevant Conversion Rights, to hold the Conversion Shares allotted and issued upon exercise of the Conversion Rights, and the Company to legally and validly allot and issue the Conversion Shares.
- 5.4 Notwithstanding the provisions of Condition 5.1 and 7.1, if (a) the Company shall default in making payment in full in respect of the Convertible Note which shall have been called for redemption on the date fixed for redemption thereof or (b) the Convertible Note has become due and payable prior to the Maturity Date by reason of

the occurrence of any of the events described in Condition 10 or (c) the Convertible Note is not redeemed on the Maturity Date in accordance with Condition 1 or pursuant to a notice given by the Company under Condition 4.1, without prejudice to the Noteholder's right to receive interest pursuant to these Conditions, the Conversion Right attaching to such Convertible Note will revive and/or will continue to be exercisable up to, and including, the close of business on the date upon which the full amount of the moneys (both principal and interest) payable in respect of the Convertible Note has been duly received by the Noteholder.

## **6. Conversion Shares**

No fraction of a Share shall be issued on conversion and no cash adjustments will be made in respect thereof. The Conversion Shares once issued shall rank *pari passu* in all respects with all other existing Shares at the date of the conversion notice and be free from any security interest, claims (including pre-emptive rights), liens or encumbrances, and if any payment of dividends or other distributions in relation to Shares the record date of which is on or after the date of the conversion notice but before the issue of such Shares, the Company shall pay to the Noteholder an amount equal to 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 such payment at the same time as it makes payment of the dividend or other distribution.

## **7. Procedure for Conversion**

- 7.1 The Conversion Rights may, subject as provided herein, be exercised on any Business Day during the Conversion Period by the Noteholder giving written notice to the Company in accordance with Condition 14 stating the intention of the Noteholder to convert into Shares specifying the principal amount of the Convertible Note to which such notice relates together with the original of the Certificate. Any such conversion notice ("**Conversion Notice**") shall be in the form set out in Annexure II of this Instrument.
- 7.2 The Company shall be responsible for payment of all taxes and stamp duty, issue and registration duties (if any) and expenses arising on any conversion. A conversion notice once delivered shall be irrevocable.
- 7.3 The Conversion Shares shall be allotted and issued by the Company, credited as fully paid to the Noteholder or as it may specify in the conversion notice, within five (5) Business Days after, and with effect from, the later of the Conversion Date or the date on which the Certificate for the Convertible Note is delivered to the Company.
- 7.4 The certificate(s) for the Conversion Shares to which the Noteholder or such person as the Noteholder may direct shall become entitled in consequence of any conversion shall, if the Noteholder so requests in the conversion notice, be deposited in the CCASS participant's stock account set out in the conversion notice or in the absence of such request by the Noteholder, shall be issued in board lots to the extent possible, with one certificate for any odd lot of Shares arising from conversion and made available for collection at the Company's address specified in Condition 14, in each case, within the five (5) Business Day period provided for in Condition 7.3 above, together with the Company's cheque for the interest payable on the amount converted

up to and including the Conversion Date and (if applicable) the Certificate for the Convertible Note with an endorsement thereon by a director of the Company for any balance of the Convertible Note not converted shall be made available for collection at the Company's address specified in Condition 14 within the same period.

**8. Adjustments to the Conversion Price**

8.1 The Conversion Price shall from time to time be adjusted as follows (but shall however not be adjusted below the nominal value of Shares):

(a) Consolidation or subdivision:

If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation or subdivision, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such alteration by the following fraction:

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

where

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

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

Such adjustment shall become effective from the close of business in Hong Kong on the day immediately preceding the date on which such consolidation or subdivision becomes effective, provided that, where the Conversion Date in respect of a particular exercise of any of the Conversion Rights attaching to the Convertible Note shall fall on or before the said business day but the Company shall not by the close of business on the said business day have allotted the relative Shares in accordance with its obligations hereunder, such adjustment shall, for the purpose of determining the number of Shares to be allotted to the Noteholder exercising the said Conversion Rights, be deemed to have become effective before such Conversion Date.

(b) Rights issues of Shares or rights to acquire Shares:

If and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or shall issue or grant to all or substantially all Shareholders as a class, by way of rights, any options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than 80% of the Current Market Price per Share on the last Trading Day preceding the announcement of the terms of the issue or grant (whether or not such issue or grant is subject to the approval of the holders of Shares or other persons), the Conversion Price shall be adjusted by multiplying the

Conversion Price in force immediately prior to such issue or grant by the following fraction:

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

where:

- A is the number of Shares in issue immediately before such announcement;
- B is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued by way of rights and for the total number of Shares comprised therein would purchase at such Current Market Price per Share; and
- C is the aggregate number of Shares issued or, as the case may be, comprised in the grant.

Such adjustment shall become effective (if appropriate, retroactively) from the day following the record date for the issue or grant. For the avoidance of doubt, no adjustment shall take effect in accordance with this paragraph (b) should such issue or grant fail to become effective.

