

DATE: 19 SEPTEMBER 2023

**NEW SPARKLE ROLL INTERNATIONAL GROUP LIMITED
(as Company)**

and

**SILVERBRICKS SECURITIES COMPANY LIMITED
(as Placing Agent)**

**PLACING AGREEMENT
for
the issue of 3-year zero coupon Convertible Bonds
in an aggregate principal amount of up to
HK\$64,500,000**

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THIS AGREEMENT is made on 19 SEPTEMBER 2023

- (1) **NEW SPARKLE ROLL INTERNATIONAL GROUP LIMITED**, a company incorporated in Bermuda with limited liability, the principal office of which is at 23/F, China Huarong Tower, 60 Gloucester Road Wanchai, Hong Kong with its Shares listed on the main board of the Stock Exchange (the “Company”); and
- (2) **SILVERBRICKS SECURITIES COMPANY LIMITED** a company incorporated in Hong Kong with limited liability, the registered office of which is at Rooms 1004-1006, 10/F., China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong, and licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to perform types 1 (dealing in securities), 2 (dealing in future contracts) and 6 (advising on corporate finance) of the regulated activities (as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “Placing Agent”). (the “**Placing Agent**”).

WHEREAS:

- (A) The Company is a company incorporated in the Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange.
- (B) The Company is desirous of issuing the Conversion Shares, being 3-year zero coupon Convertible Bonds of an aggregate principal amount of up to HK\$64,500,000.
- (C) The Company has agreed to appoint the Placing Agent and the Placing Agent has agreed to act as placing agent, on a best effort basis, for the purposes of arranging subscribers for the issue of the Convertible Bonds up to an aggregate principal amount of HK\$64,500,000 on the terms and subject to the conditions contained in 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 and Schedules), the following expressions shall, unless the context otherwise requires, have the following meanings:

“ Affiliate(s) ”	in relation to a particular company, any company or other entity which is its holding company or subsidiary, or any other subsidiary of its holding company;
“ Announcement ”	the announcement to be published by or on behalf of the Company as soon as practicable upon the execution of this Agreement in relation to the Placing;
“ Associates ”	has the meaning ascribed thereto in the Listing Rules;

“Bondholder”	a person in whose name a Convertible Bond is registered in the register of Bondholders, and “holder” in relation to a Convertible Bond has a corresponding meaning;
“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 holder of one or more Convertible Bonds;
“Conversion Share(s)”	the Share(s) to be allotted and issued by the Company upon exercise of the Conversion Rights, the total number of which shall be 67,894,736 Shares;
“Convertible Bond(s)”	the 3-year zero coupon Convertible Bonds to be issued by the Company in an aggregate principal amount of up to HK\$64,500,000 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;
“Completion”	in respect of the Completion Notice given, the completion of the Placing of the Convertible Bonds pursuant to Clause 5.1 and the Schedule 3;
“Completion Date”	means the date of such completion, which shall take place within three (3) Business Days after the fulfilment (or waiver, if applicable) of the above conditions precedent set pursuant to Clause 2 (or on such later date as the Company and the Placing Agent may agree in writing);
“Completion Notice”	the notice given by the Placing Agent in writing for the purpose of each Completion;
“Confirmation Letter”	a confirmation letter to be signed by the Company and delivered to the Placing Agent which confirms the subscription of the relevant amount of Convertible Bonds by each relevant Placee at each Completion, a form of it is set out in Schedule 4
“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 Convertible Bonds substantially in the form set out in Schedule 1 (subject to such amendments as the Placing Agent may reasonably 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 Convertible Bonds, which shall be 100% of the principal amount of the Convertible Bonds;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“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 Convertible Bonds (who will be professional, institutional and/or private investors independent of and not connected with acting in concert with any of the directors, substantial shareholders and chief executive of the Company, or any of its subsidiaries and their respective associates or any parties acting in concert with any of them (as those are defined in the Listing Rules or the Takeovers Code (as the case may be)));
“Placing”	the offer by way of a private placing of the Convertible 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 Convertible Bonds to a Placee by the Placing Agent;
“Placing Period”	the period commencing from the date of this Agreement and ending on the earlier of (i) 1st month from the date of this Agreement, or such other period as may be agreed between the Company and the Placing Agent in writing; and (ii) the date on which the Placing Agent successfully procures Placees to subscribe for the Convertible Bonds in an aggregate principal amount of HK\$64,500,000, in both cases, both dates inclusive, or such other period as agreed otherwise 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;
“this Agreement”	this placing agreement, as amended from time to time;
“HK\$” or “HK Dollar”	Hong Kong dollars, the lawful currency of Hong Kong;
“%”	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 of 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 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 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 Convertible Bonds are conditional upon the following conditions being fulfilled within two 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;
 - (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Conversion Shares;
 - (c) the Stock Exchange having approved the issue of the Convertible Bonds, or the Company not having received any objection from the Stock Exchange to the issue of the Convertible Bonds; and
 - (d) none of the representations, warranties or undertakings given by the Company under this agreement being or having become untrue, inaccurate or misleading in any respect at any time before this agreement becoming unconditional and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any respect if it was repeated as at the time of Completion.
- 2.2 The Placing Agent may, at its absolute discretion, waive the fulfillment of the conditions precedent set out in paragraph (i) and (iv) by notice in writing to the Company. If any of the conditions referred to in Clause 2.1 are not fulfilled within two 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, the Placing Agent may, at any time thereafter, terminate its obligations under this Agreement by notice in writing to the Company, whereupon the obligations of the Placing Agent under this Agreement shall forthwith cease and terminate and neither the Company nor the Placing Agent shall have any claim against the other, save for any antecedent breach hereof.
- 2.3 The Company shall use its best endeavours to procure the fulfilment of the conditions precedent set out in paragraph (a) to (e) above as soon as practicable and in any event on or before the Long Stop Date (or such later date as may be agreed between the parties to the CB Placing Agreement in writing). The Placing Agent may, at its absolute discretion, waive the fulfillment of the conditions precedent set out in paragraph (d) by notice in writing to the Company.
- 2.4 In the event that the conditions precedent of the CB Placing Agreement are not fulfilled or waived (as the case may be) or become incapable of being fulfilled on or before the Long Stop Date, all rights, obligations and liabilities of the parties to the CB Placing Agreement shall cease and terminate and neither of the parties shall have any claim against the other save for any antecedent breach of any right or obligation under CB Placing Agreement prior to such termination.

