

DATED 6 September 2024

SUNWAY INTERNATIONAL HOLDINGS LIMITED

新威國際控股有限公司

as the Issuer

and

WEALTHY PORT HOLDINGS LIMITED

as the Subscriber

SUBSCRIPTION AGREEMENT

in respect of

HK\$30,000,000 1-YEAR NIL INTEREST

CONVERTIBLE BONDS DUE 2025

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THIS AGREEMENT is made on the 6th day of September 2024 and made

BETWEEN:

- (1) **SUNWAY INTERNATIONAL HOLDINGS LIMITED** (新威國際控股有限公司), a company incorporated in Bermuda with limited liability and having its principal place of business in Hong Kong at 3/F., Mandarin Commercial House, 38 Morrison Hill Road, Wanchai, Hong Kong (“**Issuer**”); and
- (2) **WEALTHY PORT HOLDINGS LIMITED**, a company incorporated in Hong Kong and having its registered office at Room 1705, 17/F., Tower II, Admiralty Centre, 18 Harcourt Road, Hong Kong (“**Subscriber**”),

each a “Party” and together the “Parties”.

WHEREAS:

- (A) The Issuer has an authorised share capital of HK\$1,000,000,000 divided into 10,000,000,000 ordinary shares of HK\$0.10 each (“**Shares**”, each a “**Share**”), of which 179,600,000 Shares have been issued and are fully paid or credited as fully paid as at the date of this Agreement.
- (B) The Shares are listed on the main board of the Stock Exchange (as defined below) and the activities of the Issuer are subject to compliance with the Listing Rules (as defined below) and the Takeovers Code (as defined below) where applicable.
- (C) The Issuer has agreed with the Subscriber to issue, and the Subscriber has agreed to subscribe for, the Bonds (as defined below) upon and subject to the terms and conditions set out in this Agreement.

THE PARTIES AGREE THAT:

1. Definitions and Interpretation

1.1 In this Agreement where the context admits:

“**Affiliate**” means, (i) in relation to a natural person, any trust managed by such person, or any trust in which such person is beneficially interested in, or an associate (as defined in the Listing Rules) of such person, (ii) in relation to a body corporate, any subsidiary or holding company of such body corporate, any subsidiary of any such holding company for the time being and (iii) in relation to any partnership or other fund structure, any other person which through share ownership or through any other arrangement directly or indirectly controlling or controlled by or under direct or indirect common control with, such partnership or other fund structure.

“**Agreement**” means this Agreement, as varied, amended, modified, varied or supplemented in writing by the Parties from time to time.

“**Authority**” means any competent governmental, administrative, supervisory, regulatory, judicial, determinative, disciplinary, enforcement or tax raising body, authority, agency, or any stock exchange, commission, department, court or tribunal or other non-governmental regulatory authority of Hong Kong, Bermuda or any other jurisdiction relevant to the Group’s business, and whether supranational, national, regional or local.

“**Authorisation**” means any licence, consent, permit, approval or other authorisation, whether public or private.

“**Board**” means the board of directors of the Issuer from time to time.

“**Bond Consideration**” means 100% of the principal amount of the Bonds to be paid by the Subscriber at Completion.

“**Bondholder(s)**” means the person(s)/entity(ies) in whose name a Bond is registered in the Register of Bondholders.

“**Bonds**” means the 1-year nil interest convertible bonds due in 2025 in the principal amount of HK\$30,000,000 having a denomination of HK\$10,000,000 each, constituted by the Certificate and to be issued by the Issuer on the Completion Date pursuant to this Agreement with the benefit of and subject to the Conditions.

“**Business Day**” means a day on which banks are open for ordinary banking business in Hong Kong (other than a Saturday, Sunday or a public holiday or a day on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.).

“**Certificate**” means the certificate, substantially in the form set out in Schedule 1, to be issued in respect of the Bonds, together with the Conditions.

“**Completion**” means completion of the transactions contemplated herein pursuant to Clause 4.

“**Completion Date**” means the date on which the Completion takes place, which shall be in any event no later than five Business Days after all Conditions Precedent have been fulfilled or waived (where applicable).

“**Companies Ordinance**” means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

“**Conditions**” means the terms and conditions to the Bonds to be attached to the Certificates substantially in the form set out in Schedule 1 (with such amendments thereto as the Issuer and the Subscriber may agree in writing) and a “**Condition**” refers to the relative numbered paragraph of the Conditions.

“**Conditions Precedent**” means the conditions precedent set out in Clause 3.1.

“**Connected Person**” means a “connected person” as such term is defined in the Listing Rules.

“**Conversion Shares**” means the Shares to be issued by the Issuer upon conversion of the Bonds.

“**Encumbrance**” includes any interest or equity of any person (including any right to acquire, right of first refusal, option or right of pre-emption); any mortgage, charge, pledge, lien, assignment, hypothecation, security interest of any kind (including any created by law), title retention or other security agreement or arrangement; and any rental, hire purchase, credit or conditional sale or other agreement for payment on deferred terms and includes any agreement for any of the same and “**Encumber**” and “**Encumbrancer**” shall be construed accordingly.

“**Event of Default**” means an event described under “Event of Default” in the Conditions.

“**Group**” means the Issuer and its Subsidiaries from time to time and “members of the Group” shall be construed accordingly.

“**HK\$**” means Hong Kong dollar, the lawful currency of Hong Kong.

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

“**Independent Shareholders**” means the Shareholders other than those who are involved in or interested in this Agreement and the Bonds.

“**Listing Rules**” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

“**Long Stop Date**” means 5 December 2024, or such later date as may be agreed in writing by the Parties.

“**Material Adverse Effect**” means an event or circumstance, occurrence or any combination thereof arising or occurring, the effect of which is reasonably likely to have a material adverse effect on (i) the business, operations, assets, liabilities (including contingent liabilities), business or financial condition, results or, prospects of the Group as a whole, or (ii) the ability of the Issuer to perform its obligations hereunder; provided that (a) any change that generally affects the industries or markets in which the Group operates, (b) any change in the financial markets or general economic or political conditions, (c) any change in law or any accounting principle applicable to the Group shall not be taken as a “Material Adverse Effect”.

“**Maturity Date**” means the calendar day immediately before the first anniversary date of the Completion Date.

“**PRC**” means the People’s Republic of China, and for the purpose of this Agreement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan.

“**Register of Bondholders**” means the register to be kept at the Issuer’s head office in Hong Kong on which the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers of the Bonds are entered in accordance with the terms of the Certificate and the Conditions.

“**SFC**” means the Securities and Futures Commission in Hong Kong and where the context so admits shall mean the Executive Director of the Corporate Finance Division of the Securities and Futures Commission.

“**Shareholder(s)**” means holder(s) of the Shares.

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

“**Subsidiaries**” means the subsidiaries of the Issuer.

“**subsidiary**” or “**holding company**” shall have the meaning ascribed to them respectively in Rule 1.01 of the Listing Rules and section 13 of the Companies Ordinance, respectively.

“**Takeovers Code**” means the Hong Kong Code on Takeovers and Mergers and Share Buy-backs.

“**Tax**” and “**Taxation**” means (a) any form of tax whenever created or imposed and whether of Hong Kong, Bermuda or elsewhere, payable to or imposed by any taxation authority and includes, without limitation, profits tax, provisional profits tax, interest tax, salaries tax, property tax, taxes on income, estate duty, capital duty, stamp duty, payroll tax and other similar liabilities or contributions and any other taxes, levies, duties, charges, imposts or withholdings

similar to, corresponding with, or replacing or replaced by any of the foregoing and including an amount equal to any deprivation of any relief from taxation; and (b) all charges, interests, penalties and fines, incidental or relating to any Taxation falling within (a) above.