(c) Issues at less than Current Market Price:

If and whenever the Company shall:

- (i) issue (otherwise than as mentioned in sub-paragraph (b) above) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares); or
- (ii) issue or grant (otherwise than as mentioned in sub-paragraph (b) above) options, warrants or other rights to subscribe for or purchase Shares,

in each case at a price per Share which is less than 80% of the Current Market Price on the last Trading Day preceding the date of announcement of the terms of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue or grant by the following fraction:

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

where:

- A is the number of Shares in issue immediately before the issue of such additional Shares or the issue or grant of such options, warrants or other rights to subscribe for or purchase any Shares;
- B is the number of Shares which the aggregate consideration receivable for the issue of such additional Shares would purchase at such Current Market Price per Share; and
- C is the number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue or grant by the Company of options, warrants or other rights to subscribe or purchase Shares, mean such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial subscription price on the date of issue of such options, warrants or other rights.

Such adjustment shall become effective (if appropriate, retroactively) on the day following the record date of such issue or grant. For the avoidance of doubt, no adjustment shall take effect in accordance with this paragraph (c) should such issue or grant fail to become effective.

(d) Issues of convertible securities:

Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within the provisions of this sub-paragraph (d), if and whenever the Company shall issue any securities (other than the Placing Convertible Notes) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares or securities which by their terms might be redesignated as Shares to be issued by the Company upon conversion, exchange or subscription or redesignation, at a consideration per Share receivable by the Company which is less than 80% of the Current Market Price on the last Trading Day preceding the date of the announcement of the terms of the issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such issue by the following fraction:

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

where:

- A is the number of Shares in issue immediately before such issue;
- B is the number of Shares which the aggregate consideration (if any) receivable by the Company for the Shares to be issued upon conversion or exchange or upon exercise of the right of subscription attached to such securities or for the Shares to be issued or arise from



any such redesignation would purchase at such Current Market Price per Share; and

- C is the maximum number of Shares to be issued upon conversion into or exchange of such securities or upon the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate or the Shares to be issued or to arise from any such redesignation.

Such adjustment shall become effective (if appropriate, retroactively) from the close of business on the Business Day immediately preceding the date on which the issuer of the relevant securities determines the conversion or exchange rate or subscription price in respect of such securities or, to the extent that the relevant issue is announced (whether or not subject to the approval of holders of Shares or other persons) and the date of such announcement is earlier than the said date, the Business Day immediately preceding the date of such announcement.

(e) Modification of rights of conversion etc.:

If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in sub-paragraph (d) above so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than 80% of the Current Market Price on the last Trading Day immediately preceding the date of announcement of the proposals for such modification or (if there is no such announcement) the date of such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by the following fraction:

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

where:

- A is the number of Shares in issue immediately before such modification;
- B is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued upon conversion or exchange, or upon exercise of the right of subscription attached to the securities so modified, would purchase at such Current Market Price per Share or, if lower, the existing conversion, exchange or subscription price; and
- C is the maximum number of Shares to be issued upon conversion or exchange of such securities or upon the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as the

Auditors or Approved Financial Advisor, acting as expert, considers appropriate (if at all) for any previous adjustment under this sub-paragraph (e).

Notwithstanding the foregoing provisions of this Condition 8.1(e), a right of conversion, exchange or subscription shall not be treated as modified for the foregoing purpose where it is adjusted to take into account of rights and capitalisation issues and other events normally giving rise to adjustment of the Conversion Price under this Condition 8.

Such adjustment shall become effective (if appropriate retroactively) on the day upon which such modification shall take effect.

- (f) If and whenever the Company shall issue Shares for the acquisition of any asset at a total Effective Consideration per Share (as defined in this sub-paragraph (f) below) which is less than 80% of the market price per Share 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 or Approved Financial Advisor. Such adjustment shall become effective on the date of such issue. For the purpose of this sub-paragraph (f) "**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.

8.2 For the purpose of any calculation of the consideration receivable as referred to in Condition 8.1, the following provisions shall apply:

- (a) Issue of Shares for cash:

the aggregate consideration receivable for Shares issued for cash shall be the amount of such cash provided that in no case shall any deduction be made for any commission or any expenses reasonably incurred by the Company for any underwriting of the issue or otherwise in connection with the issue;

- (b) Issue of Shares on conversion or exercise of securities:

- (i) the aggregate consideration receivable for the Shares to be issued upon the conversion into or subscription for or exchange of, any securities shall be deemed to be the consideration received or receivable by the Company for any such securities, and
- (ii) the aggregate consideration receivable for the Shares to be issued upon the exercise of rights of subscription attached to any securities shall be deemed to be that part (which may be the whole) of the consideration received or receivable by the Company for such securities which is attributed by the Company to such rights of subscription or, if no part of such consideration is so attributed, the Fair Market Value of such

rights of subscription as at the date of announcement of the terms of issue of such securities (as determined in good faith by Approved Financial Advisor),

plus in the case of each of (i) and (ii) above, the additional minimum consideration (if any) to be received by the Company upon the conversion or exchange of such securities, or upon the exercise of such rights of subscription attached thereto (the consideration in all such cases to be determined subject to the proviso in Condition 8.2(a)); and

- (iii) if any part of the consideration referred to in (i) or (ii) above is expressed in a currency other than Hong Kong dollars, the same shall be converted at such rate of exchange as may be determined in good faith by Approved Financial Advisor to be the spot rate ruling at the close of business on the date of the issue of such securities.

