

EXECUTION VERSION

DATE: 20 January 2023

HAO BAI INTERNATIONAL (CAYMAN) LIMITED
(as Company)

and

CHEONG LEE SECURITIES LIMITED
(as Placing Agent)

relating to
an aggregate principal amount of up to
HK\$50,000,000 of 12.0% coupon
unlisted bonds with 18-month
tenor to be issued by
HAO BAI INTERNATIONAL (CAYMAN) LIMITED

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Execution

Schedule

- Schedule 1 The Instrument
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THIS AGREEMENT is made on the 20th day of January 2023

BETWEEN:

- (1) **HAO BAI INTERNATIONAL (CAYMAN) LIMITED**, a company incorporated in the Cayman Islands with limited liability whose registered office is situated at P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its head office and principal place of business in Hong Kong at Unit 1B, 10/F, Elite Industrial Centre, No. 883 Cheung Sha Wan Road, Kowloon, Hong Kong (the “**Issuer**”); and
- (2) **CHEONG LEE SECURITIES LIMITED**, a company incorporated under the laws of Hong Kong and a licensed corporation with the SFC (as defined hereinafter) to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 5 (advising on futures contracts) regulated activities under the SFO (as defined hereinafter) in Hong Kong (CE No. AMI414) with the registered office of which is at Room 16B, 16/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong (the “**Placing Agent**”).

WHEREAS:

- (A) The Company is a company incorporated in the Cayman Islands with limited liability, and the issued shares of which are listed on the GEM of the Stock Exchange (as defined hereinafter) (stock code: 8431).
- (B) The Company is desirous of issuing the Bonds (as defined hereinafter), being an 18-month 12.0% coupon unlisted bonds, in an aggregate principal amount outstanding of up to HK\$50,000,000. The Bonds shall constitute direct, general, unsubordinated, unconditional and unsecured obligations of the Company which (i) at all times rank *pari passu* and without preference among themselves; and (ii) will at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Company, save for such obligations as may be provided by mandatory provisions of applicable law. No application shall be made for the listing of, and permission to deal in the Bonds.
- (C) The Company has agreed to appoint the Placing Agent and the Placing Agent has agreed to act as the placing agent, on best effort basis, and for the Placing Period (as defined hereinafter), for the purpose of procuring subscribers for the issue of the Bonds on the terms and subject to the conditions of this Agreement.
- (D) In consideration of the Placing Agent agreeing to enter into this Agreement on terms set out herein, the Company has agreed to, among other matters, give certain representations, warranties and undertakings for the benefit of the Placing Agent.

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

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

“acting in concert”	has the meaning as ascribed thereto under The Codes on Takeovers and Mergers and Share Buy-backs;
“Associates”	has the meaning ascribed thereto in the GEM Listing Rules;
“Bondholder”	a person in whose name a Bond is registered in the register of Bondholders, and “holder” in relation to a Bond has a corresponding meaning;
“Bonds”	an 18-month 12.0% coupon unlisted bonds to be issued by the Company in the aggregate principal amount of up to HK\$50,000,000 to be placed pursuant to this Agreement and to be created by the Instrument or, as the context may require, any part of the principal amount, which may be transferred or assigned to any third party;
“Business Day”	any day (excluding a Saturday, Sunday and public holiday) on which banks in Hong Kong are generally open for business throughout their normal business hours;
“Certificate”	a certificate in or substantially in the form set out in Schedule 1 of the Instrument, issued in the name of the Bondholder(s);
“Completion”	in respect of each Completion Notice given, the completion of the subscription of a tranche of the Bonds pursuant to Clause 5.1 and the Schedule 3; and “Completion Date(s)” means the date of such completion;
“Completion Notice”	a notice given by the Placing Agent in writing for the purpose of each Completion;
“connected persons”	has the meaning ascribed thereto in the GEM Listing Rules;
“GEM”	GEM of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange;
“Group”	the Company and its subsidiaries and “member of the Group” and cognate expressions shall be construed accordingly;

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Instrument”	the instrument to be executed by the Company by way of a deed poll constituting the Bonds substantially in the form set out in Schedule 1 to this Agreement (subject to such amendments as the Company and the Placing Agent may agree), together with the schedules (as from time to time altered in accordance with the instrument) and any other document executed in accordance with the instrument (as from time to time so altered) and expressed to be supplemental to the instrument;
“Issue Price”	the issue price of the Bonds, which shall be 100% of the principal amount of the Bonds;
“Placee”	any person or entity to whom the Placing Agent or its agents shall procure or, as the case may be, shall have procured to subscribe for the Bonds, and who shall be independent individuals, corporate, institutional investors or other investors and are third parties independent of the Company and are not connected persons of the Company;
“Placing”	the offer by way of a private placing of the Bonds in registered form to (save as provided in Clause 3.4) selected independent individuals, corporate, institutional investors or other investors on the terms of this Agreement;
“Placing Letter”	the letter of confirmation of the terms of placing of Bonds to a Placee by the Placing Agent;
“Placing Period”	the period commencing from the date of this Agreement and ending on the date falling three (3) weeks after fulfilment of the conditions precedent in Clause 2, or such other period as may be agreed between the Company and the Placing Agent in writing;
“SFC”	the Securities and Futures Commission of Hong Kong;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Warranties”	the representations, warranties and undertakings under Clauses 6 and 7 and Schedule 2 to this Agreement;
“this Agreement”	this placing agreement, as amended from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and

“%” per cent..

1.2 In this Agreement:

- (a) references to costs, charges, remuneration or expenses shall include any value added tax, turnover tax or similar tax charged in respect thereof;
- (b) references to any action, remedy or method of judicial proceedings for the enforcement of rights of creditors shall include, in respect of any jurisdiction other than Hong Kong, references to such action, remedy or method of judicial proceedings for the enforcement of rights or creditors available or appropriate in such jurisdiction as shall most nearly approximate thereto;
- (c) words denoting the singular number only shall include the plural number also and vice versa;
- (d) words denoting one gender only shall include the other genders and the neuter and vice versa;
- (e) words denoting persons only shall include firms and corporations and vice versa;
- (f) references to any provision of any statute (including the GEM Listing Rules) shall be deemed also to refer to any modification or re-enactment thereof or any instrument, order or regulation made thereunder or under such modification or re-enactment; and
- (g) references to any document in the agreed form is to such document which has been initialed by the parties for identification.

1.3 Headings shall be ignored in construing this Agreement.

1.4 References herein to Clauses and the Schedules are to clauses in and the schedules to, this Agreement unless the context requires otherwise and the Schedules are part of this Agreement and shall have effect accordingly.

2. CONDITIONS PRECEDENT

2.1 The obligations of the Placing Agent under this Agreement in respect of the issue of the Bonds are conditional upon the following conditions being fulfilled within five (5) Business Days from the date of this Agreement (or such later time and date as the Placing Agent and the Company shall agree in writing):

- (a) all necessary consents and approvals as may be obtained by the Company and the Placing Agent having been obtained for the Placing; and
- (b) there being no Event of Default (as defined in the Instrument) having occurred or occurring.

- 2.2 If any of the conditions referred to in Clause 2.1 are not fulfilled within five (5) Business Days from the date of this Agreement or such later time or date as may be agreed between the Placing Agent and the Company in writing, each of the Company and the Placing Agent may, at any time thereafter, terminate its obligations under this Agreement by notice in writing to the other party, whereupon the obligations of each of the Company and the Placing Agent under this Agreement shall forthwith cease and terminate and neither the Company nor the Placing Agent shall have any claim against any of the others, save for any antecedent breach hereof.

3. PLACING OF THE BONDS

- 3.1 Subject to the conditions in Clause 2.1 being fulfilled, the Company shall on Completion create and issue the Bonds and execute the Instrument and the Placing Agent shall procure subscribers for the Bonds in accordance with the provisions set out in Clause 3.2.
- 3.2 Subject to the provisions of this Agreement, the Company hereby appoints the Placing Agent as the placing agent and the Placing Agent relying on the representations, warranties and undertakings herein contained and subject as hereinafter mentioned, agrees to act as an agent for the Company during the Placing Period to procure Places to subscribe for the Bonds, on a best effort basis, at the Issue Price.
- 3.3 The Bonds shall be offered to the Places in aggregate principal amount of up to a maximum of HK\$50,000,000 and in whole multiples of HK\$500,000. The choice of Places for the Bonds and the amount of the Bonds to be allocated to any particular Placee of up to the maximum principal amount of the Bonds agreed to be placed by the Placing Agent under Clause 3.2 shall be determined by the Placing Agent at its discretion subject to the requirement that, subject to Clause 3.4(a), such Placee shall be an independent professional, institutional or private investor not connected with the directors, chief executive or substantial shareholder of the Company or any of their subsidiaries or any of their respective Associates and subject to the requirements of the GEM Listing Rules.
- 3.4 The Placing Agent shall use its reasonable endeavours to ensure that:
- (a) it will not offer or place any of the Bonds to or with any person, firm or company which is a connected person of the Company (other than in situation where the consent from the Stock Exchange has been obtained and in compliance with the GEM Listing Rules); and
 - (b) the terms of the Placing Letter will not be in breach of the terms of this Agreement.