“**Transaction Documents**” means this Agreement, the Certificate and the Conditions.

“**Warranties**” means the warranties and representations set out in Part A of Schedule 2 in respect of Warranties from the Subscriber to the Issuer (being the “**Subscriber Warranties**”) and the warranties and representations set out in Part B of Schedule 2 in respect of Warranties from the Issuer to the Subscriber (being the “**Issuer Warranties**”).

1.2 In this Agreement, where the context admits:

- (A) a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted;
- (B) where any statement is to the effect that the Issuer is not aware of any matter or circumstance, or is a statement qualified by the expression “so far as the Issuer is aware” or “to the best of the Issuer’s knowledge and belief” or any similar expression, that statement shall be deemed to include an additional statement that it has been made after due and careful enquiry immediately before giving the statement and the same shall when used in respect of any other person apply in relation to such statements as to the awareness or knowledge of such other person;
- (C) references to Clauses and Schedules are references to clauses of and schedules to this Agreement, references to paragraphs are, unless otherwise stated, references to paragraphs of the schedule in which the reference appears and references to this Agreement include the schedules;
- (D) each of the schedules shall have effect as if set out herein;
- (E) the headings and sub-headings are inserted for convenience only and shall not affect the construction of this Agreement;
- (F) references to the singular shall include the plural and vice versa and references to the masculine, the feminine and the neuter shall include each other such gender;
- (G) “person” includes any individual, partnership, body corporate, corporation sole or aggregate, state or agency of a state, and any unincorporated association or organisation, in each case whether or not having separate legal personality;
- (H) “company” includes any body corporate;
- (I) references to times of the day are to Hong Kong time and references to a day are to a period of 24 hours running from midnight to midnight; and
- (J) except as otherwise expressly provided, words and expressions defined in the Companies Ordinance as at the date hereof have the same meanings when used in this Agreement.

2. Issue and Subscription of the Bonds

- 2.1 Subject to the satisfaction or waiver (where applicable) of the Conditions Precedent, upon Completion, the Issuer shall issue to the Subscriber, and the Subscriber shall subscribe, the Bonds in the principal amount of HK\$30,000,000, at the Bond Consideration and subject to the terms and conditions of this Agreement.

3. Conditions Precedent

- 3.1 Completion is conditional on:

- (A) the Issuer Warranties remaining true, accurate and correct in all material aspects;
- (B) all issued Shares remaining listed on, and not having been withdrawn from, the Stock Exchange and the Stock Exchange not having indicated that it will object to, suspend or cancel such listing and there being no events or circumstances existing based on which the Stock Exchange could reasonably be expected to raise such objection, suspension or cancellation;
- (C) the passing of an ordinary resolution by the Independent Shareholders at the SGM approving the issue of the Bonds by the Company;
- (D) listing of, and permission to deal in, all of the Conversion Shares upon conversion of the Bonds having been granted by the Listing Committee of the Stock Exchange (either unconditionally or if subject to conditions, such conditions being reasonably acceptable to the Subscriber and if required by the Stock Exchange for it to be fulfilled before Completion, such conditions being fulfilled or satisfied before Completion) and such listing and permission remaining in full force and effect and not subsequently being revoked;
- (E) there being no event existing or having occurred and no condition being in existence which would (had any Bonds already been issued) constitute an Event of Default;
- (F) all obligations under the Transaction Documents required to be performed by the Issuer on or before the Completion Date having been performed, and there being no breach of any provision of any Transaction Document by the Issuer;
- (G) since the date of this Agreement, there having been, in the reasonable opinion of the Subscriber, no event or circumstance which carries a Material Adverse Effect;
- (H) the Subscriber Warranties remaining true, accurate and correct in all material aspects; and
- (I) the Subscriber having performed all necessary external and internal Authorisations for the execution documents and consummation of transactions under the Transaction Documents.

- 3.2 The Issuer shall, at its own costs, use its best endeavours to satisfy or procure the satisfaction of the Conditions Precedents set out in Clause 3.1(A) to (F) as soon as reasonably practicable after the date hereof and shall notify the Subscriber in writing immediately upon the satisfaction thereof. The Subscriber shall, at its own costs, use its best endeavours to satisfy or procure the satisfaction of the Conditions Precedents set out in Clause 3.1(G) to (I) as soon as reasonably practicable after the date hereof and shall notify the Issuer in writing immediately upon the satisfaction thereof. Should the Issuer or the Subscriber become aware of anything which will

or is reasonably likely to prevent any of the relevant Conditions Precedent from being satisfied, it shall forthwith notify in writing the same to the other Party.

- 3.3 The Subscriber may at any time waive in writing any or all of the Conditions Precedent (save and except for Clauses 3.1(B), (C) and (D)) either in whole or in part and conditionally or unconditionally by giving notice in writing to the Issuer.
- 3.4 In the event that all the Conditions Precedent shall not have been satisfied or (where applicable) waived on or before the Long Stop Date, this Agreement (except for Clause 1 and Clauses 7 to 11) shall lapse and become null and void between the Issuer and the Subscriber, and neither the Issuer nor the Subscriber shall have or make any claim against the other in respect hereof save for liabilities for any antecedent breach hereof.

4. Completion

- 4.1 Subject to the fulfilment or waiver (where applicable) of the Conditions Precedent, Completion shall take place on the Completion Date at such place and time to be agreed between the Issuer and the Subscriber in writing. At Completion, all (but not only some) of the events detailed in this Clause 4 shall occur.
- 4.2 On Completion, the Issuer shall:
- (A) deliver to the Subscriber a certified copy of the minutes or resolutions of the Board approving, amongst other things, the execution of the Transaction Documents to which the Issuer is a party, the allotment and issue of the Bonds to the Subscriber in accordance with this Agreement and all the transactions contemplated under the Transaction Documents;
 - (B) procure entry in the Issuer's register of Bondholders of the name of the Subscriber to be the holder of the principal amount of the relevant Bonds subscribed by the Subscriber;
 - (C) issue to the Subscriber the Bonds by delivering a Certificate, duly executed, representing the aggregate principal amount of the Bonds subscribed by the Subscriber (together with the Conditions) in the form set out in Schedule 1 in the name of the Subscriber; and
- 4.3 On Completion, the Subscriber shall:
- (A) make the payment of the Bond Consideration in cash to the Issuer in such manner as mutually agreed between the Issuer and the Subscriber; and
 - (B) deliver to the Issuer a certified copy of resolutions of the board of directors of the Subscriber approving, amongst other things, the execution of the Transaction Documents to which the Subscriber is a party, the subscription of the Bonds in accordance with this Agreement and all the transactions contemplated under the Transaction Documents.
- 4.4 If in any respect the obligations of the Issuer or the Subscriber are not complied with on the Completion Date (whether such failure by the defaulting Party amounts to a repudiatory breach or not), the Party not in default may:
- (A) proceed to Completion so far as practicable (without prejudice to its rights hereunder);
or

(B) rescind this Agreement.