3. PLACING OF THE CONVERTIBLE BONDS

- 3.1 Subject to the conditions in Clause 2.1 being fulfilled, the Company shall on each Completion create and issue the Convertible Bonds and execute the Instrument and the Placing Agent shall procure subscribers for the Convertible 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 (and any agent and sub-placing agent) to the exclusion of others as sole placing agent and the Placing Agent, relying on the representations, warranties and undertakings herein contained and subject as hereinafter mentioned, agrees to act as sole agent for the Company (either by itself or through its sub-placing agents), during the Placing Period to procure Placees (which may include the Placing Agent and its Affiliates, so long as they will provide such written confirmation and/or information as may be required under Clause 4.6(b) and Clause 4.6(c)) to subscribe for the Convertible Bonds, on a best effort basis, at the Issue Price.
- 3.3 The Convertible Bonds shall be offered to Placees in aggregate principal amount of up to a maximum of HK\$64,500,000. The choice of Placees for the Convertible Bonds and the amount of the Convertible Bonds to be allocated to any particular Placee of up to the maximum principal amount of the Convertible Bonds agreed to be placed by the Placing Agent under Clause 3.2 shall be determined by the Placing Agent at its sole 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 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 Convertible Bonds to or with any person, firm or company which is a connected person (as that expression is defined in the Listing Rules) of the Company (other than in situation where the consent from the Stock Exchange has been obtained and in compliance with the 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 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 from any announcement or circular to shareholders of the Company about the transactions disclosed in the Announcement 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 despatching documents and offering the Convertible Bonds to Placees and, subject

to due compliance with all terms of this Agreement and the agents and sub-agents will comply with all applicable laws and regulations in carrying out their duties contemplated hereunder, 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 the Announcement.
- 4.6 The Placing Agent hereby represents, warrants and undertakes to the Company that:
- (a) it has not offered or sold and will not offer or sell any of the Convertible Bonds in breach of any applicable legislation, and it has not distributed and shall not distribute any document relating to the offering of the Convertible Bonds which would constitute a prospectus of the Company under applicable legislation;
 - (b) subject to Clause 3.4(a), it will use its best endeavours to procure each Placee to confirm in writing that it, and (if applicable) its beneficial owners, is not a connected person of the Company and is 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;
 - (c) 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 other regulatory authority; and
 - (d) 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,

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

“connected person” shall have the same meaning ascribed thereto under of the 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 the Convertible Bonds which are set out in the Completion Notice, within three (3) Business Days after the fulfilment (or waiver, if applicable) of the above conditions precedent (or on such later date as the Company and the Placing Agent may agree in writing).

5.2 In order to be valid, a Completion Notice shall:

- (a) require the issue of Convertible Bonds of an aggregate principal amount not less than HK\$500,000 or integral multiples of HK\$500,000 in excess thereof;
- (b) not, when aggregated with the principal amount of Convertible Bonds then issued or required to be issued under other Completion Notices, exceed HK\$64,500,000; and
- (c) state the names, addresses and occupation of the registered holder(s) of the relevant Convertible Bonds.

5.3 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 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 each Completion and on each Completion. The Company undertakes to notify the Placing Agent upon it becoming aware prior to each 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.

7. UNDERTAKINGS

7.1 The Company hereby undertakes with the Placing Agent that the Company shall comply in all 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 Convertible Bonds and shall issue Certificates in respect of the Convertible 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 Bermuda 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 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:
- (a) to the Placing Agent a placing commission equal to 1.5% of the Issue Price multiplied by such principal amount of the Convertible Bonds actually placed by the Placing Agent pursuant to Clause 3.2, out of which the Placing Agent will meet its selling concession and sub-placing commission obligations (if any);
 - (b) other out-of-pocket charges and expenses properly and reasonably incurred by the Placing Agent in relation to the Placing including half share of the legal fee payable by the Placing Agent for preparation of this Agreement.

The Company hereby authorises the Placing Agent to deduct such placing commission to which it is entitled as referred to in this Clause 8.1(a) from the subscription moneys payable to the Company at the relevant Completion.

- 8.2 Without limiting the generality of the provisions of Clause 8.1, the Company shall also pay in relation to the Placing (except those stated in this Agreement to be payable by the Placing Agent or the Placees, if any):
- (a) the costs, charges, fees and expenses of:
 - (i) any application to the Stock Exchange for the approval for the issue of the Convertible Bonds (if applicable);
 - (ii) publishing any announcement(s) or circular(s) in connection with this Agreement or in relation to the Placing;
 - (iii) any accountants or other professional advisers engaged in connection with the Placing or this Agreement;
 - (iv) any approval, filing and/or registration with the Registrars of Companies in Hong Kong and Bermuda, and any other charges or fees imposed or charged by the Registrars of Companies in Hong Kong and Bermuda in relation to the Placing (if applicable); and
 - (v) all other costs incurred in connection with the Placing not already paid by the Placing Agent on the Company's behalf; and

- (b) any capital duty, premium duty and any other fees, charges and expenses payable on the creation and issue of the Convertible Bonds.
- 8.3 If this Agreement does not become unconditional or if for any other reason the Placing is not completed, the Company shall remain liable for the payment of the out-of-pocket charges and expenses reasonably and properly incurred by the Placing Agent specified in Clause 8.1(b) and all costs, charges and expenses which are referred to in Clause 8.2.

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 Convertible 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 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 fraud, wilful default or negligence on the part of the Indemnified Parties), including, but not limited to, all such 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. The foregoing indemnity shall remain in full force and effect notwithstanding the Completion.
- 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, willful 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 the any of the Placing Agent with its obligations representations, warranties or undertakings under this Agreement brought against or established against the Placing Agent by any subscriber or purchaser of any of the Convertible Bonds or by the Stock Exchange or by any governmental agency, regulatory body or other persons.
- 9.3 Without prejudice to Clause 9.1, the Company shall indemnify and keep effectively indemnified the Placing Agent 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.
- 9.4 Notwithstanding any other provision contained herein, the liability of the Company in respect of any claims for breach of the Warranties and other provisions of this Agreement shall be limited as follows:

- (a) the Company shall not be liable in respect of any claim under the Warranties where the amount of each of such claims does not exceed HK\$500,000;
- (b) the maximum aggregate liability of the Company in respect of all claims for breach of any of the Warranties shall be equal to the aggregate principal amount of the Convertible Bonds being successfully placed by the Placing Agent pursuant to this Agreement; and
- (c) no claim may be brought against the Company in respect of a breach of any of the Warranties after the Completion and the Company shall not be liable in respect of the breach of the Warranties unless the Company shall have received written notice from the Placing Agent prior to the Completion giving details of the relevant claim and any such claim shall (if not previously satisfied, settled or withdrawn) be deemed to have been waived or withdrawn on the Completion unless Proceedings shall have been commenced against the Company before the redemption of all the outstanding principal amount of the Convertible Bonds and the payment of interests accrued thereof in full.