- 8.3 Where more than one event which gives, or may give, rise to an adjustment to the Conversion Price occurs within such a short period of time that in the opinion of the Auditors or Approved Financial Advisor (acting as expert) the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the provisions of Conditions 8.1 and 8.2 as may be advised by the Auditors or Approved Financial Advisor (acting as expert) to be in their opinion appropriate in order to give such intended result.
- 8.4 The provisions of sub-paragraphs (b), (c), (d) and (f) of Condition 8.1 shall not apply to:
- (i) an issue of fully paid Shares upon the exercise of any conversion rights attached to securities convertible into Shares or upon exercise of any rights to acquire Shares (except a rights issue) provided that either no adjustment is required or an adjustment has been made under Condition 8.1 in respect of the issue of such securities or granting of such rights (as the case may be);
  - (ii) an issue of fully paid Shares upon the exercise of the conversion rights attached to any Placing Convertible Notes; or
  - (iii) an issue of Shares or other securities of the Company wholly or partly convertible into, or rights to acquire, Shares to officers or employees of the Company pursuant to any of the share option scheme of the Company.
- 8.5 Any adjustment to the Conversion Price shall not involve an increase in the Conversion Price (except upon any consolidation of the Shares pursuant to Condition 8.1(a)). The Conversion Price shall not be reduced below the par value of each Share. If an adjustment is not made to the Conversion Price because it would reduce it below the then par value of each Share and such par value is subsequently reduced then any adjustment not previously made shall be immediately made to the Conversion Price on such reduction in par value but only to the extent that such adjustment will not reduce the Conversion Price below the newly reduced par value. Where an adjustment would reduce the Conversion Price to below the par value of

each Conversion Share the Conversion Price shall be reduced to such par value subject to the provisions of this Condition.

- 8.6 On any adjustment, the resultant Conversion Price shall be rounded down to the nearest Hong Kong cent but no adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one Hong Kong cent. Any adjustment not required to be made, and any amount by which the Conversion Price has not been rounded down shall be carried forward and taken into account in any subsequent adjustment.
- 8.7 The Auditors or Approved Financial Advisor shall certify every adjustment to the Conversion Price in writing. Notice of any adjustments, setting out brief particulars of the event(s) giving rise to the adjustment, the Conversion Price in effect prior to such adjustment, the new Conversion Price and the effective date thereof, shall be given to the Noteholder as soon as practicable (and in any event within three (3) Business Days) after the determination thereof. In giving any certificate or making any adjustment hereunder, the Auditors or Approved Financial Advisor shall be deemed to be acting as experts and not as arbitrators and, in the absence of manifest error, their decision shall be conclusive and binding on the Company and the Noteholder and all persons claiming through or under them respectively.
- 8.8 The Company shall make available for inspection at its principal place of business in Hong Kong at all times after the determination by the Auditors or Approved Financial Advisor and so long as any Placing Convertible Note remains outstanding, a signed copy of the certificate of the Auditors or Approved Financial Advisor 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 the adjustment, the adjusted Conversion Price and the effective date thereof and shall, on request, send a copy thereof to the Noteholder.
- 8.9 If the Conversion Date in relation to any Convertible Note shall be on or after a date with effect from which an adjustment to the Conversion Price takes retroactive effect but yet which has not been reflected in the then current Conversion Price (where for example any adjustment to the Conversion Price for a prior event is still being determined), the Company shall (conditional upon such adjustment becoming effective) procure that there shall be issued to the converting Noteholder or in accordance with the instructions contained in the conversion notice (subject to any applicable exchange control or other laws or other regulations) such additional number of Shares as, together with the Shares issued or to be issued on conversion of the relevant Convertible Note, is equal to the number of Shares which would have been required to be issued on conversion of such Convertible Note if the relevant adjustment to the Conversion Price had in fact been made prior to such Conversion Date and become effective immediately after the relevant record date. Such additional Shares shall be allotted as at, and within one month after, the relevant Conversion Date or, if the adjustment results from the issue of Shares, the date of issue of Shares. Certificates for such Shares shall be despatched within such period of one month.
- 8.10 For the purposes of this Condition 8:

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

**“Approved Financial Advisor”** means an independent financial advisor of repute and having a place of business in Hong Kong selected by the Company;