4.5 In the event that each of the Conditions Precedent has been fulfilled or waived in accordance with this Agreement, and if the Issuer or the Subscriber (through its wilful default) (“**Defaulting Party**” and the Party the “**Non-Defaulting Party**”) defaults on its obligations in respect of Completion under this Agreement, the non-Defaulting Party shall then have no obligation to perform this Agreement and the non-Defaulting Party shall be entitled to claim damages from the Defaulting Party.

5. Warranties and Undertakings

5.1 The Subscriber and the Issuer hereby warrant, represent and undertake to and for the benefit of each other in terms of the Warranties and acknowledge that each Party is entering into this Agreement in reliance upon each of the Warranties. Each Warranty is given on the basis that it is now and will remain true and accurate at all times up to (and including) the Completion Date.

5.2 Each Party undertakes that it shall comply with the Takeovers Code and the Listing Rules from time to time.

5.3 Each Warranty shall be construed as a separate warranty and (save as expressly provided to the contrary) shall not be limited or restricted by reference to or inference from the terms of any other Warranty or any other terms of this Agreement.

5.4 The Issuer undertakes with the Subscriber that:

(A) the Issuer will pay:

(1) any stamp, issue, registration, documentary or other Taxes and duties, including interest and penalties in Bermuda, Hong Kong and all other relevant jurisdictions payable on or in connection with the creation, issue and offering of the Bonds, the listing and issue of the Conversion Shares or the execution or delivery of this Agreement; and

(2) in addition to any amount payable by it under this Agreement, any value added, service, turnover or similar Tax payable in respect thereof (and references in this Agreement to such amount shall be deemed to include any such Taxes so payable in addition to it),

in each case other than those payable by the Subscriber in connection with the above arising solely because of the domicile of the Subscriber;

(B) the Issuer will forthwith notify the Subscriber if at any time prior to payment of the Bond Consideration to the Issuer on the Completion Date anything occurs which renders or may render untrue or incorrect in any respect any of its representations, warranties and agreements herein and will forthwith take such steps as the Subscriber may reasonably require to remedy the fact;

(C) the Issuer will issue, in accordance with the Conditions, Conversion Shares (which rank *pari passu* with the other Shares then outstanding) free and clear of all Encumbrances upon conversion of the Bonds pursuant to the Conditions and shall maintain at all times sufficient authorised but unissued share capital to satisfy the issue of sufficient Conversion Shares at the prevailing conversion price of the Bonds;

(D) the Issuer will use its best endeavours to obtain all approvals and consents and promptly

make all notifications, registrations and filings as may from time to time be required on the part of the Issuer in relation to the Bonds and/or the Conversion Shares; and

- (E) Subject to Completion, the Issuer shall provide the Bondholder a certified copy of the Register of Bondholders or any document(s) evidencing the entry of the name of the Bondholders on the Register of Bondholders as soon as practicable, but in any event not later than three Business Days after the Completion Date.

6. Termination

- 6.1 If an event or circumstance that carries a Material Adverse Effect occurs or if an Event of Default occurs prior to the Completion, the Subscriber may, without liability to the Issuer, elect not to proceed to the Completion by giving notice in writing to the Issuer at any time prior to 10:00 a.m. (Hong Kong time) on the Completion Date.
- 6.2 Upon serving of such notice as stipulated under Clause 6.1, this Agreement (except Clause 1 and Clauses 7 to 11) will lapse and become null and void and the Parties will be released from all obligation hereunder, save for liabilities for any antecedent breach hereof.

7. Announcement

- 7.1 Subject to Clauses 7.2, no press or other announcement shall be made in connection with the subject matter of, or any transactions contemplated under, the Transaction Documents by any Party or any of its Affiliates without the prior written consent of the other Party.
- 7.2 Where any press or other announcement is required by law or rules and regulations of the Stock Exchange, the SFC or any other regulatory authority by which a Party is bound, the Party proposing to make the announcement shall so far as practicable consult with the other Party hereto to mutually agree on the content of such announcement prior to its release.
- 7.3 Notwithstanding the foregoing, the Subscriber may make a filing(s) in relation to its subscription of the Bonds in accordance with the disclosure of interest obligations under Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) without prior consultation with the Issuer.
- 7.4 For the avoidance of doubt, Clause 7 shall continue to apply notwithstanding Completion.

8. Confidentiality

- 8.1 Each Party undertakes that it shall (and shall procure that its Affiliates shall, and where relevant, undertakes to procure that its officers, employees, agents, investment managers and professional and other advisers and those of any Affiliate (together its “**Authorised Persons**”) shall) use its best endeavours to keep confidential at all times and not permit or cause the disclosure of any information (other than to its Authorised Persons) which it may have or acquire before or after the date hereof relating to the provisions of, and negotiations leading to, the Transaction Documents, the Certificate and the performance of the obligations thereunder (such information being “**Confidential Information**”). In performing its obligations under this Clause 8.1, each Party shall apply confidentiality standards and procedures at least as stringent as those it applies generally in relation to similar types of confidential information which it receives in connection with evaluating transactions similar to the transactions contemplated by the Transaction Documents.
- 8.2 Each Party shall alert the other Party as soon as is reasonably practical after it becomes aware of any request from a third party for disclosure of any Confidential Information.

8.3 The obligation of confidentiality under Clause 8.1 does not apply to:

- (A) information which at the date of disclosure is within the public domain (otherwise than as a result of a breach of this Clause 8);
- (B) the disclosure of information to the extent required to be disclosed by law, regulation or any regulatory authority;
- (C) the disclosure by a Party to its Affiliates on a need-to-know and confidential basis;
- (D) any announcement made in accordance with the terms of Clause 7; or
- (E) the provision of information to a prospective purchaser of some or all of the Bonds, provided any such prospective purchaser shall be required to enter into a customary confidentiality agreement prior to the disclosure of such information to them.

9. Notices

9.1 Any notice or other communication to be given or made under this Agreement shall be in writing and shall be given, made or served by e-mail, by first class pre-paid post, by courier or personally delivered. Any such notice or communication shall be sent to the Party to whom it is addressed and must contain sufficient reference and/or particulars to render it readily identifiable with the subject matter of this Agreement. If so given, made or served by e-mail, such notice or communication shall be deemed received upon successful despatch of the e-mail; if so given or made by post to an address in Hong Kong, shall be deemed received three Business Days after the date of despatch; if so given or made by air-mail to an address outside Hong Kong, shall be deemed received seven Business Days after the date of despatch; and if so given or made by courier or personally delivered, shall be deemed received at the time of delivery.

9.2 The relevant address and e-mail address of each Party for the purpose of this Agreement are as follows:

In the case of the Issuer:

Address : 3/F, Mandarin Commercial House, 38 Morrison Hill Road, Wanchai, Hong Kong
E-mail : tommylaw@58sunway.com
Attention : Mr. LAW Chun Choi

In the case of the Subscriber:

Address : Room 1705, 17/F, Tower 2, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong]
E-mail : asialitepro@gmail.com
Attention : Ms. Ada LAM

10. General Provisions

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

10.2 Each Party undertakes to the other to execute and deliver or procure to be executed and delivered 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 the Transaction Documents.