10. TERMINATION

- 10.1 The Placing Agent shall be entitled by giving a written notice to the Company prior to Completion to forthwith terminate this Agreement in the event of any national or international, political, military, diplomatic, monetary, economic or financial crisis or situation or any change in national or international, military, diplomatic, monetary, economic, political, financial or market conditions which, in the opinion of the Placing Agent arrived at in good faith, renders the Placing temporarily or permanently impracticable or inadvisable, or any event or omission occurs or comes to the Placing Agent's notice which, in the opinion of the Placing Agent arrived at in good faith, will or may be materially prejudicial to the Company or the Placing.
- 10.2 If notice is given pursuant to the above, this Agreement shall terminate and neither party shall have any claim against each other for compensation, costs, damages or otherwise, save for any antecedent breach under this Agreement prior to such termination, provided that the indemnity provisions as set out in this Agreement remain in full force and effect and the Company shall forthwith pay to the Placing Agent its respective portion of the fees and expenses as set out in this Agreement.
- 10.3 Furthermore, in the event the Placing Agent has not secured any subscribers for the Convertible Bonds by the date of Completion (or such later date as the Company shall agree), this Agreement shall terminate and neither party shall have any claim against each other save for any antecedent breach under this Agreement 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 (save for the announcement of the Company in relation to the Placing to be published upon entering into this Agreement) 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 (save for the announcement of the Company in relation to the Placing to be published upon entering into this Agreement) 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 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.

15. CONTINUING EFFECT OF AGREEMENT

Any provision of this Agreement which is capable of being performed after each Completion but which has not been performed at or before each 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 notwithstanding each Completion.

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 of 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.
- 16.5 The English version of this Agreement shall prevail in case of any discrepancies between the English and any other version (if any).

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 (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 or facsimile number 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 (or such time is not a Business Day, the next Business Day immediately thereafter):

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

- 17.4 The initial addresses and email address 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: 23/F, China Huarong Tower, 60 Gloucester Road,

Wanchai, Hong Kong

Email Address: zhenghaojiang@126.com

Attention: Mr. Zheng Hao Jiang

If to the Placing Agent:

Address: Rooms 1004-1006, 10/F., China Merchants Tower,
Shun Tak Centre, 168-200 Connaught Road Central,
Sheung Wan, Hong Kong

Email Address: barry.yip@silverbricks.com.hk

Attention: Mr. Barry Yip

17.5 A communication served in accordance with this Clause 18 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 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. GOVERNING LAW

18.1 This Agreement is governed by and shall be construed in accordance with Hong Kong law.

18.2 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).

19. 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.

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

THE COMPANY

SIGNED by Zheng Hao Jiang)

for and on behalf of)

**NEW SPARKLE ROLL INTERNATIONAL
GROUP LIMITED**)

in the presence of:)

THE PLACING AGENT

SIGNED by Barry YIP)

for and on behalf of)

SILVERBRICKS SECURITIES COMPANY LIMITED)

in the presence of:)



SCHEDULE 1

The Instrument

DATED

**DEED POLL
Constituting up to
HK\$64,500,000 zero coupon
Convertible Bonds due 19 September 2026**

I N D E X

<u>Clause no.</u>	<u>Heading</u>	<u>Page no.</u>
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3	Amount of the Convertible Bonds and covenant to pay	
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Schedules

Schedule 1 Form of Certificate and Conditions

Terms and Conditions of the Convertible Bonds

1	Status
2	Form, denomination and title
3	Transfers of Convertible Bonds; issue of certificates
4	Interest
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12	Meetings of Bondholders, modification and waiver
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Form of transfer

Schedule 2 Provisions for meetings of Bondholders

Execution

THIS INSTRUMENT is executed by way of Deed Poll on 19 SEPTEMBER 2023 by NEW SPARKLE ROLL INTERNATIONAL GROUP LIMITED (the “**Company**”, together with its subsidiaries, the “**Group**”), a company incorporated in Bermuda with limited liability and having its the head office and principal place of business in Hong Kong at 23/F, China Huarong Tower, 60 Gloucester Road, Wanchai, Hong Kong; Facsimile no.: (852) 2802 8577.

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 Convertible Bond is registered in the register of Bondholders, and “ holder ” in relation to a Convertible Bond has a corresponding meaning;
“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 issued in the name of the holder of one or more Convertible Bonds;
“Conditions”	means the terms and conditions endorsed on the Convertible 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”	means, in relation to a person, the “ connected persons ” of such person (as these expressions are defined in Chapter 1 and Chapter 14A of the Listing Rules);
“Conversion Price”	HK\$0.95 (subject to adjustments), at which the Bondholder can convert 1 Conversion Share, but in any event, such price shall not be lower than the par value per Share;

“Conversion Share(s)”	the Share(s) to be allotted and issued by the Company upon exercise of the Conversion Rights, the total number of which shall be 67,894,736 Shares;
“Convertible Bonds”	means the 3-year zero coupon Convertible Bonds for an aggregate principal amount of HK\$64,500,000 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 of them;
“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;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“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;
“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 Convertible Bonds, all the Convertible 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 Convertible Bonds which have been surrendered in exchange for replacement Convertible Bonds pursuant to Condition 12; and
- (e) (for the purpose only of determining how many Convertible Bonds are outstanding and without prejudice to their status for any other purpose) those Convertible Bonds alleged to have been lost, stolen or destroyed and in respect of which replacement Convertible 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 Convertible Bonds (who will be professional, institutional and/or private investors independent of and not connected with acting in concert with any of the directors, substantial shareholders and chief executive of the Company, or any of its subsidiaries and their respective associates or any parties acting in concert with any of them (as those are defined in the Listing Rules or the Takeovers Code (as the case may be)));

“Placing Agent”

SILVERBRICKS SECURITIES COMPANY LIMITED, being the placing agent under the Placing Agreement

“Placing Agreement”

means the Convertible Bond placing agreement dated 19 September 2023 entered into between the Company as issuer and the Placing Agent as placing agent in relation to the placing of the Convertible 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”	means, until a professional registrar is appointed by the Company pursuant to the terms of this Instrument, the Company and any successor registrar appointed;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“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\$” or “HK Dollar”	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 of 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 Listing Rules and the Statements of Standard Accounting Practice) shall be deemed also to refer to any modification or re-enactment thereof or any instrument, order or regulation made thereunder or under such modification or re-enactment.

(C) **Definitions in Conditions**

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

(D) **Headings**

Headings shall be ignored in construing this Instrument.

(E) **Schedules**

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

(F) **Enforceability**

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

(G) **“Subsidiary”**

The word “**subsidiary**” has the meaning assigned to those expressions by the 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 CONVERTIBLE 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 Convertible Bonds to the Placees in accordance with the terms of the Placing Agreement.