**“Auditors”** means the auditors for the time being and from time to time of the Company;

**“Current Market Price”** while the Shares are listed on the Stock Exchange, means in respect of a Share at a particular date the average of the closing price (as shown in the daily quotation sheets or similar summaries issued by the Stock Exchange) for one Share for the five consecutive Trading Days ending on and inclusive of the Trading Day immediately preceding such date; provided that if at any time during the said five Trading Days the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:

- (i) if the Shares to be issued or purchased do not rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Share; and
- (ii) if the Shares to be issued or purchased rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by an amount equal to the amount of that dividend per Share;

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

**“Fair Market Value”** means, with respect to any assets, security, option, warrants or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by the Auditors or Approved Financial Advisor, provided that (i) the fair market value of a cash dividend paid or to be paid per Share shall be the amount of such cash dividend per Share determined as at the date of announcement of such dividend; (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by the Auditors or Approved Financial Advisor) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five trading days on the relevant market commencing on the first such trading day such options, warrants or other rights are publicly traded;

**“issue”** shall include allot;



“**record date**” shall mean the relevant date of the event or, if Shareholder entitlements to participate in such event have been determined as at an earlier record date, such earlier record date;

“**reserves**” includes unappropriated profits;

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

“**subsidiary**” has the meaning ascribed to it under section 15 of the Companies Ordinance (Cap 622 of the Laws of Hong Kong).

- 8.11 If 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 either an Approved Financial Advisor or the Auditors to consider whether any adjustment to the Conversion Price is appropriate (and if such Approved Financial Advisor or the Auditors (as the case may be) shall certify that any such adjustment is appropriate the Conversion Price shall be adjusted accordingly and the relevant provisions of this Condition 8, including Conditions 8.5 and 8.8 shall apply).
- 8.12 Notwithstanding the provisions of Condition 8.1, in any circumstances where the Directors shall consider that an adjustment to the Conversion Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Conversion Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or with a different time from that provided for under the said provisions, the Company may appoint either an Approved Financial Advisor or the Auditors to consider whether for any reason whatever the adjustment to be made (or the absence of an adjustment) would or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if such Approved Financial Advisor or the Auditors (as the case may be) shall consider this to be the case, the adjustment shall be modified or nullified, or an adjustment made instead of no adjustment, in such manner (including without limitation, making an adjustment calculated on a different basis) and/or the adjustment shall take effect from such other date and/or time as shall be certified by such Approved Financial Advisor or the Auditors (as the case may be) to be in their opinion appropriate.

## **9. Protection of the Noteholder**

- 9.1 So long as any Convertible Note is outstanding, unless with prior written approval of the Noteholder:-
- (a) the Company shall keep available for issue, free from pre-emptive rights, out of its authorised but unissued capital sufficient Shares to satisfy in full the Conversion Rights at the Conversion Price from time to time and all other rights for the time being outstanding of subscription for or conversion into Shares;
  - (b) the Company shall ensure that all Shares issued upon conversion of the Convertible Note will be duly and validly issued fully paid or credited as fully paid and rank pari passu with all other Shares then in issue;



- (c) the Company shall pay all fees, capital and stamp duties payable, if any, in respect of the issue of Shares upon conversion of all or part of the Convertible Note;
- (d) as soon as possible, and in any event not later than seven Business Days after the announcement of the full terms of any event which gives rise to adjustments pursuant to Condition 8, the Company shall give notice to the Noteholder advising it of the date on which the relevant adjustment of the Conversion Price is likely to become effective and of the effect of exercising the Conversion Rights pending such date;
- (e) the Company shall comply with and procure the compliance of any conditions imposed by the Stock Exchange or by any other competent authority (in Hong Kong or elsewhere) for approval of the issue of the Convertible Note or for the listing of and permission to deal in the Conversion Shares and Shares issued or to be issued from time to time;
- (f) the Company shall not make any reduction or redemption of share capital, share premium account or capital redemption reserve involving any repayment to its Shareholder(s) whether in cash or in specie or reduce any uncalled liability in respect thereof;
- (g) the Company shall procure that, without the consent of a Special Resolution the Company shall not in any way modify the rights attaching to the Shares or the Conversion Shares or attach any special restrictions thereto or create or issue or permit to be in issue any other class of equity share capital other than Shares provided that nothing in this paragraph shall prevent any consolidation or sub-division of the Shares;
- (h) the Company shall have Shares of such par value so as to ensure that any conversion of the Convertible Note for Shares would not constitute a subscription for the Shares at an amount less than the par value of the Shares;
- (i) the Company shall obtain and promptly renew (if appropriate) from time to time, all such authorisations, approvals, consents, licences and exemptions as may be required under any applicable law or regulation to enable it to perform its obligations under this Instrument and the Convertible Note or which are required for the validity or enforceability of this Instrument and the Convertible Note;
- (j) the Company shall procure that at no time shall there be in issue Shares of differing nominal values other than arising from any consolidation or sub-division of the Shares; and
- (k) the Company shall use its best endeavours (i) to maintain a listing for all the issued Shares on the Stock Exchange; and (ii) to obtain and maintain a listing on the Stock Exchange for all the Conversion Shares issued on the exercise of the Conversion Rights attaching to the Convertible Note;