- 10.3 The exercise of or failure to exercise any right or remedy by any Party in respect of any breach of this Agreement shall not, save as provided herein, constitute a waiver by such Party of any other right or remedy it may have in respect of that breach.
- 10.4 Any right or remedy conferred by this Agreement on any Party for breach of this Agreement (including without limitation the breach of any Warranties) shall be in addition and without prejudice to all other rights and remedies available to it in respect of that breach.
- 10.5 All of the provisions of this Agreement shall remain in full force and effect notwithstanding Completion (except insofar as they set out obligations which have been fully performed at Completion).
- 10.6 No variation of this Agreement shall be effective unless made in writing and signed by all of the Parties.
- 10.7 This Agreement shall be binding upon and enure for the benefit of the successors of the Parties hereto but shall not be assignable or transferrable.
- 10.8 This Agreement supersedes all and any previous agreements, arrangements or understanding among the Parties relating to the matters referred to in this Agreement and all such previous agreements, arrangements or understanding (if any) shall cease and determine with effect from the date hereof.
- 10.9 If at any time any provision of this Agreement is or becomes illegal, void or unenforceable in any respect, the remaining provisions hereof shall in no way be affected or impaired thereby.
- 10.10 This Agreement may be executed by the Parties 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 the Parties.
- 10.11 All payments due under this Agreement are to be made in Hong Kong dollars and are stated exclusive of any applicable Tax other than taxes imposed in respect of net income by a taxing jurisdiction wherein the recipient is incorporated or resident for tax purposes. If any deduction or withholding for or on account of such Taxes is required to be made from any payment, then the Party making the payment shall pay an additional amount so that the recipient receives, free from any such withholding, deduction, assessment or levy, the full amount of the payments set out herein. The paying Party shall make appropriate payments and returns in respect of such Taxes and provide to the other Party with an original or authenticated copy of the tax receipt.
- 10.12 Unless expressly provided herein, a person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce or to enjoy the benefit of any term of this Agreement.

11. Governing Law and Jurisdiction

- 11.1 This Agreement shall be governed by and construed in accordance with the laws of Hong Kong.
- 11.2 The parties hereby submit to the non-exclusive jurisdiction of the courts of Hong Kong in connection herewith but the terms of this Agreement may be enforced in any court of competent jurisdiction.

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Schedule 1
FORM OF CERTIFICATE

Principal amount:
HK\$10,000,000

Certificate no.: [*]

SUNWAY INTERNATIONAL HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)

**1-YEAR NIL INTEREST
CONVERTIBLE BONDS DUE [*] 2025**

Issued pursuant to the amended and restated bye-laws of Sunway International Holdings Limited (“Issuer”) and a resolution of its shareholders in the annual general meeting dated 15 June 2022. The Bond or Bonds in respect of which this Certificate is issued, the identifying numbers of which are noted above, are in registered form and form part of a series designated as specified in the title (the “Bonds”) of the Issuer. The Bonds are issued on the date stated below with the benefit of and subject to the terms and conditions attached hereto (“Conditions”) which shall form an integral part of this Certificate.

THIS IS TO CERTIFY that

WEALTHY PORT HOLDINGS LIMITED

whose registered address is situate at Room 1705, 17/F., Tower II, Admiralty Centre, 18 Harcourt Road, Hong Kong,

is, at the date hereof, entered in the Issuer’s register of Bondholders as the holder of the Bonds in the principal amount of HK\$10,000,000 (which amount is also set out on the top left hand side of this certificate (this “Certificate”). For value received, the Issuer by such entry promises to pay the person who appears at the relevant time on the register of Bondholders as holders of the Bonds in respect of which this Certificate is issued such amount or amounts as shall become due in respect of such Bonds in accordance with the Conditions and each of the Issuer and the Bondholder mentioned above agree to comply with the Conditions.

The Bonds in respect of which this Certificate is issued are convertible into fully-paid ordinary shares with a par value of HK\$0.10 in the capital of the Issuer subject to and in accordance with the Conditions.

This Certificate is evidence of entitlement only. Title to the Bonds passes only on due registration on the register of Bondholders (“Register of Bondholders”) and only the duly registered holder is entitled to payments on Bonds in respect of which this Certificate is issued. This Certificate shall not be valid for any purpose until executed by the Issuer.

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

In witness whereof, the Issuer has caused this Certificate to be executed as a deed on [*] 2024.

EXECUTED AS A DEED BY)
SUNWAY INTERNATIONAL)
HOLDINGS LIMITED)
Acting by: **LAW Chun Choi**)
and **LUM Pak Sum**)
In the presence of:-)

LAW Chun Choi
Director

LUM Pak Sum
Director

LEUNG Chi Fai

(For endorsement in the event of partial conversion or repurchase)

Date

Amount Converted/Repurchased

Amount Outstanding

Terms and Conditions of the Bonds

The following, other than the words in italics, is the text of the Terms and Conditions of the Bonds which will appear on the reverse of each definitive certificate evidencing the Bonds.

The issue of 1-year nil interest convertible Bonds due on [*]2025 (the “Bonds”) of Sunway International Holdings Limited (the “Issuer”), a company incorporated in Bermuda, was authorised by a resolution of the general meeting of the Issuer passed on [date].

1 Definitions and Interpretation

1.1 For the purpose of these Conditions, the words and expressions set out below shall have the meaning attributed to them below unless the context otherwise requires:

“Approved Financial Adviser” means an independent reputable accounting firm, merchant bank or other reputable financial institution selected and appointed by the Issuer at the cost of the Issuer and acceptable to the Bondholders.

“Board” means the board of directors of the Issuer from time to time.

“Bondholders” has the meaning ascribed to it in Condition 3.1.

“Business Day” means a day (other than a Saturday and a Sunday and a day on which a tropical cyclone warning number 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are open for general banking business in Hong Kong throughout their normal business hours.

“Capital Distribution” shall (without prejudice to the generality of that phrase) include distributions in cash or specie.

“CCASS” means the Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited.

“Certificate” has the meaning given to it in Condition 4.1.

“Conversion Date” has the meaning given to it in Condition 7.7.

“Conversion Period” has the meaning given to it in Condition 7.1(a).

“Conversion Price” has the meaning given to it in Condition 7.4.

“Conversion Right” has the meaning given to it in Condition 7.1(b).

“Conversion Shares” means the Shares to be issued by the Issuer upon conversion of the Bonds.

“Conversion Notice” has the meaning given to it in Condition 7.6(a).

“Current Market Price” means in respect of the Shares on a particular date, the average closing price per Share quoted on the daily quotation sheets of the Stock Exchange for the thirty (30) consecutive Trading Days immediately preceding the day of such date.

“Designated Hong Kong Address” means the Issuer’s principal place of business in Hong Kong being 3/F, Mandarin Commercial House, 38 Morrison Hill Road, Wanchai, Hong Kong or such other place of business of the Issuer in Hong Kong as the Issuer may notify the Bondholders.

“Disposal” means sale, assignment, transfer, granting of lease, tenancy, licence, option, right of first refusal or other right or interest whatsoever, or creation of any Encumbrance; and “Dispose” and “Disposing” shall be construed accordingly.

“Dividend” means any dividend or distribution, whether of cash, assets or other property, and whenever paid or made and however described (and for these purposes a distribution of assets includes, without limitation, an issue of Shares or other securities credited as fully or partly paid-up) provided that where a cash Dividend is announced which is to be, or may at the election of a holder or holders of Shares be, satisfied by the issue or delivery of Shares or other property or assets, then, the Dividend in question shall be treated as a cash Dividend of an amount equal to the greater of: (a) the cash Dividend so announced; and (b) the amount calculated on the basis of the Current Market Price on the date of announcement of such Dividend of such Shares or the Fair Market Value of other property or assets to be issued or delivered in satisfaction of such Dividend (or which would be issued if all holders of Shares elected therefore, regardless of whether any such election is made).