3. AMOUNT OF THE CONVERTIBLE BONDS AND COVENANT TO PAY

- (A) **Amount of the Convertible Bonds:** The aggregate principal amount of the Convertible Bonds is limited to HK\$64,500,000.
- (B) **Covenant to pay:** The Company will on any date when the Convertible 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 Convertible 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 Convertible 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 Convertible 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 CONVERTIBLE BONDS

- (A) **The Certificates:** On issue of the Convertible 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 Convertible Bonds shall be denominated in Hong Kong dollars and shall be issued in principal amounts of HK\$500,000 each integral multiples of HK\$500,000 in excess thereof.
- (C) **Signature:** The definitive Certificates will be signed manually or in facsimile by two Directors 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 Convertible 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 Convertible Bonds shall be complete 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 Convertible 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.

- (F) **Conversion Shares:** Based on the principal amount of the Convertible Bonds of HK\$64,500,000, the Convertible Bonds are convertible into 67,894,736 Conversion Shares at the initial Conversion Price of HK\$0.95 per Conversion Share (subject to adjustments).
- (G) **Conversion period:** The conversion period (the “**Conversion Period**”) of the Convertible Bonds shall be the period commencing from the issue date of the Convertible Bonds up to 4:00 p.m. (Hong Kong time) on the Maturity Date.
- (H) **Conversion rights and restrictions:** The holder(s) of the Convertible Bonds shall, subject to compliance with the procedures set out in the terms and conditions thereunder, have the right to convert the whole or part of the outstanding principal amount of the Convertible Bonds registered in its name into the Conversion Shares (i) on the Maturity Date; or (ii) at any time during the Conversion Period provided that the holder(s) of the Convertible Bonds has obtained the prior written approval of the Company, and provided further that (i) any conversion shall be made in amounts of not less than a whole multiple of HK\$500,000 on each conversion save that if at any time the aggregate outstanding principal amount of the Convertible Bonds is less than HK\$500,000, the whole (but not part only) of the outstanding principal amount of the Convertible Bonds may be converted; and (ii) the exercise of the conversion rights attached to the Convertible Bonds will not cause the Company to be unable to meet the public float requirement under the Listing Rules.

5. ADJUSTMENT EVENTS

The Conversion Price will be adjusted upon the occurrence of the following events:

(a) Consolidation, sub-division or re-classification of the Shares

If and whenever the Shares by reason of any consolidation, sub-division or re-classification become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount. Each such adjustment shall be effective from the close of business in Hong Kong on the day immediately preceding the date on which the consolidation, subdivision or re-classification becomes effective.

(b) Capitalisation of profits or reserves

If and whenever the Company shall issue (other than in lieu of the whole or part of a cash dividend and other than issue that would amount to a capital distribution) any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund), the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the following fraction:

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

where:

A = the aggregate nominal amount of the issued Shares immediately before such issue; and

B = the aggregate nominal amount of the Shares issued in such capitalisation.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day following the record date for such issue.

(c) Capital distribution

If and whenever the Company shall make any capital distribution to the Shareholders (in their capacity as such) (whether on a reduction of capital or otherwise) or shall grant to such holders right(s) to acquire for cash assets of the Company or any of its subsidiaries, the Conversion Price in force immediately prior to such distribution or grant shall be adjusted by multiplying it by the following fraction:

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

where:

A = the market price on the date on which the capital distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) the next preceding day of the capital distribution or, as the case may be, of the grant; and

B = the fair market value on the day of such announcement or (as the case may require) the next preceding day, as determined in good faith by (i) an independent financial adviser which is licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO; or (ii) the auditors for the time being of the Company or, if there shall be joint auditors, any one or more of such auditors or, in the event of their being unable or unwilling to carry out any action requested of them, such other firm of accountants of international repute as may be nominated by the Company (the “**Independent Adviser**”), of the portion of the capital distribution or of such rights which is attributable to one Share. For avoidance of doubt, if the capital distribution is distributions in cash the fair market value shall be the cash value and determination by the Independent Adviser is not required.

Provided that (aa) if in the opinion of the Independent Adviser, the use of the fair market value as aforesaid produces a result which is significantly inequitable, the Independent Adviser may instead determine (and in such event the above formula shall be construed as if B meant) the amount of the said market price which should properly be attributed to the value of the capital distribution or rights; and (bb) the provisions of this paragraph (c) shall not apply in relation to the issue of Shares paid out of profits or reserves and issued in lieu of a cash dividend. Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day following the record date for the capital distribution or grant.

(d) Issue of Shares for subscription by way of rights

If and whenever the Company shall offer to Shareholders new Shares for subscription by way of rights, or shall grant to Shareholders any options or warrants to subscribe for new Shares, at a price which is less than 90% of the market price on the date of the announcement of the terms of the offer or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by the following fraction:

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

where:

A = the number of Shares in issue immediately before the date of such announcement;

B = the number of Shares which the aggregate of the amount (if any) payable for the rights, options or warrants and of the amount payable for the total number of new Shares comprised therein would purchase at such market price per Share; and

C = the aggregate number of Shares offered for subscription or comprised in the options or warrants.

Such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for the offer or grant. Provided however that no such adjustment shall be made if the Company shall make a like offer or grant (as the case may be) at the same time to the holder(s) of the Convertible Bonds (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong) as if they had exercised the conversion rights under the Convertible Bonds registered in their bondholder holds of the Convertible Bonds out of the total principal amount of the Convertible Bonds outstanding at the time of the proposed redemption.

(e) (i) Issue of convertible or exchangeable securities

If and whenever the Company shall issue wholly for cash or for reduction of liabilities or for acquisition of asset any securities convertible into or exchangeable for or carry rights of subscription for new Shares, and the total Effective Consideration per Share (as defined in this paragraph (e) below) initially receivable for such securities is less than 90% of the market price on the date of the announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by the following fraction:

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

where:

A = the number of Shares in issue immediately before the date of the issue;

B = the number of Shares which the total Effective Consideration receivable for the securities issued would purchase at such market price per Share; and

C = the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price.

Such adjustment shall become effective on the date of the issue.

(ii) Modification of rights of convertible or exchangeable securities

If and whenever the rights of conversion or exchange or subscription attached to any such securities as are mentioned in section (aa) of this paragraph (e) are modified so that the total Effective Consideration per Share (as defined below) initially receivable for such securities shall be less than 90% of the market price on the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by the following fraction:

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

where:

A = the number of Shares in issue immediately before the date of such modification;

B = the number of Shares which the total Effective Consideration receivable for the securities issued at the modified conversion or exchange price would purchase at such market price; and

C = the number of Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion or exchange rate or subscription price.