4. AUTHORITY OF PLACING AGENT

- 4.1 The Company hereby confirms that the appointment of the Placing Agent pursuant to Clause 3.2 confers on the Placing Agent all powers, authorities and discretions on behalf of the Company which are reasonably necessary for or reasonably incidental to, the making of the Placing.

- 4.2 The Placing Agent shall have no liability in respect of any omission of information (save and except where such omission arises from the act or omission on part of the Placing Agent) from any announcement or circular to shareholders of the Company about the transactions or any information or statement of fact or opinion contained in any of these documents being untrue, incorrect or misleading, for the Company and the directors of the Company are solely responsible.
- 4.3 The Company hereby acknowledges that in performing its functions under this Agreement, the Placing Agent is authorised to appoint one or more sub-placing agent and selling agents and that such sub-agents and agents shall be agents of the Company in dispatching documents and offering the Bonds to the Placees and, subject to due compliance with all the terms of this Agreement, the Company hereby agrees and confirms that it shall on demand ratify and approve all actions lawfully taken or to be taken by such agents and sub-agents or in connection with the Placing in accordance with this Agreement. All fees of such sub-agents and agents shall be paid and borne absolutely by the Placing Agent or be paid out of the commissions, costs, charges and expenses payable by the Company under Clause 8. The Placing Agent may enter into any agreements with any of the sub-agents and agents (as the case may be) for such purpose.
- 4.4 Any transaction properly carried out by the Placing Agent (and any agent and sub-agent referred to in Clause 4.3) 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 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 save and except for any loss or damage arising out of any wilful default, fraud or gross negligence of the Placing Agent.
- 4.5 Neither of the Placing Agent nor any of the selling agents or sub-placing agent appointed by it pursuant to Clause 4.3 shall have any authority to make any representation or warranty on behalf of the Company in connection with the Placing other than to inform the Placees of the Warranties in Clause 6 and information, statements and forecasts (if any) in any announcement of the Company.
- 4.6 The Placing Agent hereby represents, warrants and undertakes to the Company that:
- (a) it was duly incorporated in Hong Kong and a licensed corporation to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 5 (advising on futures contracts) regulated activities under the SFO;
 - (b) it has full power, authority and possess all necessary licenses as may be required under the applicable laws and regulations to enter into and perform its obligations under this Agreement and this Agreement will, when executed, constitute binding obligations on the Placing Agent in accordance with its terms;
 - (c) it has not offered or sold and will not offer or sell any of the Bonds in breach of any applicable legislation or regulations including but not limited to the GEM Listing Rules, and it has not distributed and shall not distribute any document

relating to the offering of the Bonds which would constitute a prospectus of the Company under applicable legislation;

- (d) subject to Clause 3.4(a), it will use its best endeavours to procure each Placee to confirm in writing that it/he/she, and (if applicable) its beneficial owners, is/are not a connected person of the Company and is/are independent of and not connected with any of the directors, chief executive or substantial shareholders of the Company or any of their subsidiaries or any of their respective Associates;
- (e) the Placing Agent confirms and undertakes to the Company not to, directly or indirectly:-
 - (i) engage in any price stabilisation in relation to the Placing;
 - (ii) distribute or publish any document (including, without limitation, any prospectus, form of application, offering circular, advertisement or other offering material or any report or other document calculated to invite or lead to offers or agreements being made to purchase the Bonds); and
 - (iii) make any representation or statement in relation to the Placing in any country or jurisdiction except where such offer, sale or delivery is made under circumstances that shall not result in or constitute a breach of any applicable law 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 such country or jurisdiction and all offers, sales and deliveries of the Bonds shall be made on such terms;
- (f) it will make available and promptly supply, or procure the relevant Placee(s) to make available and promptly supply, to the Stock Exchange, the SFC and/or any other regulatory authority all information in relation to itself and the Placee(s) which may be required by the Stock Exchange, the SFC and/or any such other regulatory authority, including such information to enable the Company to publish any announcement required under the GEM Listing Rules, including the details required thereunder, and other applicable provisions of the GEM Listing Rules as are or should be within the knowledge of the Placing Agent;
- (g) it will ensure the fulfillment and compliance of all applicable rules and regulations of the Stock Exchange in relation to the Placing, and, if required, will issue appropriate written confirmation of such fulfillment and compliance;
- (h) it, and each of its beneficial owners, is not a party acting in concert with, or a connected person of the Company and is independent of and not connected with and not acting in concert with any of the directors, chief executive, or substantial shareholders of the Company or any of its subsidiaries or any of their respective Associates, and

- (i) it shall use its best endeavours to procure and ensure due compliance of each of the selling agent, sub-placing agent appointed by it pursuant to Clause 4.3 in respect of each of Clause 4.6(a) to (h) above.

(for the purposes of this Clause 4.6, “**chief executive**” and “**substantial shareholder**” shall have the same meaning ascribed thereto respectively under the GEM Listing Rules).

5. COMPLETION

- 5.1 Subject to Clause 10 and the Placing Agent having served a Completion Notice on any Business Day during the Placing Period, Completion shall take place, in respect of such tranche of the Bonds which are set out in the Completion Notice, at the head office and principal place of business of the Company in Hong Kong at 4:00 p.m. (Hong Kong time) within five (5) Business Days after the date of the said Completion Notice (or such later time and date as the Placing Agent and the Company may agree in writing).
- 5.2 In order to be valid, a Completion Notice shall:
 - (a) be irrevocable;
 - (b) state the principal amount of the Bonds to be issued upon Completion;
 - (c) state the names, addresses and occupation of the registered holder(s) of the relevant Bonds; and
 - (d) state the Placees (or their ultimate beneficial owners) are independent third parties and are not connected persons of the Company.
- 5.3 For the avoidance of doubt, Completion of the Placing may take place in tranches. At each Completion, each party shall perform its respective obligations set out in Schedule 3.

6. REPRESENTATIONS AND WARRANTIES

- 6.1 The Company represents, warrants and undertakes with the Placing Agent in the terms set out in this Clause 6, Clause 7 and Schedule 2.
- 6.2 The Company agrees and acknowledges that the Placing Agent is entering into this Agreement in reasonable reliance on the Warranties.
- 6.3 All Warranties are deemed to be made on the date of this Agreement and are repeated every day until Completion. The Company undertakes to notify the Placing Agent upon it becoming aware prior to Completion of any event which could reasonably be expected as indicating that any of the Warranties may be or may have been incorrect, misleading or breached in any material respect.
- 6.4 If any party fails to perform any of its obligations in any material respect (including its obligation at the Completion) under this Agreement or breaches any of the terms or Warranties set out in this Agreement in any material respect prior to the Completion,

then without prejudice to all and any other rights and remedies available at any time to a non-defaulting party (including but not limited to the right to damages for any loss suffered by that party), if the defaulting party shall fail to remedy such breach (if capable of being remedied) within 30 days after the date of breach, the non-defaulting party may, by notice either require the defaulting party to perform such obligations or, insofar as the same is practicable, remedy such breach, or to the extent it relates to the failure of the defaulting party to perform any of its obligations at or prior to Completion in any material respect, treat the defaulting party as having repudiated this Agreement and rescind the same. Where the relevant breach is capable of remedy within 30 days after its occurrence and the defaulting party is proceeding diligently to remedy such breach, the date for Completion shall be deferred to the first Business Day after the expiry of such 30 days period, provided that the date for Completion shall not be so deferred more than once. The rights conferred upon the respective parties by the provisions of this Clause 6.4 are additional to and do not prejudice any other rights the respective parties may have. No failure to exercise any of the rights conferred in this Clause shall constitute a waiver of any such rights.

7. UNDERTAKINGS

- 7.1 The Company hereby undertakes with the Placing Agent that the Company shall comply in all material respects with the terms and conditions of the Placing as set out in the Instrument and, in particular, the Company shall duly create, allot and issue the Bonds and shall issue Certificates in respect of the Bonds in accordance with the provisions of this Agreement and the Instrument.
- 7.2 Each of the parties undertakes to the other to comply with the laws of Hong Kong and all requirements of the Stock Exchange and, if necessary, the SFC.
- 7.3 The Company hereby undertakes with the Placing Agent to comply with the obligations imposed upon it by its constitutional documents, the GEM Listing Rules and all applicable laws and regulations in respect of or by reason of the matters contemplated by this Agreement.