- (l) if an offer is made to holders of Shares to acquire all or any proportion of the Shares, the Company shall forthwith give notice of such offer to the Noteholder and shall use all reasonable endeavours to procure that a similar offer is extended in respect of the Convertible Note or in respect of any Shares issued on conversion of the Convertible Note during the period of the offer;
- (m) the Company shall not enter into any deed, agreement, assignment, instrument or documents whatsoever binding on it which may result in any breach of any of the terms and conditions of the Convertible Note;
- (n) the Company will not consolidate with, merge or amalgamate into or transfer its assets substantially as an entirety to any corporation or convey or transfer its properties and assets substantially as an entirety to any person; and
- (o) the Group shall continue to carry on its business in the usual and ordinary course as it is now being carried on and the Company shall procure that no substantial change is made to the general nature of the business of the Company or the Group from that carried on at the date of this Instrument.

9.2 The Company shall ensure that all Shares issued upon conversion of the Convertible Note shall be duly and validly issued fully paid and registered.

## 10. **Events of Default**

If any of the following events ("**Events of Default**") occurs, the Noteholder may give notice to the Company that the Convertible Note has, on the giving of such notice, become immediately due and payable at its principal amount then outstanding together with interest accrued thereon pursuant to Condition 3 and applicable Redemption Premium up to the date of such notice and thereafter at the rate set out in Condition 4.4 to the date of actual payment:

- (a) a default is made in the payment of any amount due in respect of the Convertible Note within 7 Business Days from the due date of payment; or
- (b) the Company defaults in performance or observance or compliance with any other of its obligations (including, without limitation, its undertakings and covenants) contained in the Conditions, and which default is incapable of remedy or, if capable of remedy, is not in the reasonable opinion of the Noteholder remedied within fourteen (14) Business Days after notice of such default shall have been sent from the Noteholder to the Company; or
- (c) other than as a result of, or in circumstances where, an offer made to holders of Shares to acquire all or any proportion of the Shares becoming unconditional, the listing of the Shares (as a class) on the Stock Exchange:
  - (i) ceases; or
  - (ii) is suspended for a continuous period of sixty (60) Trading Days; or
- (d) any amounts of principal repayment or interest payment in relation to borrowings of the Company are not paid when due, or as the case may be, within any applicable grace period and the relevant creditor notifies the

Company that such non-payment constitutes an event of default under the terms of relevant facility; or

- (e) an encumbrancer takes possession or a receiver, manager or other similar officer is appointed of the whole or any material part of the undertaking, property, assets or revenues of the Company and is not discharged, paid out, withdrawn or remedied within thirty (30) Business Days; or
- (f) the Company becomes insolvent or is unable to pay its debts as they mature or applies for or consents to or suffers the appointment of any administrator, liquidator or receiver of the Company or the whole or any material part of the undertaking, property, assets or revenues of the Company or enters into a general arrangement or composition with or for the benefit of its creditors; or
- (g) if it shall become unlawful for the Company to perform all or any of its obligations under the Conditions or the Convertible Note, or the Conditions or the Convertible Note shall for any reason cease to be in full force or effect or shall be declared to be void or illegal or be repudiated or the legality, validity, priority, admissibility in evidence or enforceability thereof shall be contested by the Company or the Company shall deny that it has any, or any further, liability or obligation under or in respect of the same;
- (h) if any of the following events shall occur to the Company:
  - (i) the filing of a petition in any bankruptcy, reorganisation, winding-up or liquidation proceeding or other proceedings analogous in purpose or effect and any such petition is not discharged within thirty (30) days; or
  - (ii) the appointment of a receiver or trustee for the bankruptcy, reorganisation, winding-up or liquidation of any assets or properties of the Company and such appointment is not discharged within thirty (30) days; or
  - (iii) the entry of any court order or judgement confirming the bankruptcy or insolvency of the Company; or
  - (iv) any order is made or an effective resolution passed for the winding-up, liquidation, dissolution of the Company or the taking of any corporate action to authorise or give effect to any of the foregoing; or
- (i) the Company ceases or threatens to cease to carry on all or substantially all of its business or operation; or
- (j) any governmental authority or agency confiscates, condemns, seizes, compulsorily purchases or expropriates all or any material part of the assets of the Company; or
- (k) if a distress, execution or seizure before judgment is levied or enforced upon or sued against any part of the properties of the Company and is not discharged within thirty (30) Business Days thereof; or
- (l) the Company or the Group sells or transfers or otherwise disposes all or a material part of its property, assets, revenues or undertaking.