Such adjustment shall become effective as at the date upon which such modification shall take effect. A right of conversion or exchange or subscription shall not be treated as modified for the foregoing purposes where it is adjusted to take account of rights or capitalisation issues and other events normally giving rise to adjustment of the Conversion Price provided that corresponding adjustment has already been made to the Conversion Price in respect of such an event.

For the purposes of this paragraph (e), the “**total Effective Consideration**” receivable for the securities issued shall be deemed to be the consideration receivable by the Company for any such securities or the aggregate consideration deemed to be paid for such securities on acquisition of the relevant asset without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof plus the additional minimum consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights, and

the total Effective Consideration per Share initially receivable for such securities shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such conversion or exchange at the initial conversion or exchange rate or the exercise of such subscription rights at the initial subscription price, in each case without any deduction for any commissions, discounts or expenses paid, allowed or incurred in connection with the issue.

(f) Issue of Shares being made wholly for cash or for reduction of liabilities at a price less than 90% of the market price per Share

If and whenever the Company shall issue wholly for cash or for reduction of liabilities any Shares at a price per Share which is less than 90% of the market price on the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by the following fraction:

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

where:

A = the number of Shares in issue immediately before the date of such announcement;

B = the number of Shares which the aggregate amount payable for the issue would purchase at such market price; and

C = the number of Shares so issued.

Such adjustment shall become effective on the date of the issue.

(g) Issue of Shares being made or the acquisition of asset at a total Effective Consideration per Share at a price less than 90% of the market price per Share

If and whenever the Company shall issue Shares for the acquisition of asset at a total Effective Consideration per Share (as defined in this paragraph (g) below) which is less than 90% of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by the following fraction:

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

where:

A = the number of Shares in issue immediately before the date of such announcement;

B = the number of Shares which the total Effective Consideration receivable for the securities issued would purchase at such market price per Share; and

C = the number of Shares so issued.

Such adjustment shall become effective on the date of the issue.

For the purpose of this paragraph (g) “**total Effective Consideration**” shall be the aggregate consideration credited as being paid for such Shares by the Company on acquisition of the relevant asset without any deduction of any

commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “**total Effective Consideration per Share**” shall be the total Effective Consideration divided by the number of Shares issued as aforesaid.

6. 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 Convertible 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 Convertible 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 8 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 Convertible Bonds will be read accordingly.

7. 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.

8. COVENANTS

So long as any Convertible 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) **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 Convertible 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 Convertible Bonds. The provisions contained in Schedule 2 shall have effect in the same manner as if herein set forth; and
- (E) **Maintenance of register of Bondholders:** to maintain a register of holders of the Convertible Bonds.

9. TRANSFER, TRANSMISSION AND REGISTER

Subject to and in accordance with Condition 3, the Convertible 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. 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 Convertible 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). Except with the consent of Stock Exchange, the Convertible Bonds may not be transferred to any "connected person" (as defined in the Listing Rules) of the Company.

10. 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.

11. 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 Convertible Bonds are concerned, without the need to join the allottee of any such Convertible 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.

12. COMMUNICATIONS

- (A) Any communication to the Company shall be by letter delivered in person, by registered post or by facsimile transmission to it at 23/F, China Huarong Tower, 60 Gloucester Road Wanchai, Hong Kong and made to the attention of the Company Secretary (facsimile no. (852) 2802 8577 (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.

13. 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 Convertible Bonds and accordingly any legal action or proceedings arising out of or in connection with this Instrument and/or the Convertible 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).

14. LANGUAGE

The English version of this Instrument shall prevail in case of any discrepancies between the English and any other version hereof.

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

SCHEDULE 1

Form of Certificate and Conditions

Certificate no.:

(incorporated in Bermuda with limited liability)

zero coupon HK\$64,500,000
Convertible Bonds due 19 September 2026

The Convertible Bond or Convertible 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 up to HK\$64,500,000 (the “**Convertible Bonds**”) issued by NEW SPARKLE ROLL INTERNATIONAL GROUP LIMITED (the “**Company**”) and constituted by the Instrument referred to in the Terms and Conditions of the Convertible Bonds attached hereto. The Convertible 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 Convertible 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 Convertible 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 Convertible Bonds in respect of which this Certificate is issued such amount or amounts as shall become due in respect of such Convertible Bonds and otherwise to comply with the Conditions.

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

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

Subject to and in accordance with Condition 3 of the Terms and Conditions of the Convertible Bonds attached to this Certificate, a Convertible Bond may be transferred by delivery of the original Certificate issued in respect of that Convertible Bond, with the original form of transfer duly completed and signed, to the Specified Office of the Registrar. No transfer of title to any Convertible 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 Convertible Bonds may not be transferred to any "connected person" (as defined in the Rules Governing the Listing of Securities on 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.

by:

Director

Director

TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

The issue of zero coupon HK\$64,500,000 Convertible Bonds due 19 September 2026 (the “**Convertible Bonds**”) of (the “**Company**”) was authorised by resolutions of the Board of Directors of the Company passed on 19 September 2023. The Convertible Bonds are constituted by a deed poll (the “**Instrument**”, such expression shall include amendments and modifications from time to time made thereto) dated 19 September 2023 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 principal office of the Company in Hong Kong being at the date hereof at 23/F, China Huarong Tower, 60 Gloucester Road, Wanchai, Hong Kong. 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 Convertible 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 Convertible 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 Convertible Bonds.

(B) Voting rights

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

2. FORM, DENOMINATION AND TITLE

(A) Form and denomination

The Convertible Bonds are issued in registered form in the denomination of HK\$500,000 each and integral multiples of HK\$500,000 in excess thereof. A Convertible Bond certificate (each a “**Certificate**”) will be issued to each Bondholder in respect of its registered holding of Convertible Bonds. Each convertible bond and each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders kept by the Registrar on behalf of the Company.

(B) Title

Title to the Convertible Bonds passes only by registration in the register of Bondholders. The holder of any Convertible 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 Convertible Bond) “**holder**” means the person in whose name a bond is registered in the register of Bondholders.

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

(A) Transfers

Except as specified in the succeeding paragraph, a Convertible 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 Convertible Bonds, with the original form of transfer duly completed and signed, to the Specified Office of the Registrar. No transfer of title to any Convertible Bonds will be effective unless and until entered on the register of Bondholders.

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

(B) Delivery of new certificates

Each new Certificate to be issued upon a transfer of Convertible Bonds will, within three 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 Convertible Bonds, to the address specified in the form of transfer, or made available for collection by the holder entitled to the Convertible Bond at the Specified Office of the Company. For the purposes of these Conditions, “**Business Day**” shall mean a day (excluding a Saturday, Sunday and public holiday) on which banks in Hong Kong are generally open for business throughout their normal business hours.