8. PAYMENT OF FEES, COMMISSIONS AND EXPENSES

- 8.1 In consideration of the services of the Placing Agent in relation to the Placing, the Company shall pay to the Placing Agent:
- (a) a placing commission equal to 1.5% of the aggregate principal amount of the Bonds actually placed by the Placing Agent pursuant to Clause 3.2 within fifteen (15) business days following receipt of the fee notes from the Placing Agent, out of which the Placing Agent will meet its selling concession and sub-placing commission obligations (if any); and
 - (b) other disbursements, out-of-pocket charges and expenses properly and reasonably incurred by the Placing Agent for the Company in relation to the Placing for which the Placing Agent will bill the Company from time to time.
- 8.2 Without limiting the generality of the provisions of Clause 8.1, the Company shall:

- (a) pay in relation to the Placing any capital duty, premium duty and any other fees, charges and expenses payable on the creation and issue of the Bonds; and
- (b) reimburse the Placing Agent for any such fees, charges and expenses as are referred to in Clause 8.2(a) above which it has paid or incurred on behalf of the Company.

9. INDEMNIFICATION AND NO CLAIM

- 9.1 The Company undertakes to indemnify the Placing Agent and any person appointed as selling agent or sub-placing agent pursuant to Clause 4.3 and each of their respective Associates, directors and employees who shall have been involved in the Placing (the “**Indemnified Parties**”) against all or any claims, actions, liabilities, demands, proceedings or judgments (the “**Proceedings**”) brought or established against any of the Indemnified Parties by any subscriber or purchaser of any of the Bonds or by the Stock Exchange, any governmental agency, regulatory body or other person, directly or indirectly arising out of or in connection with the Placing or the performance or purported performance of any of the provisions of this Agreement and against all losses and all reasonable costs, charges and expenses (including legal fees as they are incurred) which any of the Indemnified Parties may suffer or incur (except for any loss, costs, charge or expense suffered or incurred directly or indirectly as a result of or in connection with any fault, fraud, willful default or gross negligence on the part of the Indemnified Parties), including, but not limited to, all such reasonable losses, costs charge or expenses suffered or incurred in disputing or defending any proceedings and/or in establishing its right to be indemnified pursuant to this Clause and/or in seeking advice in relation to any Proceedings.
- 9.2 No claim shall be made against the Placing Agent or any other Indemnified Parties to recover any damage, cost, charge or expense which the Company may suffer or incur by reason of or arising from the carrying out by any of the Indemnified Parties of any act or omission in connection with the Placing except (a) for any loss or damage arising out of any fraud, breach, wilful default or gross negligence on the part of the Placing Agent or any selling agent, sub-placing agent appointed by them pursuant to Clause 4.3 and/or (b) as a result, directly or indirectly, or any non-compliance by any of the Placing Agent with its obligations under this Agreement.
- 9.3 Without prejudice to Clause 9.1, the Company and the Placing Agent shall indemnify and keep effectively indemnified each other from and against all losses and damages which it may suffer, sustain or incur in connection with any of the Warranties not being correct, complied with, fulfilled or performed in accordance with their terms.

10. TERMINATION

- 10.1 The Placing Agent may, by notice to the Company given at any time prior to the expiry of the Placing Period, terminate this Agreement in the absolute opinion of the Placing Agent, the success of the Placing contemplated hereunder would be materially and adversely affected by:
- (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature

whatsoever which may materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Placing; or

- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and makes it inexpedient or inadvisable to proceed with the Placing; or
 - (iii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which may materially or adversely affect the success of the Placing or otherwise makes it inexpedient or inadvisable to proceed with the Placing; or
 - (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
 - (v) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than fifteen (15) consecutive Business Day; or
 - (vi) any material breach of any of the Warranties comes to the knowledge of the Placing Agent.
- 10.2 If at any time prior to the expiry of the Placing Period, any such notice as is referred to above is given by the Placing Agent, the obligations of all parties under this Agreement shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.
- 10.3 The Company may, by giving three (3)-day notice in advance to the Placing Agent prior to the expiry of the Placing Period, terminate this Agreement in the absolute opinion of the Company.
- 10.4 Termination of this Agreement under this Clause 10 shall be without prejudice to any rights of any party in respect of any breach by the other prior to such termination.

11. FURTHER ASSURANCE

The Company undertakes to the Placing Agent to execute or procure to be executed all such documents and to do or procure to be done all such other acts and things as may be reasonable and necessary to give all parties the full benefit of this Agreement.

12. RESTRICTIONS ON ANNOUNCEMENTS

- 12.1 Each of the parties hereto undertakes that it will not at any time (save as required by law or any rule of any relevant stock exchange or regulatory body) make any announcement in connection with this Agreement unless the other parties hereto shall have given their respective consents to such announcement (which consents may not be unreasonably withheld or delayed and may be given either generally or in a specific case or cases and may be subject to conditions).
- 12.2 No public announcement or communication of any kind shall be made in respect of the subject matter of this Agreement unless specifically agreed between the parties or unless an announcement is required pursuant to the requirements of the Immigration Department, GEM Listing Rules, the applicable law and regulations or the requirements of the Stock Exchange, the SFC or any other regulatory body or authority.

13. PARTIAL INVALIDITY

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

14. ASSIGNMENT

This Agreement shall be binding on and ensure for the benefit of the successors of each of the parties and should not be assignable by any party hereto without the prior written consent of the other party hereto.

15. CONTINUING EFFECT OF AGREEMENT

Any provision of this Agreement which is capable of being performed after Completion but which has not been performed at or before Completion and all Warranties and other representations and warranties and other undertakings contained in or entered into pursuant to this Agreement shall remain in full force and effect.

16. GENERAL

- 16.1 This Agreement supersedes all and any previous agreements, arrangements or understanding between the parties relating to the matters referred to in this Agreement and all such previous agreements, understanding or arrangements (if any) shall cease and determine with effect from the date hereof and neither party shall have any claim in connection therewith.
- 16.2 This Agreement constitutes the entire agreement between the parties with respect to its subject matter (no party having relied on any representation or warranty made by any other party which is not contained in this Agreement) and no variation of this Agreement shall be effective unless made in writing and signed by all of the parties.
- 16.3 Time shall be of the essence of this Agreement but no failure by any party to exercise, and no delay on its part in exercising any right hereunder will operate as a waiver

thereof, nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise of it or the exercise of any right or prejudice or affect any right against the other. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

- 16.4 The exercise by the Placing Agent or any Bondholder of any right or remedy against, and the waiver of any right or remedy in favour of, any person shall not release or be deemed to be a waiver of the obligations of any other person, whether such other person is under a joint, joint and several or several obligation towards the Placing Agent and/or the Bondholder.

17. NOTICES

- 17.1 Any notice claim, demand, court process, document or other communication to be given under this Agreement (collectively “**communication**” in this Clause) shall be in writing in the English language and may be served or given personally or sent to the facsimile numbers or email addresses (if any) of the relevant party and marked for the attention and/or copied to such other person as specified in Clause 17.4.
- 17.2 A change of address, facsimile number or email address of the person to whom a communication is to be addressed or copied pursuant to this Agreement shall not be effective until five days after a written notice of change has been served in accordance with the provisions of this Clause 17 on all other parties to this Agreement with specific reference in such notice that such change is for the purposes of this Agreement.
- 17.3 All communications shall be served by the following means and the addressee of a communication shall be deemed to have received the same within the time stated adjacent to the relevant means of despatch:

<u>Means of despatch</u>	<u>Time of deemed receipt</u>
Local mail or courier	24 hours
Facsimile / email	on despatch
Air courier/Speedpost	3 days
Airmail	5 days

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

If to the Company:

Address:	Unit 1B, 10/F, Elite Industrial Centre, No. 883 Cheung Sha Wan Road, Kowloon, Hong Kong
Facsimile no.:	(852) 2388 8396
Email address:	canninglee@harmonyasia.com
Attention:	The Board of Directors

If to the Placing Agent:

Address: Room 16B, 16/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong

Facsimile no.: (852) 3426 2674

Email address: antonykwok@cheonglesec.com.hk

Attention: Mr. Antony Kwok

- 17.5 A communication served in accordance with this Clause 17 shall be deemed sufficiently served and in proving service and/or receipt of a communication it shall be sufficient to prove that such communication was left at the addressee's address or that the envelope containing such communication was properly addressed and posted or despatched to the addressee's address or that the communication was properly transmitted by facsimile or email to the addressee. In the case of facsimile transmission, such transmission shall be deemed properly transmitted on receipt of a report of satisfactory transmission printed out by the sending machine.
- 17.6 Nothing in this Clause shall preclude the service of communication or the proof of such service by any mode permitted by law.