“Encumbrance” includes any interest or equity of any person (including any right to acquire, right of first refusal, option or right of pre-emption); any mortgage, charge, pledge, lien, assignment, hypothecation, security interest of any kind (including any created by law), title retention or other security agreement or arrangement; and any rental, hire purchase, credit or conditional sale or other agreement for payment on deferred terms and includes any agreement for any of the same and “Encumber” and “Encumbrancer” shall be construed accordingly.

“Equity Securities” shall mean (i) any Shares or other equity security of the Issuer, (ii) any security convertible into or exercisable or exchangeable for, with or without consideration, any Shares or other equity security of the Issuer (including any option to purchase such a convertible security), (iii) any security carrying any warrant or right to subscribe to or purchase any Shares, or other equity security of the Issuer or (iv) any such warrant or right, except (a) any Shares or other equity securities that the Issuer was under an obligation to issue pursuant to any binding agreement entered into before the date of the Subscription Agreement and (b) the grant of options or rights and the issue of Shares by the Issuer pursuant to a Share Option Scheme.

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

“Group” means the Issuer and its Subsidiaries from time to time and “members of the Group” shall be construed accordingly.

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

“Initial Issue Date” means [*] 2024, being the date on which this Bond is first issued.

“Listing Rules” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

“Material Adverse Effect” means an event or circumstance, occurrence or any combination thereof arising or occurring, the effect of which is reasonably likely to have a material adverse effect on (i) the business, operations, assets, liabilities (including contingent liabilities), business or financial condition, results or, prospects of the Group as a whole, or (ii) the ability of the Issuer to perform its obligations hereunder; provided that (a) any change that generally affects the industries or markets in which the Group operates, (b) any change in the financial markets or general economic or political conditions, (c) any change in law or any accounting principle applicable to the Group shall not be taken as a “Material Adverse Effect”.

“Maturity Date” means the calendar day immediately before the first anniversary date of the Initial Issue Date, being [*] 2025.

“Redemption Amount” means 100 per cent. of the outstanding principal amount and all other amounts accrued or outstanding under the Bond.

“Registration Date” has the meaning given to it in Condition 7.9(c).

“Register of Bondholders” has the meaning given to it in Condition 3.2.

“Registered Account” has the meaning given to it in Condition 9.2.

“Share Option Scheme” means any share option scheme adopted by the Issuer which is subject to the requirements of the Listing Rules.

“Shares” means the ordinary shares of an existing par value of HK\$0.10 each in the share capital of the Issuer and listed on the Stock Exchange and all other (if any) stock or shares from time to time and for the time being ranking *pari passu* therewith, and all other (if any) stock or shares resulting from any sub-division, consolidation or re-classification thereof, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Issuer.

“Shareholder(s)” means holder(s) of the Shares.

“Stock Exchange” means The Stock Exchange of Hong Kong Limited.

“Subscription Agreement” means the subscription agreement dated [*] 2024 between the Issuer and Wealthy Port Holdings Limited in respect of the issuance and subscription of the Bonds, as varied, amended, modified, supplemented or novated from time to time.

“Subsidiaries” means subsidiaries of the Issuer.

“subsidiary” shall have the meaning ascribed to them respectively in section 15 of the Companies Ordinance.

“Takeovers Code” means the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs.

“Tax” and “Taxation” means (a) any form of tax whenever created or imposed and whether of Hong Kong, Bermuda or elsewhere, payable to or imposed by any taxation authority and includes, without limitation, profits tax, provisional profits tax, interest tax, salaries tax, property tax, taxes on income, estate duty, capital duty, stamp duty, payroll tax and other similar liabilities or contributions and any other taxes, levies, duties, charges, imposts or withholdings similar to, corresponding with, or replacing or replaced by any of the foregoing and including an amount equal to any deprivation of any relief from taxation; and (b) all charges, interests, penalties and fines, incidental or relating to any Taxation falling within (a) above.

“Trading Day” means a day on which trading of the Shares is conducted on the Stock Exchange in accordance with the rules and regulations of the Stock Exchange promulgated from time to time.

- 1.2 A reference to a “date of announcement” shall mean the date of the occurrence of the matter or the execution of the document referred to in the public announcement first released and uploaded on the official website of the Hong Kong Exchanges and Clearing Limited under the Listing Rules; and for the avoidance of doubt, where (a) the public announcement is released and uploaded on a day subsequent to the date of the occurrence of the underlying matter or the execution of the underlying document or (b) a public announcement is required to be made under the Listing Rules but is not made, the “date of announcement” shall be deemed to be the date of the occurrence of the underlying matter or the execution of the underlying document; and “announced” and “announcement” shall be construed accordingly.
- 1.3 A reference to “outstanding” in relation to the Bonds shall mean all the Bonds issued other than:
- (a) those which have been redeemed or in respect of which Conversion Rights have been exercised and which have been cancelled in accordance with these 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; and
 - (c) those which have been cancelled as provided in Condition 10.
- 1.4 Except as otherwise expressly provided, expressions defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) have the same meaning when used in these Conditions.
- 1.5 A reference to a statute or statutory provision includes a reference:
- (a) to that statute or provision as from time to time modified or re-enacted; and
 - (b) to any orders, regulations, instruments or other subordinate legislation made under the relevant statute or statutory provision.

- 1.6 References to any Hong Kong statutory provision or legal term for any action, remedy, method of judicial proceeding, legal document, legal statutes, court, official or other legal concept, state of affairs or thing shall in respect of any jurisdiction other than Hong Kong be deemed to include that which most nearly approximates in that jurisdiction to the Hong Kong statutory provision or legal term or other legal concept, state of affairs or thing.
- 1.7 Unless the context otherwise requires:
- (a) words in the singular include the plural, and vice versa;
 - (b) words importing any gender include all genders; and
 - (c) a reference to a person includes a reference to a body corporate and to an unincorporated body of persons.
- 1.8 Condition headings in these Conditions are included for convenience of reference only and shall not constitute a part of the Bonds for any other purpose. The Exhibits to these Conditions form part of these Conditions and shall be read accordingly.
- 1.9 References to:
- (a) costs, charges or expenses include any withholding, value added, turnover or similar tax charged in respect thereof; and
 - (b) “Hong Kong dollars” and “HK\$” are to the lawful currency for the time being of Hong Kong.

2 Status

- 2.1 The Bonds constitute senior, direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and rateably without any preference or priority among themselves.
- 2.2 The Bonds are not listed on the Stock Exchange or any other stock exchange. No application will be made for the listing of the Bonds on the Stock Exchange or any other stock exchange. No application will be made for the admissibility, deposit, clearance or settlement of the Bonds in CCASS or any other clearing system.

3 Title to the Bonds and Register of Bondholders

3.1 *Title*

Title to the Bonds will pass only by transfer and registration in the Register of Bondholders as described in Condition 3.2. The holder of any Bond will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, “Bondholder” and (in relation to a Bond) “Holder” or “holder” mean the person in whose name a Bond is registered.

3.2 *Register of Bondholders*

- (a) The Issuer will maintain and keep the register (the “Register of Bondholders”) in Hong Kong on which the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and all transfer of the Bonds are entered. Each holder of each Bond shall be entitled to receive only one Certificate in respect of its entire holding of such Bond.
- (b) Any Bondholder may require a copy of the names and addresses of the Bondholders and the amount of outstanding principal amount of each of such Bondholders as set forth in the Register of Bondholders and within three Business Days of receipt by the Issuer of such requirement, a copy of the Register of Bondholders shall be made available for collection at the Designated Hong Kong Address or, if so requested by the Bondholder, be sent by courier at the risk and cost of the Bondholder entitled.