Where some but not all the Convertible Bonds in respect of which a Certificate is issued are to be transferred or redeemed, a new Certificate in respect of the Convertible 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 Convertible 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 Convertible Bonds will be effected without charge by or on behalf of the Company or the Registrar, but subject to Company complying with Clause 7(F) of the Instrument, upon 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 Convertible Bond to be registered during the period of 7 days ending on the due date for any payment of principal of on that Bond.

4. INTEREST

(A) Subject to Condition 4(D) below, the Convertible Bonds shall not bear interest from and including the date of its issue to and including the Maturity Date on the outstanding principal amount thereof. Interest shall be accrued daily on a 365 days basis and is payable once a year on Maturity Date.

(B) The Company shall pay the interest on the Maturity Date. If the relevant day of payment of interest is not a Business Day, the interest shall be paid by the Company on the Business Day which immediately follows next.

(C) Without prejudice to other provisions herein, all interest shall be paid by the Company by way of cheque, telegraphic transfer or deposit to a designated bank accounts as specified by the Bondholder or such other payment manner as may be agreed between the Company and the Placing Agent.

(D) The Convertible Bonds will cease to bear interest on the Maturity Date if the payment of principal is duly made by the Company.

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 HK 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 Convertible 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. **ADJUSTMENT EVENTS**

The Conversion Price will be adjusted upon the occurrence of the following events:

(b) Consolidation, sub-division or re-classification of the Shares

If and whenever the Shares by reason of any consolidation, sub-division or re-classification become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount. Each such adjustment shall be effective from the close of business in Hong Kong on the day immediately preceding the date on which the consolidation, subdivision or re-classification becomes effective.

(b) Capitalisation of profits or reserves

If and whenever the Company shall issue (other than in lieu of the whole or part of a cash dividend and other than issue that would amount to a capital distribution) any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund), the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the following fraction:

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

where:

A = the aggregate nominal amount of the issued Shares immediately before such issue; and

B = the aggregate nominal amount of the Shares issued in such capitalisation.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day following the record date for such issue.

(c) Capital distribution

If and whenever the Company shall make any capital distribution to the Shareholders (in their capacity as such) (whether on a reduction of capital or otherwise) or shall grant to such holders right(s) to acquire for cash assets of the Company or any of its subsidiaries, the Conversion Price in force immediately prior to such distribution or grant shall be adjusted by multiplying it by the following fraction:

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

where:

A = the market price on the date on which the capital distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) the next preceding day of the capital distribution or, as the case may be, of the grant; and

B = the fair market value on the day of such announcement or (as the case may require) the next preceding day, as determined in good faith by (i) an independent financial adviser which is licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO; or (ii) the auditors for the time being of the Company or, if there shall be joint auditors, any one or more of such auditors or, in the event of their being unable or unwilling to carry out any action requested of them, such other firm of accountants of international repute as may be nominated by the Company (the “**Independent Adviser**”), of the portion of the capital distribution or of such rights which is attributable to one Share. For avoidance of doubt, if the capital distribution is distributions in cash the fair market value shall be the cash value and determination by the Independent Adviser is not required.

Provided that (aa) if in the opinion of the Independent Adviser, the use of the fair market value as aforesaid produces a result which is significantly inequitable, the Independent Adviser may instead determine (and in such event the above formula shall be construed as if B meant) the amount of the said market price which should properly be attributed to the value of the capital distribution or rights; and (bb) the provisions of this paragraph (c) shall not apply in relation to the issue of Shares paid out of profits or reserves and issued in lieu of a cash dividend. Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day following the record date for the capital distribution or grant.

(d) Issue of Shares for subscription by way of rights

If and whenever the Company shall offer to Shareholders new Shares for subscription by way of rights, or shall grant to Shareholders any options or warrants to subscribe for new Shares, at a price which is less than 90% of the market price on the date of the announcement of the terms of the offer or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by the following fraction:

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

where:

A = the number of Shares in issue immediately before the date of such announcement;

B = the number of Shares which the aggregate of the amount (if any) payable for the rights, options or warrants and of the amount payable for the total number of new Shares comprised therein would purchase at such market price per Share; and

C = the aggregate number of Shares offered for subscription or comprised in the options or warrants.

Such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for the offer or grant. Provided however that no such adjustment shall be made if the Company shall make a like offer or grant (as the case may be) at the same time to the holder(s) of the Convertible Bonds (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong) as if they had exercised the conversion rights under the Convertible Bonds registered in their bondholder holds of the Convertible Bonds out of the total principal amount of the Convertible Bonds outstanding at the time of the proposed redemption.

(e) (i) Issue of convertible or exchangeable securities

If and whenever the Company shall issue wholly for cash or for reduction of liabilities or for acquisition of asset any securities convertible into or exchangeable for or carry rights of subscription for new Shares, and the total Effective Consideration per Share (as defined in this paragraph (e) below) initially receivable for such securities is less than 90% of the market price on the date of the announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by the following fraction:

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

where:

A = the number of Shares in issue immediately before the date of the issue;

B = the number of Shares which the total Effective Consideration receivable for the securities issued would purchase at such market price per Share; and

C = the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price.

Such adjustment shall become effective on the date of the issue.

(ii) Modification of rights of convertible or exchangeable securities

If and whenever the rights of conversion or exchange or subscription attached to any such securities as are mentioned in section (aa) of this paragraph (e) are modified so that the total Effective Consideration per Share (as defined below) initially receivable for such securities shall be less than 90% of the market price on the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by the following fraction:

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

where:

A = the number of Shares in issue immediately before the date of such modification;

B = the number of Shares which the total Effective Consideration receivable for the securities issued at the modified conversion or exchange price would purchase at such market price; and

C = the number of Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion or exchange rate or subscription price.

Such adjustment shall become effective as at the date upon which such modification shall take effect. A right of conversion or exchange or subscription shall not be treated as modified

for the foregoing purposes where it is adjusted to take account of rights or capitalisation issues and other events normally giving rise to adjustment of the Conversion Price provided that corresponding adjustment has already been made to the Conversion

Price in respect of such an event.

For the purposes of this paragraph (e), the “**total Effective Consideration**” receivable for the securities issued shall be deemed to be the consideration receivable by the Company for any such securities or the aggregate consideration deemed to be paid for such securities on acquisition of the relevant asset without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof plus the additional minimum

consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange thereof or the exercise of such subscription rights, and the total Effective Consideration per Share initially receivable for such securities shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such conversion or exchange at the initial conversion or exchange rate or the exercise of such subscription rights at the initial subscription price, in each case without any deduction for any commissions, discounts or expenses paid, allowed or incurred in connection with the issue.