18. THIRD PARTIES RIGHTS

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

19. GOVERNING LAW

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

20. **COUNTERPARTS**

This Agreement may be executed by the parties hereto in any number of counterparts and on separate counterparts, each of which when so executed shall be deemed an original but all of which shall constitute one and the same instrument and is binding on all parties. A party may execute this Agreement and the documents referred to herein on a facsimile copy counterpart and deliver his signature and seal by facsimile.

[Remainder of this page is intentionally left blank]

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

THE COMPANY

SIGNED by SHU ZHONGWEN)
)
for and on behalf of)
)
HAO BAI INTERNATIONAL)
(CAYMAN) LIMITED)
)
in the presence of:)
WONG WING HUNG)

For and on behalf of
Hao Bai International (Cayman) Limited
浩柏國際(開曼)有限公司

.....

Authorized Signature(s)

THE PLACING AGENT

SIGNED by)
)
for and on behalf of)
)
CHEONG LEE)
SECURITIES LIMITED)
)
in the presence of:)

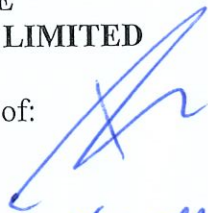
AS WITNESS where of this Agreement has been duly executed on the date first above written.

THE COMPANY

SIGNED by)
)
for and on behalf of)
)
HAO BAI INTERNATIONAL)
(CAYMAN) LIMITED)
)
in the presence of:)

THE PLACING AGENT

SIGNED by **Kwok Kin Chung**)
)
for and on behalf of)
)
CHEONG LEE)
SECURITIES LIMITED)
)
in the presence of:)


YU LAP PAU

For and on behalf of
CHEONG LEE SECURITIES LIMITED
昌利證券有限公司

.....
Authorized Signature(s)

SCHEDULE 1

The Instrument

DATED 2023

HAO BAI INTERNATIONAL (CAYMAN) LIMITED

INSTRUMENT
constituting
12.0% fixed coupon unsecured bonds with an 18-month tenor
in an aggregate principal amount of up to HK\$50,000,000

I N D E X

<u>Clause no.</u>	<u>Heading</u>	<u>Page no.</u>
1	Definitions and interpretation	
2	Issue of the Bonds	
3	Amount of the Bonds and covenant to pay	
4	Form and denomination of the Bonds	
5	Capital duties and taxes	
6	Covenant to comply with provisions	
7	Covenants	
8	Transfer, transmission and register	
9	Modifications	
10	Suit by and meetings of Bondholders	
11	Communications	
12	Governing Law	

Schedules

Schedule 1 Part 1 – Form of Certificate and Conditions

Terms and Conditions of the Bonds

1	Status and voting rights
2	Form, denomination and title
3	Transfers of Bonds; issue of certificates
4	Interest
5	Payments
6	Redemption and cancellation
7	Taxation
8	Events of default
9	Prescription
10	Enforcement
11	Meetings of Bondholders, modification and waiver
12	Replacement of certificates
13	Notices
14	Agents
15	Governing law and jurisdiction

Part 2 – Form of transfer

Schedule 2 Provisions for meetings of Bondholders

Execution

THIS INSTRUMENT is executed by way of deed poll on this day of 2023 by:

HAO BAI INTERNATIONAL (CAYMAN) LIMITED (the “**Company**”, together with its subsidiaries, the “**Group**”), a company incorporated in the Cayman Islands with limited liability whose registered office is situated at P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its head office and principal place of business in Hong Kong at Unit 1B, 10/F, Elite Industrial Centre, No. 883 Cheung Sha Wan Road, Kowloon, Hong Kong.

WHEREAS:

- A. This Instrument (including without limitation any schedules hereto) (this “**Instrument**”) is hereby issued by the Company pursuant to the placing agreement dated 20 January 2023 (the “**Placing Agreement**”) entered into between the Company and Cheong Lee Securities Limited as the placing agent for the Bonds (as defined hereinafter).
- B. The Company has in accordance with its memorandum of association and articles of association, and by resolutions of its board of directors passed on 20 January 2023 resolved to create and issue the Bonds.

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

1. DEFINITIONS AND INTERPRETATION

(A) **Definitions**

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

- “**Bondholder**” means a person in whose name a Bond is registered in the register of Bondholders, and “**holder**” in relation to a Bond has a corresponding meaning;
- “**Bonds**” means the 18-month 12.0% coupon unlisted bonds for an aggregate principal amount of HK\$50,000,000 in registered form to be issued by the Company in accordance with the Placing Agreement and constituted by this Instrument and for the time being outstanding or, as the context may require, any number or principal amount of them;
- “**Business Day**” means any day (excluding a Saturday, Sunday and public holiday) on which banks in Hong Kong are generally open for business throughout their normal business hours;

“Certificate”	means a certificate in or substantially in the form set out in Schedule 1 to this Instrument issued in the name of the holder of one or more Bonds;
“Conditions”	means the terms and conditions endorsed on the Bonds in definitive form as they may from time to time be modified in accordance with their provisions and/or of this Instrument, and reference in this Instrument to a particular numbered Condition shall be construed accordingly;
“connected persons”	has the meaning ascribed thereto in the GEM Listing Rules;
“Director”	means a director of the Company;
“Dispose”	means to make or to agree to make, and “Disposal” means, any sale, assignment, exchange, transfer, concession, loan, lease, direct or indirect reservation, waiver, compromise, release, dealing with or in or granting of any option, right of first refusal, power of attorney or other right or interest whatsoever and any agreement for any of the foregoing;
“Event of Default”	means any of the events specified in Condition 8;
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on GEM of the Stock Exchange;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Major Subsidiary”	means a subsidiary of the Company with the value of that subsidiary’s total assets, profits or revenue represents not less than 50% of the Group’s total assets, profits or revenue;
“Maturity Date”	has the meaning ascribed to it in Condition 6;
“Ordinary Resolution”	has the meaning set out in paragraph 17 of Schedule 2;
“outstanding”	means in relation to the Bonds, all the Bonds issued other than: <ul style="list-style-type: none"> (a) those which have been redeemed and which

have been cancelled in accordance with the Conditions;

- (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys have been duly paid to the relevant Bondholder or on its behalf;
- (c) those which have become void or those in respect of which claims have become prescribed under Condition 9;
- (d) those mutilated or defaced Bonds which have been surrendered in exchange for replacement Bonds pursuant to Condition 12; and
- (e) (for the purpose only of determining how many Bonds are outstanding and without prejudice to their status for any other purpose) those Bonds alleged to have been lost, stolen or destroyed and in respect of which replacement Bonds have been issued pursuant to Condition 12;

“Placees”

means any person or entity to whom the Placing Agent or its agents shall procure or, as the case may be, shall have procured to subscribe the Bonds;

“Placing Agent”

Cheong Lee Securities Limited, being the placing agent under the Placing Agreement

“Placing Agreement”

means the bond placing agreement dated 20 January 2023 and entered into between the Company as issuer and the Placing Agent as placing agent in relation to the placing of the Bonds;

“Potential Event of Default”

means an event or circumstance which would with the giving of notice and/or lapse of time and/or the issuing of a certificate and/or the fulfillment of any other requirement provided for in Condition 8 become an Event of Default;

“Registrar”

the Company or such other person, firm or company, as for the time being, maintains the register of the holders of the Bonds;

“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Specified Office”	means in relation to the Registrar, either the office identified with its name at the end of the Conditions or any other office notified to the Bondholders pursuant to Clause 7(C), 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 Unit 1B, 10/F, Elite Industrial Centre, No. 883 Cheung Sha Wan Road, Kowloon, Hong Kong or any other office notified to the Bondholders pursuant to Clause 7(C);
“Successor”	means in relation to the Registrar, such other or further person as may from time to time be appointed by the Company as the Registrar and notice of whose appointment is given to Bondholders pursuant to Clause 7(C) and Condition 13;
“this Instrument”	means this instrument, the schedules (as from time to time altered in accordance with this instrument) and any other document executed in accordance with this instrument (as from time to time so altered) and expressed to be supplemental to this instrument;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

(B) Construction of certain references

References in this Instrument to:

- (i) costs, charges, remuneration or expenses shall include any value added tax, turnover tax or similar tax charged in respect thereof;
- (ii) any action, remedy or method of judicial proceedings for the enforcement of rights of creditors shall include, in respect of any jurisdiction other than Hong Kong, references to such action, remedy or method of judicial proceedings for the enforcement of rights or creditors available or appropriate in such jurisdiction as shall most nearly approximate thereto;

- (iii) any reference to an obligation to be performed or warranty to be given by more than one person, it shall be deemed to be performed or given by the persons jointly and severally;
- (iv) words denoting the singular number only shall include the plural number also and vice versa;
- (v) words denoting one gender only shall include the other genders;
- (vi) words denoting persons only shall include firms and corporations and vice versa; and
- (vii) any provision of any statutory or non-statutory provisions (including the GEM Listing Rules) shall be deemed also to refer to any modification or re-enactment thereof or any instrument, order or regulation made thereunder or under such modification or re-enactment.