4 **Form, Denomination, Certificate**

4.1 *Form and denomination*

The Bonds are issued in registered form in the denomination of multiples of HK\$10,000,000 each. A bond certificate (each, a “Certificate”) will be issued to each bondholder in respect of its registered holding of the Bonds. Each 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 (as defined below) which will be kept by the Issuer pursuant to Condition 3.2.

4.2 *Certificate*

Where only part of a principal amount of the Bonds (being that of one or more Bonds) in respect of which a Certificate is issued is to be transferred, converted, redeemed or repurchased, a new Certificate in respect of the Bonds not so transferred, converted, redeemed or repurchased will, within three Business Days of delivery of the original Certificate together with the other documents required under these Conditions to the Issuer, be made available for collection at the Designated Hong Kong Address or, if so requested in the form of transfer (the form of which being set out in Exhibit A), be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred, converted, redeemed or repurchased (but free of charge to the holder and at the Issuer’s expense) to the address of such holder appearing on the Register of Bondholders.

5 **Transfers of Bonds**

- 5.1 Subject to Conditions 5.2 to 5.6, a Bond may be transferred or exchanged at any time by delivery of the Certificate issued in respect of that Bond, with the endorsed form of transfer (the form of which being set out in Exhibit A) duly completed and signed by the registered Bondholder or his attorney duly authorised in writing, to the Issuer at the Designated Hong Kong Address together with such evidence as the Issuer may reasonably require to prove the authority of the individuals who have executed the form of transfer. No transfer of title to a Bond will be valid unless and until entered on the Register of Bondholders.
- 5.2 A Bond may only be transferred if:
 - (a) the transfer is of the whole Bond of a denomination of HK\$10,000,000;

- (b) it is not transferred to any person who is a connected person (as defined under the Listing Rules) of the Issuer unless with:
 - (i) prior notification to the Issuer;
 - (ii) full compliance of the Listing Rules;
 - (iii) full compliance with requirements (if any) that the Stock Exchange may impose from time to time; and
 - (iv) the consent (if applicable) of the Stock Exchange; and
- (c) the Bondholder proposing to transfer a Bond has given the Issuer not less than five Business Days' prior written notice. The Issuer shall then be entitled to require the transferee to provide on a timely basis such documentation and other evidence for the purpose of (i) background checks (or "know you customer" checks) on the transferee and (ii) identification as to whether the transferee is a connected person (as defined under the Listing Rules) of the Issuer, as is reasonably requested by the Issuer and to the satisfaction of the Issuer. Where the Issuer has not received such documentation and evidence from the transferee within the notice period set out in the Bondholder's aforesaid written notice, the Issuer shall forthwith inform the Bondholder. For the avoidance of doubt, the Bond shall not be transferred before such documentation and evidence is provided to the Issuer.

5.3 No Bondholder may require the transfer of any Bond to be registered (i) during the period of three Business Days ending on (and including) the dates for payment of any principal of the Bond pursuant to the Conditions; or (ii) after a Conversion Notice has been delivered with respect to such Bond.

5.4 Each new Certificate to be issued upon a transfer of Bond will, within three Business Days of receipt by the Issuer of the original Certificate and other documents referred to in Conditions 5.1 and 5.2(c) (and, where applicable, after the conditions set out in Condition 5.2(b) are fulfilled), be made available for collection at the Designated Hong Kong Address or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds (but free of charge to the holder and at the Issuer's expense) to the address specified in the form of transfer.

5.5 Registration of a transfer of Bonds and issuance of new Certificates will be effected without charge by the Issuer, but upon payment by the transferor and/or the transferee (or, at the Issuer's option, the giving of such indemnity as the Issuer may require) in respect of any Tax or other governmental charges which may be imposed in relation to such transfer, and the Issuer being satisfied that the laws, rules, codes and regulations concerning transfers of Bonds have been complied with.

5.6 The transferor Bondholder shall bear (a) any reasonable legal and other costs and expenses which may be properly incurred by the Issuer in connection with any transfer of a Bond or any request therefor (including, but without limitation to, the costs which may be properly incurred by the Issuer to comply with the Listing Rules and the Takeovers Code in respect of such transfer) except the mailing costs referred to in Conditions 4.2 and 5.4 and (b) all Taxes and governmental charges which may be imposed in relation to such transfer.

6 **Intentionally Deleted**

7 Conversion

7.1 *Conversion Right*

- (a) Subject as hereinafter provided, each Bond shall entitle the Bondholder to convert such Bond (in part or in whole) into Shares at any time during the period from the date of issue of the Bonds to immediately before the Maturity Date but, save as provided in Condition 7.5 (the "Conversion Period").
- (b) The right of each Bondholder and the right of the Issuer to convert the Bond into Shares shall be referred to as the "Conversion Right", and such right shall be exercised by the Bondholder subject to, and upon compliance with, the provisions of these Conditions.

7.2 *Number of Shares issuable on Conversion*

A Conversion Right of a Bondholder may only be exercised in respect of one or more Bonds. If more than one Bond held by the same holder is converted at any one time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Bonds to be converted.

The number of Shares to be issued on conversion of a Bond will be determined by the following formula:

$$S = \frac{B}{P}$$

where

S = number of Shares to be issued;

B = the whole or such part of the principal amount of the Bonds to be converted; and

P = the Conversion Price.

7.3 *Fractions of Shares:*

- (a) Fractions of Shares will not be issued on conversion but equivalent cash payment will be made in respect thereof (save in cases where such cash payment shall be less than HK\$100, then no payment will be made).
- (b) However, if the Conversion Right in respect of more than one Bond is exercised by a Bondholder at any one time such that Shares to be issued on conversion are to be registered in the same name, the number of such Shares to be issued in respect thereof shall be calculated on the basis of the aggregate principal amount of such Bonds being so converted and rounded down to the nearest whole number of Shares.
- (c) Notwithstanding the foregoing, in the event of a consolidation or re-classification of Shares by operation of law or otherwise occurring after the Initial Issue Date which reduces the number of Shares outstanding, the Issuer will upon conversion of Bonds pay in cash in Hong Kong dollars a sum equal to such portion of the principal amount of the Bond or Bonds evidenced by the Certificate deposited in connection with the exercise of

Conversion Rights, aggregated as provided in Condition 7.2, as corresponds to any fraction of a Share not issued as a result of such consolidation or re-classification aforesaid if such sum exceeds HK\$100.00. Any such sum shall be paid not later than three Business Days after the relevant Conversion Date by means of a Hong Kong dollar cheque drawn on, or by a transfer to a Hong Kong dollar account maintained by the payee with, a bank in Hong Kong, in accordance with instructions given by the relevant Bondholder in the relevant Conversion Notice, or the Registered Account of the Bondholder, as the case may be.

7.4 *Conversion Price:*

The price at which Shares will be issued upon conversion will be HK\$0.1 per Share (the “Conversion Price”) but will be subject to adjustment in the manner provided in Condition 7.10.

7.5 *Revival and/or Survival after Default*

Notwithstanding the provisions of Condition 7.1, if (a) any Bond has become due and payable prior to the Maturity Date by reason of the occurrence of any of the events under Condition 12, or (b) any Bond is not redeemed on the Maturity Date in accordance with Condition 10.1, then the Bondholder’s Conversion Right attaching to such Bond will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date upon which the full amount of the moneys payable in respect of such Bond has been duly received by the Bondholder (the “payment date”).