(f) Issue of Shares being made wholly for cash or for reduction of liabilities at a price less than 90% of the market price per Share

If and whenever the Company shall issue wholly for cash or for reduction of liabilities any Shares at a price per Share which is less than 90% of the market price on the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by the following fraction:

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

where:

A = the number of Shares in issue immediately before the date of such announcement;

B = the number of Shares which the aggregate amount payable for the issue would purchase at such market price; and

C = the number of Shares so issued.

Such adjustment shall become effective on the date of the issue.

- (g) If and whenever the Company shall issue Shares for the acquisition of asset at a total Effective Consideration per Share (as defined in this paragraph (g) below) which is less than 90% of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by the following fraction:

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

where:

A = the number of Shares in issue immediately before the date of such announcement;

B = the number of Shares which the total Effective Consideration receivable for the securities issued would purchase at such market price per Share; and

C = the number of Shares so issued.

Such adjustment shall become effective on the date of the issue.

For the purpose of this paragraph (g) "total Effective Consideration" shall be the aggregate consideration credited as being paid for such Shares by the Company on acquisition of the relevant asset without any deduction of any commissions,

discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “total Effective Consideration per Share” shall be the total Effective Consideration divided by the number of Shares issued as aforesaid.

7. CONVERSION, REDEMPTION AND CANCELLATION

(A) Conversion Shares

Based on the principal amount of the Convertible Bonds of HK\$64,500,000, the Convertible Bonds are convertible into 67,894,736 Conversion Shares at the initial Conversion Price of HK\$0.95 per Conversion Share (subject to adjustments).

(B) Conversion period

The conversion period (the “**Conversion Period**”) of the Convertible Bonds shall be the period commencing from the issue date of the Convertible Bonds up to 4:00 p.m. (Hong Kong time) on the Maturity Date.

(C) Conversion rights and restrictions:

The holder(s) of the Convertible Bonds shall, subject to compliance with the procedures set out in the terms and conditions thereunder, have the right to convert the whole or part of the outstanding principal amount of the Convertible Bonds registered in its name into the Conversion Shares (i) on the Maturity Date; or (ii) at any time during the Conversion Period provided that the holder(s) of the Convertible Bonds has obtained the prior written approval of the Company, and provided further that (i) any conversion shall be made in amounts of not less than a whole multiple of HK\$500,000 on each conversion save that if at any time the aggregate outstanding principal amount of the Convertible Bonds is less than HK\$500,000, the whole (but not part only) of the outstanding principal amount of the Convertible Bonds may be converted; and (ii) the exercise of the conversion rights attached to the Convertible Bonds will not cause the Company to be unable to meet the public float requirement under the Listing Rules.

(D) Maturity

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

(E) Early redemption

At any time before the Maturity Date, the Company may redeem the Convertible Bonds (in whole or in part) by giving not less than seven (7) days’ prior written notice (set out in Schedule 5) to the Bondholder and the amount to be redeemed must be an integral multiple of HK\$500,000. On the Requested Redemption Date, the Company shall pay to such Bondholder accrued interest (the Convertible Bond shall bear interest from and including the date of its issue to and including the date of redemption of the Convertible Bonds at an amount equivalent to 100% of such principal amount of the Convertible Bonds).

(F) Cancellation

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

8. 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 Bermuda or Hong Kong or any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law. In such event, the Company will pay such additional amounts as will result in the receipt by the Bondholders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been required except that no such additional amount shall be payable in respect of any Convertible 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 Convertible Bond by reason of his having some connection with Hong Kong otherwise than merely by holding the Convertible Bond or by the receipt of principal, premium (if any) in respect of the Convertible 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 Convertible 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.

9. EVENTS OF DEFAULT

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

- (i) **Payment default:** a default is made in the payment of the principal, interest or premium (if any), in respect of any of the Convertible Bonds when and as the same ought to be paid in accordance with these Conditions; or
- (ii) **Other default:** a default is made by the Company in the performance or observance of any covenant, condition or provision contained in the Instrument or in the Convertible 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 Convertible Bonds) and such default continues for the period of 14 days next following the service by any Bondholder on the Company of notice specifying brief details of such default; or
- (iii) **Dissolution of the Company and Disposals:** a resolution is passed or an order of a court of competent jurisdiction is made that the Company be wound up or dissolved or the Company Disposes of all or substantially all of its assets, otherwise, in any such case, than for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reorganisation, the terms of which shall have previously been approved in writing by an Ordinary Resolution of Bondholders and/or than for any Disposal which has previously been approved in writing by an Ordinary Resolution of Bondholders, such approval should not be unreasonably withheld or delayed; or
- (iv) **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
- (v) **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 three days thereof; or
- (vi) **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; or
- (vii) **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
- (viii) **Delisting of the shares of the Company on the Stock Exchange:** the issued shares of the Company are, by any reason, delisted from the Stock Exchange; or
- (xi) **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 (v) to (vii) (inclusive) above.

Upon any such notice being given to the Company, the Convertible 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.

10. PRESCRIPTION

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

11. ENFORCEMENT

At any time after the Convertible 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 Convertible Bonds and to enforce the provisions of the Instrument.

12. 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 Convertible 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 Convertible 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 Convertible 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 Convertible 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.

13. 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.

14. NOTICES

- (A) Every Bondholder shall register with the Company an address either in Hong Kong or elsewhere to which notices can be sent and if any Bondholder shall fail to do so, notice may be given to such Bondholder by sending the same in any of the manners hereinafter mentioned to his last known place of business or residence or, if there be none, by posting up the same for three days at the principal place of business and the registered office for the time being of the Company.
- (B) A notice shall be given by personal delivery, prepaid registered mail (registered airmail in the case of an overseas address to where airmail service is available).
- (C) All notices with respect to Convertible 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 Convertible 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 Business 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.

15. 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.

16. GOVERNING LAW AND JURISDICTION

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

17. LANGUAGE

The English version of the Convertible Bonds and the Instrument shall prevail in case of any discrepancies between the English and any other version thereof.

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 Convertible Bonds in respect of which this Certificate is issued, and all rights in respect thereof.

All payments in respect of the Convertible 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.
- (i) Any transfer of the Convertible Bonds shall be in accordance with Condition 3 of the Terms and Conditions attached to the Convertible Bonds.