Provided that notwithstanding the foregoing, if the Company shall fail to issue the Conversion Shares in accordance with the Conditions, the Noteholder shall be entitled to bring an action against the Company for specific performance whether in lieu of or in addition to damages. The Company will forthwith on becoming aware of any such event as is mentioned in this Condition give notice in writing thereof to the Noteholder.

At any time after any interest amount or the principal amount of the Convertible Note has become payable and payment of which has not been made, the Noteholder may without further notice institute such proceedings as it may think fit to enforce payment of the monies due.

The Company shall indemnify and shall always keep indemnified the Noteholder, upon demand, against any damages, losses, costs, expenses (including legal costs and expenses) or other liabilities which the Noteholder may suffer or incur as a result of or in connection with any breach or non-performance or non-compliance by the Company of any of the agreements, undertakings and obligations herein contained or any other terms and conditions of the Convertible Note.

**11. Voting**

The Noteholder shall not be entitled to receive notices of, attend or vote at any meetings of the Company by reason only of its holding of the Convertible Note.

**12. Replacement of Certificates**

If any Certificate is lost or mutilated, the Noteholder shall notify the Company as soon as practicable and a replacement Certificate shall be issued if the Noteholder provides the Company with: (i) the mutilated Certificate; or (ii) a declaration by the Noteholder or its officer that the relevant Convertible Note had been lost or mutilated (as the case may be) or other evidence that the Convertible Note had been lost or mutilated; and (iii) an appropriate indemnity in such form and content as the Company may reasonably require. Any Certificate replaced in accordance with this Condition 12 shall forthwith be cancelled.

**13. Undertakings and covenants**

- 13.1 The undertakings in this Condition 13 shall remain in full force from and after the date of this Instrument and so long as any sum remains payable under any Convertible Note(s).
- 13.2 The Company shall obtain and promptly renew (if appropriate) from time to time, and shall promptly furnish certified copies to the Noteholder of, all such authorisations, approvals, consents, licences and exemptions as may be required under any applicable law or regulation to enable it to perform its obligations under the Convertible Note or required for the validity or enforceability of the Convertible Note.
- 13.3 For so long as any part of the principal amount of any Convertible Note remains outstanding, the Company shall comply in full with the terms and conditions of the Convertible Note and shall not take any action which shall or might cause a breach or default thereof.

**14. Notices**

Any notice required or permitted to be given to the Company shall be addressed to Company Secretary at the principal place of business of the Company for the time being in Hong Kong and such notice shall be deemed to be delivered: (a) if given or made by letter and delivered by hand or courier when actually delivered to the relevant address; or (b) if given or sent by registered mail, on the date which is two (2) Business Days (in the case of mail sent to a local address) or five (5) Business Days (in the case of mail sent to an overseas address) after the posting thereof.

**15. Amendment**

15.1 Any modification to this Instrument may be effected only by deed poll, executed by the Company and expressed to be supplemental hereto, and (save for minor amendments by the Company certified either by the Auditors or an Approved Financial Advisor to be amendments which shall not adversely affect the rights of the Noteholders under the Instrument) only if it shall first have been sanctioned by Special Resolution of the Noteholders.

15.2 A memorandum of every such supplemental deed shall be endorsed on this Instrument.

15.3 Notice of every modification to this Instrument shall be given in writing to the Noteholders as soon as reasonably practicable.

**16. Meetings of Noteholders**

16.1 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 Noteholder.

16.2 Each Noteholder shall be entitled severally to enforce the said covenants, obligations and conditions against the Company insofar as each such Noteholder's Convertible Notes are concerned, without the need to join the allottee of any such Convertible Note or any intervening or other Noteholders in the proceedings for such enforcement.

16.3 The Noteholders 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 Noteholders.

**17. Governing Laws and Jurisdiction**

This Instrument, the Convertible Note, the Conditions and the Certificate are governed by and shall be construed in accordance with Hong Kong law and the Company and the Noteholder agree to submit to the non-exclusive jurisdiction of the courts of Hong Kong in connection herewith.

**Registrar and its Specified Office:**

[\*] Limited

*[Address of the Specified Office]*

**Head office of the Registrar in Hong Kong:**

[\*]



**EXECUTION**

**THE COMMON SEAL of  
PROSPERITY INVESTMENT  
HOLDINGS LIMITED**

is affixed in accordance with  
its bye-laws in the presence of:

)  
)  
)  
)  
)

.....  
Signature of authorised person

)  
) .....  
) Signature of authorised person

DIRECTOR

.....  
Office held

) SECRETARY / DIRECTOR  
) .....  
) Office held

[\*]

.....  
Name of authorised person (block letters)

) [\*]  
) .....  
) Name of authorised person (block letters)

## Schedule 1

### Certificate

Certificate no. [\*]

#### **PROSPERITY INVESTMENT HOLDINGS LIMITED**

嘉進投資國際有限公司 \*

(Incorporated in Bermuda with limited liability)