7.6 *Conversion Notice*

To exercise the Conversion Right attaching to any Bond, the holder thereof must complete, execute and deposit at its own expense before 4:00 pm (Hong Kong time) in the Conversion Period at the Designated Hong Kong Address a notice of conversion (a “Conversion Notice”) in the form scheduled to these Terms as Exhibit B.

7.7 *Conversion Date, Minimum Conversion Amount and Conversion Restrictions*

- (a) The conversion date in respect of a Bond (the “Conversion Date”) must fall at a time when the Conversion Right attaching to that Bond is expressed in these Conditions to be exercisable and will be deemed to be the date on which the Conversion Notice is received, on which the Certificate in respect of such Bond shall be surrendered in the case of the exercise of Conversion Right by a Bondholder. A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Issuer consents in writing to such withdrawal. Unless as provided in Condition 7.7(b), a Conversion Date must not fall on the Maturity Date.
- (b) At 4:00 p.m. on the Maturity Date, any Bond not being redeemed or converted, shall be automatically converted into Shares at the Conversion Price and the Bondholder undertakes and warrants with the Company that before the Maturity Date, it shall make all necessary arrangements to prevent any contravention with Condition 7.7(c) below upon such conversion. If any conversion under this Condition will trigger the breach of Condition 7.7(c), the Company may convert such sum of the Bond(s) into Shares as it considers appropriate and the remaining balance of any Bond(s) will be cancelled immediately. For the avoidance of doubt, the Company shall have no duty to convert any Bond if such conversion will trigger the breach of Condition 7.7(c) nor the Company shall have any duty

to redeem the same.

- (c) Subject to, and upon compliance with, the provisions of these Conditions, the Bondholder's Conversion Right attaching to any Bond may be exercised in whole or in part of the outstanding principal amount of the Bond, at the option of the holder thereof, provided 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 it at any time the aggregate outstanding principal amount of the Bond is less than HK\$500,000, the whole (but not part only) of the outstanding principal amount of the Bonds may be converted;
 - (ii) the conversion will not cause the Issuer to be unable to meet the public float requirement under the Listing Rules, in which case only a portion of the Conversion Rights may be exercised so as to maintain the public float requirement; and
 - (iii) the conversion will not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Bondholder(s) which exercised the Conversion Rights and parties acting in concert with it, in which case only a portion of the Conversion Rights may be exercised such that the mandatory offer obligation will not be triggered.

7.8 *Stamp Duty etc.*

A Bondholder exercising Conversion Rights must pay directly to the relevant authorities any Taxes and capital, stamp, issue and registration duties arising on such exercise (other than any Taxes and capital or stamp duties payable in Bermuda, Hong Kong or any other jurisdiction by the Issuer in respect of the allotment and issue of Shares and listing of the Shares on the Stock Exchange on conversion) and such Bondholder must pay all, if any, Taxes arising by reference to any Disposal or deemed Disposal of a Bond in connection with such conversion.

7.9 *Registration*

- (a) As soon as practicable, and in any event not later than three Business Days after the Conversion Date, the Issuer will, in the case of Bonds converted on exercise of the Conversion Right and in respect of which a duly completed Conversion Notice has been delivered and the relevant Certificate and amounts payable by the Bondholder as required by these Conditions have been paid:
- (iv) register the person or persons designated for the purpose in the Conversion Notice as holder(s) of the relevant number of Shares in the Issuer's register of members; and make such certificate or certificates available for collection at the office of the Issuer's share registrar in Hong Kong (currently, Tricor Tengis Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong) and notified to Bondholders in accordance with Condition 18 or, if so requested in the relevant Conversion Notice, cause its share registrar to mail (at the risk, and, if sent at the request of such person otherwise than by ordinary mail, at the expense, of the person to whom such certificate or certificates are sent) such certificate or certificates to the person and at the place specified in the Conversion Notice; or

- (v) if the Bondholder has also requested in the Conversion Notice and to the extent permitted under the rules and procedures of the CCASS effective from time to time, take all necessary action to procure that Shares are delivered through the CCASS for so long as the Shares are listed on the Stock Exchange,

and procure to send any other securities, property or cash required to be delivered upon conversion and such assignments and other documents (if any) as may be required by law to effect the conversion.

- (b) If the Conversion Date in relation to the conversion of any Bond shall be after the record date for any issue, distribution, grant, offer or other event as gives rise to the adjustment of the Conversion Price pursuant to Condition 7.10, but before the relevant adjustment becomes effective under the relevant Condition (a “Retroactive Adjustment”), upon the relevant adjustment becoming effective the Issuer shall issue to the converting Bondholder (or in accordance with the instructions contained in the Conversion Notice (subject to applicable exchange control or other laws or other regulations)), such additional number of Shares (“Additional Shares”) as is, together with Shares to be issued on conversion of the Bond(s), equal to the number of Shares which would have been required to be issued on conversion of such Bond as if the relevant adjustment to the Conversion Price had been made and become effective on or immediately after the relevant record date, and in such event and in respect of such Additional Shares references in this Condition 7.9 to the Conversion Date shall be deemed to refer to the date upon which the Retroactive Adjustment becomes effective (notwithstanding that the date upon which it becomes effective falls after the end of the Conversion Period). However, this Condition relating to Retroactive Adjustment shall not apply where an adjustment of the Conversion Price under Condition 7.10 refers to the record date and such adjustment will take effect from the date next following such record.
- (c) The person or persons specified for that purpose in the Conversion Notice will become the holder of record of the number of Shares issuable upon conversion with effect from the date he is or they are registered as such in the Issuer’s register of members (the “Registration Date”). The Shares issued upon conversion of the Bonds will be fully-paid and in all respects rank *pari passu* with the Shares in issue on the relevant Registration Date. Save as set out in these Conditions, a holder of Shares issued on conversion of the Bonds shall not be entitled to any rights on the record date which precedes the relevant Registration Date.
- (d) If the record date for the payment of any dividend or other distribution in respect of the Shares is on or after the Conversion Date in respect of any Bond, but before the Registration Date (disregarding any Retroactive Adjustment of the Conversion Price referred to in this sub-paragraph prior to the time such Retroactive Adjustment shall have become effective), the Issuer will calculate and pay to the converting Bondholder or his designee an amount in Hong Kong dollars (the “Equivalent Amount”) equal to the fair market value of such dividend or other distribution to which he would have been entitled had he on that record date been such a shareholder of record and will make the payment at the same time as it makes payment of the dividend or other distribution, or as soon as practicable thereafter, but, in any event, not later than three Business Days after it has received from the Bondholder the bank account details as referred hereinafter. For the avoidance of doubt, such payment shall not be taken as a Capital Distribution, shall not trigger any adjustment as contemplated in Condition 7.10 and shall not reduce the amounts of dividend or

distribution payable to those Shareholders whose names are on the Issuer's register of members on the record date. The Equivalent Amount shall be paid by transfer to a Hong Kong dollar account maintained by the payee with a bank in Hong Kong, in accordance with instructions given by the relevant Bondholder in the relevant Conversion Notice, or the Registered Account of the Bondholder, as the case may be.