(C) Definitions in Conditions

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

(D) Headings

Headings shall be ignored in construing this Instrument.

(E) Schedules

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

(F) Enforceability

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

(G) “Subsidiary”

The word “**subsidiary**” has the meaning assigned to those expressions by the GEM Listing Rules save that any reference therein to a company shall be deemed to include a reference to a body corporate incorporated or established outside Hong Kong or under any other statutory provisions.

2. ISSUE OF THE BONDS

Subject to the conditions precedent set out in clause 2.1 of the Placing Agreement being

fulfilled by the parties thereto as provided therein on or before the time specified in such clause (or such later time and date as the parties thereto shall agree in writing), the Company shall issue the Bonds to the Places in accordance with the terms of the Placing Agreement.

3. AMOUNT OF THE BONDS AND COVENANT TO PAY

- (A) **Amount of the Bonds:** The aggregate principal amount of the Bonds is limited to the maximum amount of HK\$50,000,000.
- (B) **Covenant to pay:** The Company will on any date when the Bonds or any of them become due to be redeemed unconditionally pay to or to the order of the Bondholders by 4:00 p.m. (Hong Kong time) in Hong Kong dollars in immediately available funds in Hong Kong the principal amount of the Bonds becoming due for redemption on that date together with any applicable premium and/or interest and will (subject to the Conditions) until such payment (both before and after judgment) unconditionally pay to or to the order of the Bondholders, provided that every payment of any sum due in respect of the Bonds made to or to the account of the Bondholders shall, to such extent, satisfy such obligation except to the extent that there is failure in its subsequent payment to the relevant Bondholders under the Conditions.
- (C) **Discharge:** Any payment to be made in respect of the Bonds by the Company may be made as provided in the Conditions and any payment so made will to such extent be a good, full and complete discharge to the Company.

4. FORM AND DENOMINATION OF THE BONDS

- (A) **The Certificates:** On issue of the Bonds, every Bondholder will be entitled to a definitive Certificate in or substantially in the form set out in Schedule 1 with the Conditions in or substantially in the form also set out in that Schedule.
- (B) **Denomination:** The Bonds shall be denominated in Hong Kong dollars and shall be issued in denomination of HK\$500,000 each or integral multiples of HK\$500,000 in excess thereof.
- (C) **Signature:** The definitive Certificates will be signed manually or in facsimile by (i) two Directors; or (ii) one Director and the secretary of the Company authenticated manually by or on behalf of the Registrar. The Company may use the facsimile signature of any person who at the date of this Instrument is a Director of the Company even if at the time of issue of any Certificate he no longer holds such office and the Bonds in respect of which a Certificate is so executed and authenticated will be binding and valid obligations of the Company.
- (D) **Issue:** Issue and delivery of the Bonds shall be completed on the issue and delivery of the Certificates to the Bondholder (or its representative) by, or by the order of, the Company and completion of the register of Bondholders by or on behalf of the Registrar.

- (E) **Entitlement to treat holder as owner:** The holder of any Bond will (save as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on or the theft or loss of the Certificate issued in respect of it) and no person will be liable for so treating the holder or any entry on the register of Bondholders.

5. CAPITAL DUTIES AND TAXES

- (A) **Capital duties, etc:** The Company will pay any capital, stamp, issue, registration, documentary or other similar taxes and duties, including interest and penalties, payable in Hong Kong in respect of the creation and original issue and offering of the Bonds and the execution or delivery of this Instrument. The Company will also indemnify the Bondholders from and against all capital stamp, issue, registration, documentary or other similar taxes paid by any of them in any jurisdiction in relation to which the liability to pay arises directly as a result of any action taken by or on behalf of the Bondholders to enforce the obligations of the Company under this Instrument or the Bonds.
- (B) **Change of taxing jurisdiction:** If the Company becomes subject generally to the taxing jurisdiction of any territory or any authority of or in that territory having power to tax other than Hong Kong or any such authority of or in such territory then the Company will give to the Bondholders an undertaking in terms corresponding to the terms of Condition 7 with the substitution for the references in that Condition to Hong Kong of references to that other territory or authority to whose taxing jurisdiction the Company has become so subject and in such event this Instrument and the Bonds will be read accordingly.

6. COVENANT TO COMPLY WITH PROVISIONS

The Company hereby covenants to and with each Bondholder that it will comply with and perform and observe all the provisions of this Instrument and the Conditions which are expressed to be binding on it. The Conditions shall be binding on the Company and the Bondholders. The provisions contained in Schedule 1 shall have effect in the same manner as if herein set forth.

7. COVENANTS

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

- (A) **Notice of Events of Default:** the Company will notify the Bondholders in writing immediately upon becoming aware of the occurrence of any Event of Default or Potential Event of Default;
- (B) **Further acts:** the Company will, so far as permitted by applicable law, do all such further things as may be necessary having regard to the interests of Bondholders to give effect to this Instrument;

- (C) **Change in Registrar:** the Company will give not less than 7 days' prior notice to the Bondholders of any future appointment or any resignation or removal of the Registrar or of any change by the Registrar of its Specified Office or, if later, notice as soon as reasonably practicable after becoming aware thereof or of any change in its Specified Office;
- (D) **Bonds held by Company etc:** the Company will send to the Bondholders as soon as reasonably practicable and in any event within 5 days after being so requested in writing by any Bondholders a certificate of the Company signed by a Director on behalf of the Company setting out, based on the register of Bondholders maintained by the Registrar on behalf of the Company, the total number of Bonds which, at the date of such certificate, were held by or on behalf of the Company or its subsidiaries and which had not been cancelled;
- (E) **Compliance:** the Company will comply with and perform and observe all the provisions of this Instrument which are expressed to be binding on it. The Conditions shall be binding on the Company and the Bondholders. The Bondholders shall be entitled to enforce the obligations of the Company under the Bonds and the Conditions as if the same were set out and contained in this Instrument which shall be read and construed as one document with the Bonds. The provisions contained in Schedule 2 shall have effect in the same manner as if herein set forth;
- (F) **Maintenance of register of Bondholders:** the Registrar shall maintain a register of holders of the Bonds;
- (G) **Registrar:** if and whenever required to do so by the Bondholders pursuant to an Ordinary Resolution, appoint such a professional firm of registrars to act as Registrar, enter into agreements with such registrar containing provisions with respect to such matters as are specified in such Ordinary Resolution, and to pay all charges of the Registrar that are payable to it under its agreement with the Company; and
- (H) **Sufficient resources:** the Company will at all times maintain sufficient resources available to satisfy the Group's working capital requirements.

8. TRANSFER, TRANSMISSION AND REGISTER

Subject to and in accordance with Condition 3, the Bonds shall be transferable in whole multiples of HK\$500,000 (or such lesser amount as may represent the entire principal amount thereof) by instrument of transfer in the form set out at the end of the Conditions or in any usual or common form or such other form as may be approved by the directors of the Company. Save with the consent of the Stock Exchange, none of the Bonds may be transferred to a "**connected person**" (as defined in the GEM Listing Rules) of the Company. The Company shall give notice to the Stock Exchange for seeking consent only for any transfer of the Bonds where a connected person of the Company (within the meaning of the GEM Listing Rules) is involved. For this purpose, except where required otherwise by the Bondholders pursuant to an Ordinary Resolution, the Company shall appoint the Registrar to maintain a register of Bondholders and, unless

the Bondholders shall otherwise require by Ordinary Resolution, the provisions in the memorandum and articles of association of the Company from time to time regarding the transfer and transmission of Shares shall apply to the transfer and transmission of the Bonds and shall have full effect as if the same had been incorporated herein save that the Company shall be obliged (unless the Bondholders shall otherwise permit by Ordinary Resolution) to maintain a register of Bondholders and the register of Bondholders may not be closed other than as permitted by Condition 3(D).

9. MODIFICATIONS

- (A) Any modification to this Instrument may be effected only by deed poll, executed by the Company and expressed to be supplemental hereto, and (save for minor amendments by the Company which shall not adversely affect the rights of the Bondholders under the Instrument) only if it shall first have been sanctioned by an Ordinary Resolution of the Bondholders.
- (B) A memorandum of every such supplemental deed shall be endorsed on this Instrument.
- (C) Notice of every modification to this Instrument shall be given in writing to the Bondholders as soon as reasonably practicable.

10. SUIT BY AND MEETINGS OF BONDHOLDERS

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

11. COMMUNICATIONS

- (A) Any communication to the Company shall be by letter delivered personally or by facsimile transmission to it at Unit 1B, 10/F, Elite Industrial Centre, No. 883 Cheung Sha Wan Road, Kowloon, Hong Kong and made to the attention of Mr. Canning Lee, the Chief Financial Officer and the Company Secretary (facsimile no. (852) 2388 8396 (or such other address or number as shall be notified in writing by the Company to the Bondholders and the Registrar from time to time with specific reference to this Deed).