Registrar and its Specified Office:

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 Convertible 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 and shall be held within [four (4)] months after the receipt of request by the Company (or such longer period as the Company and the Bondholders may agree).
2. Subject to paragraph 17 below, at least 14 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 Convertible Bonds or being proxies or representatives and holding or representing in the aggregate not less than one-tenth in principal amount of the Convertible 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 Convertible Bonds or voting certificates or being proxies or representatives (whatever the principal amount of the Convertible 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 Convertible Bonds or being proxies or representatives and holding or representing in the aggregate not less than one-fiftieth in principal amount of the Convertible 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 Convertible 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 Convertible 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 Convertible Bonds so produced or in respect of which he is a proxy or a representative. Any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.
14. A Bondholder is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a Bondholder.
15. A meeting of Bondholders shall, subject to the Conditions, in addition to the powers given above, but without prejudice to any powers conferred on other persons by this Instrument, have power exercisable by Ordinary Resolution:
 - (a) to sanction any proposal by the Company for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the

Bondholders against the Company or against any of its property whether such rights shall arise under this Instrument or otherwise;

- (b) to sanction any scheme or proposal for the exchange, substitution or sale of the Convertible Bonds for, or the cancellation of the Convertible 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 Convertible Bonds which shall be proposed by the Company;
- (d) to authorise anyone to concur in and do all such things as may be necessary to carry out and give effect to any Ordinary Resolution;
- (e) to give any authority, discretion or sanction which under this Instrument or the Convertible 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 Convertible Bonds;
- (h) to make any modification to the provisions contained in this Instrument or the Convertible Bonds which would have the effect of:
 - (i) changing the maturity of the Convertible Bonds; or
 - (ii) modifying the status of the Convertible Bonds; or
 - (iii) reducing or cancelling the principal amount of, or other amounts in respect of, the Convertible 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 Convertible 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 per cent. of the aggregate principal amount of Convertible 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)
)
and **SIGNED** by)
)
for and on behalf of)
)
)
)
)
)
)
in the presence of :)

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 Convertible 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 Convertible Bonds has been duly authorised by the Company and, when duly executed, authenticated, issued and delivered in accordance with this Agreement, the Convertible 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 Bermuda by the Company for or in connection with the issue of the Convertible 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 Convertible 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 the Bye-laws 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 and publicly disclosed by the Company, there is no litigation, arbitration or other 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 has been no material adverse change in the financial position of the Group since 21 July 2023, being the latest published financial information of the Group.

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 The audited consolidated balance sheet and profit and loss account of the Company for the twelve months ended 31 March 2023:
- (a) have been prepared on a consistent basis, save as disclosed therein, and in accordance with generally accepted accounting principles in, and pursuant to the relevant laws of, Hong Kong; and
 - (b) show a true and fair view of the state of affairs of the Group as at 31 March 2023 and of its results for the financial period in question.
- 2.10 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.
- 2.11 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) each date of Completion.

SCHEDULE 3

Completion requirements

1. Obligations of the Company

The Company shall deliver to the Placing Agent:

- (a) evidence reasonably satisfactory to the Placing Agent that the conditions contained in Clause 2.1 have been fulfilled, including but not limited to the delivery to the Placing Agent of a copy of the board resolution of the Company approving the execution of this Agreement and the issue of the Convertible Bonds;
- (b) a certified copy of the Instrument duly executed by the Company;
- (c) definitive certificates for the Convertible Bonds issued in favour of the Placees as procured by the Placing Agent (or as the Placing Agent may otherwise direct) 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; and
- (d) a signed Confirmation Letter for each relevant placee.

2. Obligation of the Placing Agent

The Placing Agent shall, upon fulfilment by the Company of all of its obligation in this Schedule, settle with the Company in the manner as agreed between the Company and the Placing Agent for the principal amount of the Convertible Bonds placed by it (subject to deductions for the commissions, fees and expenses payable by the Company under Clause 8) after deduction of the placing commission and out-of-pocket charges and expenses properly and reasonably incurred by the Placing Agent in relation to the placing payable pursuant to Clause 8.1.

SCHEDULE 4

Confirmation Letter

[On the letterhead of the Company]

Date: [*]

To whom it may concern,

Re: subscription of Convertible bonds (the “Convertible Bonds”) in the principal amount of HK\$[*] issued by (the “Company”) by [name of placee]

The Company has entered into a placing agreement with SILVERBRICKS SECURITIES COMPANY LIMITED (the “**Placing Agent**”) on 19 September 2023, pursuant to which the Company has appointed the Placing Agent to procure the places to subscribe for the Convertible Bonds issued by the Company up to an aggregate principal amount of HK\$64,500,000.

We hereby confirm that [*] (the “**Subscriber**”) has on 19 September 2023 subscribed for the Convertible Bonds in the principal amount of HK\$[*] and a certificate for the Convertible Bonds with the number [*] has been issued by the Company to the Subscriber, and the name of the Subscriber has been entered into the register of holders of the Convertible Bonds maintained by the Company and became a valid hold of the Convertible Bonds, pursuant to the terms and conditions of the instrument of the Convertible Bonds.

Should you have any enquiry in relation to the Convertible Bond, please contact our [*] at [*].

Yours faithfully,

For and on behalf of

SILVERBRICKS SECURITIES COMPANY LIMITED

Director

We, being the Placing Agent, hereby confirm the subscription by the Subscriber for the Convertible Bonds in the principal amount of HK\$[*] as described hereinabove has been completed on [*] 2023 in accordance with the terms and conditions of the Convertible Bonds.

For and on behalf of

SILVERBRICKS SECURITIES COMPANY LIMITED

[*]

Responsible Officer

I, [*] being the Subscriber, hereby confirm that I have subscribed for and paid in full the Convertible

Bonds in the principal amount of HK\$[*] issued by the Company and that I have been received a certificate for the Convertible Bonds with the number [*] issued by the Company as described hereinabove on [*] 2023 and since then became a holder of the said Convertible Bonds.

Name: [*]
Subscriber

SCHEDULE 5

Company Redemption Notice

The undersigned hereby irrevocably notify the Bondholder that it wishes to redeem [the entire/ part of outstanding principal amount] of the Convertible Bond specified below in accordance with clause 6(B) of the Instrument and the terms below.

Outstanding Principal Amount of the Convertible Bond: HK\$[●]

Outstanding Principal Amount of the Convertible Bond to be redeemed: HK\$[●]

Company Redemption Price: [●]

Date of the proposed redemption: [●]

Address of the Undersigned:

Dated:

Certifying Signature

Name:

Title:

For and on behalf of

NEW SPARKLE ROLL INTERNATIONAL GROUP LIMITED

IN WITNESS whereof the party hereto has executed and delivered this Instrument the day and year first above written.

Executed and delivered as a deed

For and on behalf of)
NEW SPARKLE ROLL INTERNATIONAL
GROUP LIMITED)
by:)
title:)
(duly authorised in accordance with its constitutional documents))
in the presence of:)

Witness:

Signature:

Witness' name:

Witness' occupation:

Witness' address: