

Lock-up undertaking:	each of the noteholders undertakes to the Company, and undertakes to procure each transferee of its Note to agree, during the first six months from the Listing Date, (i) not to sell, transfer or otherwise dispose of or create any rights in respect of the Shares to be issued upon the conversion of the Notes (“Conversion Shares”), (ii) not to pledge, charge, encumber or create any third-party rights in respect of any of the Conversion Shares held by it, and (iii) not to permit any change of the beneficial owners of its major shareholders or any change in control in itself so long as it is the registered holder of the Note and Conversion Shares unless the Subscriber is, at the time of such change of beneficial owners or control, a company whose shares are listed on a recognised stock exchange (in respect of SinoPac Capital Limited, such change is further excepted if it is made pursuant to any duly authorised reorganisation, merger and acquisition or otherwise of SinoPac Capital Limited or its holding company)
Transferability:	the Notes are not transferable save with the prior written consent of the Company
Voting power:	the holders of Notes are not entitled to vote in the general meetings of the Company by virtue of their interest in the Notes
Adjustment:	the conversion price of the Notes will be adjusted upon the occurrence of, inter alia, consolidation or sub-division of Shares, capitalization of profits or reserves, capital distribution, rights issue of Shares or grant of option, warrants or other rights to subscribe or purchase Shares (except for options issued under any share option scheme of the Company and capitalization issue before the Listing Date)

The Directors consider that the issuance of the Notes will help widen the capital base of the Group. The Company has undertaken to the Stock Exchange that it will notify the Stock Exchange immediately upon the Company becoming aware of any proposed changes in the holders of the Notes.