HK\$[\*] 8 per cent coupon CONVERTIBLE NOTE due 2026

Prosperity Investment Holdings Limited (the “**Company**”) hereby certifies that [\*] whose registered office is situate at [\*] is, at the date hereof, entered into the register of noteholders as the holder of the above convertible note (the “**Note**”). The Note is constituted by the instrument of the Company (the “**Instrument**”) dated [\*] (a copy of which is attached hereto which shall form an integral part of this Certificate) and is subject to and has the benefit of the terms and conditions (the “**Conditions**”) set out in the Instrument. The Noteholder is entitled to require to Company to convert the whole or any part of the principal amount outstanding under the Note into shares of the Company in accordance with the Conditions.

Subject to the foregoing, the Company for value received promises to redeem the Note and pay to the Noteholder the outstanding principal amount of the Note together with such amount or amounts as shall become due in accordance with the Conditions and otherwise to comply with the Conditions.

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

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

Issued on 2024.

GIVEN under the Seal of the Company  
in the presence of:-

---

Director

---

Secretary/Director

\* *For identification purpose only*

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

<u>Date</u>	<u>Amount transferred</u>	<u>Amount Converted</u>	<u>Amount Outstanding</u>
-------------	---------------------------	-------------------------	---------------------------

**Registrar and its Specified Office:**

[\*] Limited

[\*]

**Head office of the Registrar in Hong Kong:**

[\*]

## **Schedule 2**

### **Provisions for meetings of Noteholders**

1. The Company at any time may, and upon a request in writing of Noteholder(s) holding not less than one-tenth in principal amount of the Convertible Notes for the time being outstanding shall convene a meeting of Noteholders. 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 and the resolution(s) to be proposed shall be given to the Noteholders. The accidental omission to give any notice to any of the Noteholders shall not invalidate the proceedings at any meeting.
3. A person (who may, but need not, be a Noteholder) 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 Noteholders 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 Convertible Notes or being proxies or representatives and holding or representing in the aggregate not less than one-tenth in principal amount of the Convertible Notes 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 Noteholders, be dissolved. In any other case it shall stand adjourned for such period, not being less than 8 days nor more than 28 days, and to such time and place, as may be decided by the chairman. At such adjourned meeting two or more persons present in person holding Convertible Notes or being proxies or representatives (whatever the principal amount of the Convertible Notes so held or represented) shall form a quorum and may pass any resolution and decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had a quorum been present at such meeting.
6. The chairman may with the consent of (and shall if directed by) any meeting adjourn such meeting from time to time from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
7. At least 7 days' notice of any meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and such notice shall state the

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

8. Every question submitted to a meeting shall be decided by way of poll. The chairman shall not have any casting vote in addition to the vote or votes (if any) which he may have as a Noteholder or as a proxy or representative.
9. Any poll at any meeting on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.
10. The Company (through its representatives) and financial and legal advisers may attend and speak at any meeting of Noteholders. No one else may attend at any meeting of Noteholders or join with others in requesting the convening of such a meeting unless he is the holder of a Convertible Note or is a proxy or a representative.
11. At any meeting every Noteholder who is present in person or by proxy or representative shall have one vote in respect of each HK\$20,000 in principal amount of the Convertible Notes it held (whether under one or more Certificates) or in respect of which he is a proxy or a representative. Any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.
12. A Noteholder is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a Noteholder.
13. A meeting of Noteholders shall, subject to the Conditions, in addition to the powers given above, but without prejudice to any powers conferred on other persons by this Instrument, have power exercisable by Special Resolution (excluding those matters specifically provided in Condition 14 hereinafter or any matter having the effect of amending or varying any of such matters):
  - (a) to sanction any proposal by the Company for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders 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 Convertible Notes for, or the cancellation of the Convertible Notes 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 Convertible Notes which shall be proposed by the Company;

- (d) to authorise anyone to concur in and do all such things as may be necessary to carry out and give effect to any Special Resolution;
  - (e) to give any authority, discretion or sanction which under this Instrument or the Convertible Notes is required to be given by Special Resolution;
  - (f) to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders and to confer upon such committee or committees any powers or discretions which the Noteholders could themselves exercise by Special Resolution;
  - (g) to make any modification to the provisions contained in this Instrument or the Convertible Notes which would have the effect of:
    - (i) to sanction any compromise or arrangement proposed to be made between the Company and the Noteholders or any of them; or
    - (ii) to discharge or exonerate any person from any liability in respect of any act or omission for which such person may have become responsible under this Instrument or the Conditions.
14. The following terms of this Instrument, the Conditions and the Convertible Notes are incapable of being amended or varied in any way by a meeting of the Noteholders regardless whether a Special Resolution has been passed or not:
- (i) the interest rate as provided in Condition 3;
  - (ii) the Maturity Date;
  - (iii) the obligation of the Company to repay all outstanding amount payable on the Maturity Date as provided under Condition 1;
  - (iv) the undertaking of the Company under Condition 9.1(o);
  - (v) the status of the Convertible Notes under Condition 2.1;
  - (vi) the currency of payment of the Convertible Notes or any amount due under the Conditions;
  - (vii) the Company as the entity liable under this Instrument or the Convertible Notes; and
  - (viii) Condition 16.3, the provisions contained in this Schedule concerning the quorum required at any meeting of Noteholders or the majority required to pass a Special Resolution.
15. A Special Resolution passed at a meeting of Noteholders duly convened and held in accordance with this Instrument shall be binding upon all the Noteholders, whether or