- (B) Any such communication will take effect, in the case of delivery, at the time of delivery or, in the case of facsimile transmission, at the time of despatch.

12. GOVERNING LAW

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

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

SCHEDULE 1

Part 1 – Form of Certificate and Conditions

Certificate no.: [•]

HAO BAI INTERNATIONAL (CAYMAN) LIMITED
(incorporated in the Cayman Islands with limited liability)

18-month 12.0% fixed coupon unsecured bonds

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

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

The Company hereby certifies that the person whose name and address is specified below is, at the date hereof, entered in the register of Bondholders as the holder of Bonds in the principal amount indicated below. For value received, the Company promises to pay the person who appears at the relevant time on the register of Bondholders as holder of the Bonds in respect of which this Certificate is issued such amount or amounts as shall become due in respect of such Bonds and otherwise to comply with the Conditions.

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

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

Subject to and in accordance with Condition 3 of the Terms and Conditions of the Bonds attached to this Certificate, a Bond may be transferred by delivery of the original Certificate issued in respect of that Bond, with the original form of transfer duly completed and signed, to the Specified Office of the Registrar. No transfer of title to any Bond will be effective unless and until entered on the register of Bondholders.

Except with the consent of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), the Bonds may not be transferred to any "**connected person**" (as defined in the Rules Governing the Listing of Securities on GEM of the Stock Exchange) of the Company.

This Certificate shall not be valid for any purpose until signed by or on behalf of the Company and authenticated by the Registrar.

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

HAO BAI INTERNATIONAL (CAYMAN) LIMITED
by:

Director

Director/Secretary

Authenticated by

For and on behalf of
Registrar

Authorised signatory

Registrar and its Specified Office:
Hao Bai International (Cayman) Limited at Unit 1B, 10/F, Elite Industrial Centre, No. 883
Cheung Sha Wan Road, Kowloon, Hong Kong.

TERMS AND CONDITIONS OF THE BONDS

The issue of up to an aggregate principal amount of HK\$50,000,000 of 12.0% fixed coupon unsecured and unlisted bonds (the “**Bonds**”) of **HAO BAI INTERNATIONAL (CAYMAN) LIMITED** (the “**Company**”) was authorised by resolutions of the Board of Directors of the Company passed on 20 January 2023. The Bonds are constituted by a deed poll (the “**Instrument**”, such expression shall include amendments and modifications from time to time made thereto) dated [•] executed by the Company.

The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Instrument. Copies of the Instrument are available for inspection by Bondholders at the head office and principal office of the Company in Hong Kong being at the date hereof at Unit 1B, 10/F, Elite Industrial Centre, No. 883 Cheung Sha Wan Road, Kowloon, Hong Kong and at the Specified Office of the Registrar. The Bondholders are entitled to the benefit of the Instrument and are bound by, and are deemed to have notice of, all the provisions of the Instrument.

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

1. STATUS AND VOTING RIGHTS

(A) Status

The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations. No application will be made for the listing of the Bonds.

(B) Voting rights

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

2. FORM, DENOMINATION AND TITLE

(A) Form and denomination

The Bonds are issued in registered form in the denomination of HK\$500,000 each, save that if the outstanding amount of the Bonds to be issued is less than HK\$500,000, the Bonds may be issued in such amount. A bond certificate (each a “**Certificate**”) will be issued to each Bondholder in respect of its registered holding of Bonds. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders kept by the Registrar on behalf of the Company.

(B) Title

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

3. TRANSFERS OF BONDS; ISSUE OF CERTIFICATES

(A) Transfers

Except as specified in the succeeding paragraph, a Bond may be transferable in whole multiples of HK\$500,000 (or such lesser amount as may represent the entire principal amount thereof) and may be transferred to any person. A transfer shall be effected by delivery of the original Certificate issued in respect of that Bond, with the original form of transfer duly completed and signed, to the Specified Office of the Registrar. No transfer of title to any Bond will be effective unless and until entered on the register of Bondholders.

Save with the consent of the Stock Exchange, none of the Bonds may be transferred to a "**connected person**" (as defined in the GEM Listing Rules) of the Company. The Company shall give notice to the Stock Exchange for seeking consent only for any transfer of the Bonds where a connected person of the Company (within the meaning of the GEM Listing Rules) is involved.

(B) Delivery of new certificates

Each new Certificate to be issued upon a transfer of Bonds will, within three (3) Business Days of receipt by the Company of the form of transfer, be mailed by registered mail or delivered by hand, in each case at the risk of the holder entitled to the Bond, to the address specified in the form of transfer, or made available for collection by the holder entitled to the Bond at the Specified Office of the Company.

Where some but not all the Bonds in respect of which a Certificate is issued are to be transferred or redeemed, a new Certificate in respect of the Bonds not so transferred or redeemed will, within three Business Days of delivery of the original Certificate to the Company, be mailed by registered mail or delivered by hand, in each case at the risk of the holder of the Bonds not so transferred or redeemed, to the address of such holder appearing on the register of Bondholders, or made available for collection by such holder at the Specified Office of the Company.

(C) Formalities free of charge

Registration of transfer of Bonds will be effected without charge by or on behalf of the Company or the Registrar, upon (a) payment of a fee of HK\$2.50 (or such higher

amount as may from time to time be allowed by the Stock Exchange) for each Certificate cancelled or each new Certificate issued, whichever number of the Certificates cancelled/issued is higher; and (b) payment (or the giving of such indemnity as the Company may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

(D) Closed periods

No Bondholder may require the transfer of a Bond to be registered during the period of seven (7) days ending on the due date for any payment of principal of on that Bond.

4. INTEREST

(A) Subject to Condition 4(C) below, the Bond shall bear interest from and including the date of its issue to and including the Maturity Date at the rate of twelve per cent. (12.0%) per annum calculated on the actual number of days elapsed and on the basis of a 365-day year payable on the Maturity Date (“**Interest Payment Date**”) commencing from the date of issue of the Bonds, provided that if any Interest Payment Date would fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day, unless it would thereby fall into the next calendar month, in which case the Interest Payment Date will be brought forward to the previous Business Day.

(B) Without prejudice to other provisions herein, all interest shall be paid by the Company in cash.

(C) The Bond will cease to bear interest on the earliest of (a) the expiry of the date of redemption of the Bond pursuant to Condition 6; and (b) the expiry of the Maturity Date.

5. PAYMENTS

(A) Principal

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

(B) Registered accounts

For the purposes of this Condition, a Bondholder’s registered account means the Hong Kong dollar account maintained by or on behalf of it with a bank in Hong Kong, details of which appear on the register of Bondholders at the close of business on the first Business Day before the due date for payment, and a Bondholder’s registered address means its address appearing on the register of Bondholders at that time.

(C) Fiscal laws

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

(D) Payment initiation

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

(E) Delay in payment

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

6. REDEMPTION AND CANCELLATION

(A) Maturity

Unless previously redeemed or purchased and cancelled as provided herein, the Company shall redeem each Bond which remains outstanding by 4:00 p.m. on the date falling on the eighteenth (18th) month of the date of issue of the Bonds (or, if that is not a Business Day, the first Business Day thereafter) (the “**Maturity Date**”) at 100% of the principal amount.

(B) Early redemption

The Company may at any time before the Maturity Date and from time to time by serving at least ten (10) days’ prior written notice on the Bondholder with the total amount proposed to be redeemed from the Bondholder specified therein, redeem the Bond (in whole or in part) at not less than 100% of the total amount of such Bond together with payment of interests accrued up to the date of such early redemption. For the avoidance of doubt, no early redemption may be requested by the Bondholder.

If the auditors of the Company express a disclaimer of opinion on the consolidated financial statements of the Company for any of its fiscal year, the Company shall, within ten (10) Business Days from the date of issue of such disclaimer of opinion, redeem all the outstanding Bonds in whole at 100% of the principal amount of such Bonds together with payment of interests accrued up to the date of such early redemption.