not present at such meeting and whether or not they vote in favour, and each of the Noteholders shall be bound to give effect to it accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances of such resolution justify the passing of it.

16. The expression “**Special Resolution**” means a resolution passed at a meeting of Noteholders duly convened and held in accordance with these provisions by the Noteholders holding in aggregate not less than 90% of the aggregate principal amount of the Convertible Notes then outstanding. A written resolution signed by or on behalf of a holder or the holders of not less than 90 per cent. of the aggregate principal amount of Convertible Notes outstanding shall be as valid and effective as a duly passed Special Resolution.
17. The expression “**Ordinary Resolution**” means a resolution passed at a meeting of Noteholders 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 per cent. of the aggregate principal amount of Convertible Notes 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 Noteholders, shall be conclusive evidence of the matters contained in them and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

## Annexure I

### FORM OF TRANSFER

To: **PROSPERITY INVESTMENT HOLDINGS LIMITED**  
嘉進投資國際有限公司 (the "Company")

I/We am/are the holder of the convertible note (the "Note") in the principal sum of HK\$[\*] issued by the Company on [\*].

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

1. I/We hereby transfer all/part (only in an integral multiple of the amount specified in Condition 2.5) of the Note in respect of which the attached certificate is issued, to:

\_\_\_\_\_

of/whose registered office address is at \*

\_\_\_\_\_

(the "Transferee").

2. Each of the Transferor and Transferee hereby confirms that the Transferee is not a connected person (as defined under the Listing Rules) of the Company.
3. Total face value and certificate number of the transferred Note:  
  
Total face value to be transferred:  
  
Certificate number of certificate for Note being transferred:
4. Total face value of Note to be retained:
5. I/We hereby request that a Certificate in respect of the face value of the Note transferred (as referred to in paragraph 3 above) be issued to the person(s) whose name(s) and address(es) are set out in paragraph 1 above and that such certificate:

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

Name :

Address :

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

6. The Certificate in respect of the transferred Note (as referred to in paragraph 3 above) is enclosed with this Transfer Form.
7. We hereby request that a certificate in respect of the face value of the Note to be retained by me/us as set out in paragraph 4 above be issued to me/us

and that such certificate:

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

Address :

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

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

Name of Account :

Account No :

Sort Code :

Name of Bank :

Address of Bank :

\* *delete as appropriate  
complete if only transferring part of the Note of which the transferring Noteholder is the holder, otherwise delete.*

Name of Transferor :

Signature of Transferor :

Date :

Name of Transferee :

Signature of Transferee :

Date :

**Annexure II**

**CONVERSION NOTICE**

To: **PROSPERITY INVESTMENT HOLDINGS LIMITED**  
嘉進投資國際有限公司 (the "**Company**")

I/We am/are the holder of the convertible note (the "**Note**") in the principal sum of HK\$[\*] issued by the Company on [\*].

References in this conversion notice to "**Conditions**" are to the terms and conditions on which the Note was issued, as the same may have been amended from time to time pursuant to the terms thereof. Terms defined in the Conditions will have the same meaning herein, save where the context otherwise requires.

The undersigned hereby irrevocably elects to convert the principal amount of the Note specified below into shares of HK\$[\*] each of the Company in accordance with the Conditions and the terms below.

Certificate No.: \_\_\_\_\_

Amount to be converted: \_\_\_\_\_

Date of the conversion notice: \_\_\_\_\_  
(date of giving notice unless otherwise agreed)

Principal Amount of  
the Note to be Converted: \_\_\_\_\_

Applicable Conversion Price: \_\_\_\_\_

Name in which Conversion Shares are to be issued: \_\_\_\_\_

Address of shareholder: \_\_\_\_\_

Signature of Noteholder: \_\_\_\_\_

Name of Noteholder: \_\_\_\_\_

\*I/We hereby request that the share certificate(s) in respect of the Conversion Shares (as referred to above) be issued to the person(s) whose name(s) and address(es) are set out above and that such share certificate(s):

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

Name :

Address :

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

\*I/We hereby request that the Conversion Shares (as referred to above) be credited to the following CCASS participant's stock account:

*to insert details of account*

\* *delete as appropriate*

End of Form of conversion notice