(C) Cancellation

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

7. TAXATION

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

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

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

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

8. EVENTS OF DEFAULT

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

- (i) **Payment default:** a default is made in the payment of the principal or premium (if any), in respect of any of the Bonds when and as the same ought to be paid in accordance with these Conditions; or a default in the payment of interest on any of the Bonds when the same becomes due and payable, and such default constitutes for a period of 3 consecutive days or
- (ii) **Other default:** a default is made by the Company in the performance or observance of any material, covenant, condition or provision contained in the Instrument or in the Bonds or the Placing Agreement and on its part to be performed or observed (other than the covenant to pay the principal, premium (if any) in respect of any of the Bonds) and such default continues for the period of 14 days following the service by any Bondholder on the Company of notice specifying brief details of such default; or
- (iii) **Cross default:** any other present or future indebtedness of the Company or any Major Subsidiary for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of an event of default (however called) or any such indebtedness is not paid when due or, as the case may be, within any applicable grace period originally provided for or the Company or any Major Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness or amount payable in respect of which one or more of the events mentioned above in this paragraph (iii) have occurred equals or exceeds HK\$50,000,000 (or its equivalent in another currency); or
- (iv) **Dissolution of the Company and Disposals:** a resolution is passed or an order of a court of competent jurisdiction is made that the Company be wound up or dissolved or the Company Disposes of all or substantially all of its assets, otherwise, in any such case, than for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reorganisation, the terms of which shall have previously been approved in writing by an Ordinary Resolution of Bondholders and/or than for any Disposal which has previously been approved in writing by an Ordinary Resolution of Bondholders, such approval should not be unreasonably withheld or delayed; or
- (v) **Dissolution of a Major Subsidiary and Disposals:** a resolution is passed or an order of a court of competent jurisdiction is made for the winding up or dissolution of any Major Subsidiary or a Major Subsidiary Disposes of all or substantially all of its assets except, in any such case:
 - (a) for the purposes of or pursuant to and followed by a consolidation or amalgamation with or merger into the Company or any other subsidiary of the Company; or

- (b) for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reorganisation (other than as described in sub-paragraph (a) above) the terms of which shall have previously been approved in writing by an Ordinary Resolution of Bondholder; or
 - (c) for the purposes of spin off on the Stock Exchanges or other exchanges; or
 - (d) by way of a voluntary winding up or dissolution where there are surplus assets in such subsidiary of the Company and such surplus assets attributable to the Company and/or any other subsidiary of the Company are distributed to the Company and/or any such other subsidiary of the Company; or
 - (e) in the case of a disposal of all or substantially all of a Major Subsidiary's assets, where those assets will following such Disposal be vested in the Company or another subsidiary of the Company; or
 - (f) for any Disposal which has previously been approved in writing by an Ordinary Resolution of Bondholders, such approval should not be unreasonably withheld or delayed; or
- (vi) ***Encumbrances:*** an encumbrancer takes possession or a receiver is appointed of the whole or a material part of the assets or undertaking of the Company or any Major Subsidiary; or
 - (vii) ***Distress etc.:*** a distress, execution or seizure before judgment is levied or enforced upon or sued out against a material part of the property of the Company or any Major Subsidiary and is not discharged within 14 days thereof; or
 - (viii) ***Bankruptcy:*** the Company or any Major Subsidiary is unable to pay its debts as and when they fall due or the Company or any Major Subsidiary shall initiate or consent to proceedings relating to itself under any applicable bankruptcy, reorganisation or insolvency law or make an assignment for the benefit of, or enter into any composition with, its creditors (save, in the case of a subsidiary of the Company, in the circumstances set out in sub-paragraphs (v)(a) to (e) (inclusive) above); or
 - (ix) ***Bankruptcy proceedings:*** proceedings shall have been initiated against the Company or any Major Subsidiary under any applicable bankruptcy, reorganisation or insolvency law and such proceedings shall not have been discharged or stayed within a period of 21 days; or
 - (x) ***Analogous events*** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (vii) to (ix) (inclusive) above.

Upon any such notice being given to the Company, the Bonds will immediately become due and repayable at their principal amount on which full payment of all amounts payable under this Condition 8 is made in accordance with the provisions of the Instrument.

9. PRESCRIPTION

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

10. ENFORCEMENT

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

11. MEETINGS OF BONDHOLDERS, MODIFICATION AND WAIVER

(A) Meetings

The Instrument contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the sanctioning by Ordinary Resolution of a modification of the Bonds or the provisions of the Instrument. The quorum at any such meeting for passing an Ordinary Resolution will be two or more persons holding or representing at least 10% in principal amount of the Bonds for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented. An Ordinary Resolution passed at any meeting of Bondholders will be binding on all Bondholders, whether or not they are present at the meeting. The Instrument provides that a written resolution signed by or on behalf of a holder or the holders of not less than 50% of the aggregate principal amount of Bonds outstanding shall be as valid and effective as a duly passed Ordinary Resolution.

(B) Modifications and Waivers

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

(C) Interests of Bondholders

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

indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders.

12. REPLACEMENT OF CERTIFICATES

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

13. NOTICES

- (A) Every Bondholder shall register with the Company an address either in Hong Kong or elsewhere to which notices can be sent and if any Bondholder shall fail to do so, notice may be given to such Bondholder by sending the same in any of the manners hereinafter mentioned to his/its last known place of business or residence or, if there be none, by posting up the same for three days at the principal place of business and the registered office for the time being of the Company.
- (B) A notice shall be given by personal delivery, prepaid registered mail (registered airmail in the case of an overseas address to where airmail service is available).
- (C) All notices with respect to Bonds standing in the names of joint holders shall be given to whichever of such persons is named first on the register of Bondholders maintained by the Registrar and notice so given shall be sufficient notice to all the holders of such Bonds.
- (D) Notices sent by personal delivery or prepaid registered mail or the posting of the same at the principal place of business and the registered office of the Company as provided by paragraph (C) of this Condition shall be deemed to have been served on the first day after such delivery or the deposit of the letter with postal authorities or in a postbox or, as the case may be, the first day after the first posting up of such notice.
- (E) All notices to Bondholders shall be validly given if mailed to them at their respective addresses in the register of Bondholders.
- (F) A Bondholder may require either generally or specifically any document or notice sent to be it under the Instrument to be copied at the same time to such other member of its group of companies at such address as it may require. The Company shall comply with such requirement.

14. AGENTS

The initial Registrar is the Company. The Company reserves the right at any time to appoint a professional provider of registration services as replacement Registrar and to

vary or terminate such appointment, provided that where the Bondholders have, pursuant to an Ordinary Resolution, prescribed the terms of appointment of the Registrar under the Instrument, the terms of appointment of any Successor shall not be materially different from such prescribed terms without the approval of the bondholders by Ordinary Resolution. Notice of any such termination or appointment, of any changes in the Registrar shall be given promptly by the Company to the Bondholders.

15. GOVERNING LAW AND JURISDICTION

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

SCHEDULE 1

Part 2 – FORM OF TRANSFER

FOR VALUE RECEIVED the undersigned hereby transfers to:

.....
.....

(Please print or typewrite name and address of transferee)

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

All payments in respect of the Bonds hereby transferred are to be made (unless otherwise instructed by the transferee) to the following account, which shall (until further notice) be the registered account of the transferee for the purposes of Condition 5(B):

Name of bank :

HK\$ account number :

For the account of :

The registered address of the transferee for the purposes of Condition 13(A) is that stated above.

Date: _____

Transferor's name : _____

Transferor's signature: _____

Transferor's witness : _____

Transferee's name : _____

Transferee's signature: _____

Transferee's witness : _____

Notes:

- (i) A representative of the Bondholder should state the capacity in which he signs, e.g. director.
- (ii) The signature of the person effecting a transfer shall conform to any list of authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Registrar requires.
- (iii) Any transfer of the Bonds shall be in accordance with Condition 3 of the Terms and Conditions attached to the Bonds.

Registrar and its Specified Office:

Hao Bai International (Cayman) Limited at Unit 1B, 10/F, Elite Industrial Centre, No. 883 Cheung Sha Wan Road, Kowloon, Hong Kong.

SCHEDULE 2

Provisions for meetings of Bondholders

1. The Company at any time may, and upon a request in writing of Bondholders holding not less than one-tenth in principal amount of the Bonds for the time being outstanding shall, convene a meeting of Bondholders. Every such meeting shall be held at such time and place as the Directors of the Company may reasonably approve.
2. Subject to paragraph 17 below, at least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the day, time and place of meeting shall be given to the Bondholders. The accidental omission to any notice to any of the Bondholders shall not invalidate the proceedings at any meeting.
3. A person (who may, but need not, be a Bondholder) nominated in writing by the Company shall be entitled to take the chair at every such meeting but if no such nomination is made or if at any meeting the person nominated shall not be present within 15 minutes after the time fixed for the meeting the Bondholders present shall choose one of their number to be chairman, failing which the Company may appoint a chairman. The chairman of an adjourned meeting need not be the same person as was chairman of the original meeting.
4. At any such meeting any two or more persons present in person holding Bonds or being proxies or representatives and holding or representing in the aggregate not less than one-tenth in principal amount of the Bonds for the time being outstanding shall form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of business.
5. If within 30 minutes from the time fixed for any such meeting a quorum is not present the meeting shall, if convened upon the requisition of Bondholders, be dissolved. In any other case it shall stand adjourned for such period, not being less than 8 days nor more than 28 days, and to such place, as may be decided by the chairman. At such adjourned meeting two or more persons present in person holding Bonds or voting certificates or being proxies or representatives (whatever the principal amount of the Bonds so held or represented) shall form a quorum and may pass any resolution and decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had a quorum been present at such meeting.
6. The chairman may with the consent of (and shall if directed by) any meeting adjourn such meeting from time to time from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
7. At least 7 days' notice of any meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and such notice shall state the quorum required at such adjourned meeting. It shall not, however, otherwise be necessary to give any notice of an adjourned meeting.

8. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes (if any) which he may have as a Bondholder or as a proxy or representative.
9. At any meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, the Company or by one or more persons holding one or more Bonds or being proxies or representatives and holding or representing in the aggregate not less than one-fiftieth in principal amount of the Bonds for the time being outstanding, a declaration by the chairman that a resolution has been carried or carried by a particular majority or lost or not carried by any particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
10. If at any meeting a poll is so demanded, it shall be taken in such manner and (subject as provided below) either at once or after such an adjournment as the chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuation of the meeting for the transaction of any business other than the question on which the poll has been demanded.
11. Any poll demanded at any meeting on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.
12. The Company (through its representatives) and financial and legal advisers may attend and speak at any meeting of Bondholders. No one else may attend at any meeting of Bondholders or join with others in requesting the convening of such a meeting unless he is the holder of a Bond or is a proxy or a representative.
13. At any meeting on a show of hands every person who is present in person and who produces a Bond or is a proxy or a representative shall have one vote and on a poll every person who is so present shall have one vote in respect of each HK\$500,000 in principal amount of the Bonds so produced or in respect of which he is a proxy or a representative. Any person entitled to more than one vote need not use all his/its votes or cast all the votes to which he is entitled in the same way.
14. A Bondholder is entitled to appoint another person as his/its proxy to attend and vote instead of him. A proxy need not be a Bondholder.
15. A meeting of Bondholders shall, subject to the Conditions, in addition to the powers given above, but without prejudice to any powers conferred on other persons by this Instrument, have power exercisable by Ordinary Resolution:
 - (a) to sanction any proposal by the Company for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Bondholders against the Company or against any of its property whether such rights shall arise under this Instrument or otherwise;
 - (b) to sanction any scheme or proposal proposed by the Company for the exchange,

substitution or sale of the Bonds for, or the cancellation of the Bonds in consideration of, shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Company or any other body corporate formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash;

- (c) to assent to any modification of this Instrument or the Bonds which shall be proposed only by the Company;
- (d) to authorise anyone to concur in and do all such things as may be necessary to carry out and give effect to any Ordinary Resolution;
- (e) to give any authority, discretion or sanction which under this Instrument or the Bonds is required to be given by Ordinary Resolution;
- (f) to appoint any persons (whether Bondholders or not) as a committee or committees to represent the interests of the Bondholders and to confer upon such committee or committee any powers or discretions which the Bondholders could themselves exercise by Ordinary Resolution;
- (g) to approve the substitution of any entity for any liability in respect of any act or omission for which it may become responsible under this Instrument or the Bonds;
- (h) to make any modification to the provisions contained in this Instrument or the Bonds as proposed by the Company which would have the effect of:
 - (i) changing the maturity of the Bonds; or
 - (ii) modifying the status of the Bonds; or
 - (iii) reducing or cancelling the principal amount of, or other amounts in respect of, the Bonds; or
 - (iv) modifying the provisions contained in this Schedule concerning the quorum required at any meeting of Bondholders or the majority required to pass an Ordinary Resolution; or
 - (v) changing the currency of payment of the Bonds; or
 - (vi) to sanction any compromise or arrangement proposed to be made between the Company and the Bondholders or any of them; or
 - (vii) to discharge or exonerate any person from any liability in respect of any act or omission for which such person may have become responsible under this Instrument or the Conditions; or

(viii) amending this proviso.

16. An Ordinary Resolution passed at a meeting of Bondholders duly convened and held in accordance with this Instrument shall be binding upon all the Bondholders, whether or not present at such meeting and whether or not they vote in favour, and each of the Bondholders shall be bound to give effect to it accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances of such resolution justify the passing of it.
17. The expression “**Ordinary Resolution**” means a resolution passed at a meeting of Bondholders duly convened and held in accordance with these provisions by a majority consisting of not less than half of the votes cast. A written resolution signed by or on behalf of a holder or the holders of not less than 50% of the aggregate principal amount of Bonds outstanding shall be as valid and effective as a duly passed Ordinary Resolution.
18. Minutes of all resolutions and proceedings at every such meeting shall be made and entered in the books to be from time to time provided for that purpose by the Company and any such minutes, if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings transacted or by the chairman of the next succeeding meeting of Bondholders, shall be conclusive evidence of the matters contained in them and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.
19. Subject to all other provisions contained in this Instrument the Company may without the consent of the Bondholders prescribe such further regulations regarding the holding of the meetings of Bondholders and attendance and voting at them as the Company may in its sole discretion determine including particularly (but without prejudice to the generality of the foregoing) such regulations and requirements as the Directors of the Company think reasonable so as to satisfy themselves that persons who purport to requisition a meeting in accordance with paragraph 1 are, in fact, Bondholders, their proxies or representatives.

SEALED with the **COMMON SEAL** of)

HAO BAI INTERNATIONAL)
(CAYMAN) LIMITED)

in the presence of :)

Director

Director/Secretary

SCHEDULE 2

The Warranties

1. General

1.1 All statements in the Recitals are true and correct in all respects.

2. The Agreement and the Bonds

2.1 The Company has full power, authority and capacity to enter into and perform this Agreement and this Agreement will, when executed, constitute binding obligations on the Company in accordance with its terms.

2.2 The creation and issue of the Bonds has been duly authorised by the Company and, when duly executed, authenticated, issued and delivered in accordance with this Agreement, the Bonds will constitute valid and legally binding obligations of the Company against the Company enforceable in accordance with their own terms.

2.3 All consents, approvals, authorisations, orders, registrations and qualifications of or with any court or governmental agency or body and any other action or thing required to be obtained, taken, fulfilled or done in Hong Kong and the Cayman Islands (if required) by the Company for or in connection with the issue of the Bonds and the consummation of the other transactions contemplated by this Agreement have been obtained, taken, fulfilled or done and are in full force and effect.

2.4 The execution and delivery of this Agreement and the issue of the Bonds and the consummation of the transactions herein and therein contemplated and compliance with the terms hereof and thereof by the Company do not, and will not, at the time of execution and delivery or issue (as the case may be), (i) contravene the memorandum of association and articles of association of the Company in any way; or (ii) infringe any existing applicable law, rule, regulation, judgment, order or decree of any government, governmental body or court, domestic or foreign, having jurisdiction over the Company.

2.5 Save as previously disclosed to the public in writing and so far as the Company is aware, there is no material litigation, arbitration or other material legal proceedings in progress or pending against any member of the Group which, if decided adversely to the relevant member of the Group, would have or have had a material adverse effect on the financial position of the Group (taken as a whole) or the Company and which is material in the context of the Placing.

2.6 There have been no circumstances as at the date hereof which constitute a material adverse change on the ability of the Company to perform its obligations under the Instrument.

2.7 The Company is not in breach in any material respect in the context of the Placing of any rules, regulations or requirements of the Stock Exchange or any applicable law, decree, judgment, legislation, order, regulation, statute, ordinance, treaty or other legislative measure.

- 2.8 All information publicly published by the Company is correct, accurate and not misleading in all material respects.
- 2.9 Save as disclosed in the public announcements, circulars and/or financial reports of the Company, no member of the Group has entered into a material contract or commitment of an unusual or onerous nature which, in the context of the Placing, might be material for disclosure except in the ordinary course of business and each member of the Group has carried on its business in the ordinary and usual course.
- 2.10 There are no circumstances as at the date hereof which constitute or may reasonably be expected to result in any Event of Default (as defined in the Instrument) and will continuously be so from the date hereof up to (and including) the date of Completion.

SCHEDULE 3

Completion requirements

1. Obligations of the Company

The Company shall deliver to the Placing Agent:

- (a) a certified copy of the Instrument, as the case may be, duly executed by the Company; and
- (c) Certificate(s) for the Bonds issued in favour of the Placees as procured by the Placing Agent (or in the name of the Placing Agent as the nominee of the Placees) in such denominations as the Placing Agent may have notified the Company, such certificates shall have been duly signed and authenticated in accordance with the terms of the Instrument.

2. Obligation of the Placing Agent

The Placing Agent shall, upon fulfillment by the Company of all of its obligation in this Schedule, deliver to the Company a cashier order issued by a licensed bank in Hong Kong or settle with the Company in such other manner as agreed between the Company and the Placing Agent for the Issue Price of the Bonds placed by it.