7.10 Adjustments

- (a) Subject as hereinafter provided, the Conversion Price shall from time to time be adjusted in accordance with the following relevant provisions and so that if the event giving rise to any such adjustment shall be such as would be capable of falling within more than one of sub-paragraphs (i) to (vii) inclusive of this Condition 7.10, it shall fall within the paragraph that allows the greatest extent of adjustment to the exclusion of the remaining paragraphs:
- (i) *Consolidation, Subdivision or Reclassification:* If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation, subdivision or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

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

where:

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

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

Such adjustment shall become effective on the date the alteration takes effect.

- (ii) *Capitalisation of Profits or Reserves:* If and whenever the Issuer shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account) including Shares paid up out of distributable profits or reserves and/or share premium account issued, save where Shares are issued in lieu of the whole or any part of a specifically declared cash Dividend (the "Relevant Cash Dividend"), being a Dividend which the Shareholders concerned would or could otherwise have received and which would not have constituted a Capital Distribution (or, a scrip dividend), the Conversion Price shall be Adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

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

where:

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

B is the aggregate nominal amount of the issued Shares immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

- (iii) *Capital Distribution*: If and whenever the Issuer shall pay or make any Capital Distribution to the Shareholders (except where the Conversion Price is be adjusted under (ii) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:

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

where:

- A is the Current Market Price on the last Trading Day preceding (a) the date on which the Capital Distribution is publicly announced or (b) (where no such announcement is required to be made under the Listing Rules) the record date of the Capital Distribution; and
- B is the Fair Market Value on the date of such announcement (or, where no such announcement is required to be made under the Listing Rules, such record date) of the portion of the Capital Distribution attributable to one Share.

Such adjustment shall become effective on the date that such Capital Distribution is made.

For the avoidance of doubt, Capital Distribution excludes all cash distributions paid to the Shareholders.

- (iv) *Rights Issues of Shares or Options over Shares*: If and whenever the Issuer shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class, by way of rights, of options, warrants or other rights to subscribe for or purchase any Shares (other than options granted by the Issuer pursuant to a Share Option Scheme to the respective directors and senior management of the Issuer), in each case at less than 95% of the Current Market Price on the last Trading Day preceding the date of the announcement of the terms of such issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

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

where:

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

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be).

- (v) *Issues of further Shares or Securities:* If and whenever the Issuer shall issue any Shares, whether for cash or non-cash consideration (other than Shares issued on the exercise of Conversion Rights) or the issue or grant of options, warrants or other rights to subscribe for or purchase Shares or securities convertible or exchangeable into Shares, in each case at a price per Share which is less than 95 per cent. of the Current Market Price on the last Trading Day preceding the date of announcement of the terms of such issue or grant, the Conversion Price shall be adjusted by multiplying the prevailing Conversion Price in force immediately before such issue or grant by the following fraction:

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

where:

- A is the number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for or purchase any Shares;
- B is the number of Shares which the aggregate consideration receivable by the Issuer for the issue of such additional Shares would purchase at such Current Market Price per Share; and
- C is the aggregate number of such additional Shares comprised in the issue or the additional Shares to be issued upon full exercise of such options, warrants or other rights to subscribe for or purchase Shares comprised in the grant (as the case may be).

Such adjustment shall become effective on the date of issue of the additional Shares or grant of such rights, options or warrants (as the case may be).

- (vi) *Rights Issues of Other Securities:* If and whenever the Issuer shall issue any securities (other than Shares or options, warrants or other rights to subscribe for or purchase Shares) to all or substantially all Shareholders as a class, by way of rights, or the issue or grant by the Issuer to all or substantially all Shareholders as a class by way of rights, of any options, warrants or other rights to subscribe for or purchase or otherwise acquire, any securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

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

where:

- A is the Current Market Price on the last Trading Day preceding the date on which such issue or grant is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be).

- (vii) Other Events: If either: (A) the rights of conversion, exchange, purchase or subscription attaching to any options, rights or warrants to subscribe for or purchase Shares or any securities convertible into or exchangeable for Shares or the rights carried by such securities to subscribe for or purchase Shares are modified (other than pursuant to, and as provided in, the existing terms and conditions of such options, rights, warrants or securities); or (B) the Issuer determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in any other provisions of this anti-dilution adjustment provision which in either case have or would have an effect on the position of the Bondholders as a class compared with the position of the holders of all the securities (and options, rights and warrants relating thereto) of the Issuer, taken as a class, which is analogous to any of the events referred to in (ii) to (vi), then, in any such case, the Issuer shall at its own expense request an Approved Financial Adviser (acting as expert) to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect and upon such determination such adjustment (if any) shall be made and shall take effect in accordance with such determination provided that where the circumstances giving rise to any adjustment pursuant to this anti-dilution adjustment provision have already resulted or will result in an adjustment to the Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this anti-dilution adjustment provision as may be advised by the Approved Financial Adviser (acting as expert) to be in their opinion appropriate to give the intended result.
- (b) The provisions of Condition 7.10(a) shall not apply to:
- (i) an issue of fully paid Shares upon the exercise of any Conversion Right; and
 - (ii) a grant prior to the Initial Issue Date of options or rights, and an issue of Shares or other securities of the Issuer wholly or partly convertible into, or options or rights to subscribe for or acquire, Shares to directors, senior management, officers, employees of the Issuer or any of its Subsidiaries or other eligible persons, pursuant to a Share Option Scheme which has been or may be adopted in accordance with and in compliance with the Listing Rules (including a grant of options or rights, an issue of Shares by the Issuer to directors, senior management, officers or employees of the Issuer or any of its Subsidiaries or other eligible persons upon the exercise of the subscription right attached to the outstanding share options which had been granted under the Share Option Scheme prior to the Initial Issue Date).
- (c) Any adjustment to the Conversion Price shall be made to the nearest one-tenth of a Hong Kong cent so that any amount under HK\$0.0005 shall be rounded down and any amount of HK\$0.0005 or more shall be rounded up.

- (d) Notwithstanding anything contained herein, no adjustment shall be made to the Conversion Price in any case in which the amount by which the same would be reduced in accordance with the foregoing provisions of this Condition 7.10 would be less than one-tenth of a cent and any adjustment that would otherwise be required then to be made shall not be carried forward.
- (e) Whenever the Conversion Price is adjusted as herein provided, the Issuer shall as soon as possible after the relevant adjustment has been determined (but not later than the effective date of the adjustment) give notice of the same to the Stock Exchange and the Bondholders in accordance with Condition 18 (setting forth the event giving rise to the adjustment, the Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date thereof) and (if required by the Listing Rules) make a public announcement of the adjustment.
- (f) Notwithstanding any other provision of this Condition 7.10, no adjustment shall be made which would result in the Conversion Price being reduced so that on Conversion, Shares would fall to be issued at a discount to their then nominal value, and in such case an adjustment shall be made to the effect that the Conversion Price will be adjusted to the then nominal value of the Shares.
- (g) Any adjustment to the Conversion Price shall not involve an increase in the Conversion Price (except upon any consolidation of the Shares pursuant to Condition 7.10(a)(i)).
- (h) Every adjustment to the Conversion Price shall be certified in writing by the Approved Financial Adviser.
- (i) The Issuer shall make available for inspection at its principal place of business in Hong Kong at all times after the effective date of the adjustment in the Conversion Price and so long as the Bonds remains outstanding, a signed copy of the certificate of the Approved Financial Adviser and a certificate signed by a director of the Issuer setting forth brief particulars of the event giving rise to the adjustment, the Conversion Price in effect prior to the adjustment, the adjusted Conversion Price and the effective date thereof and shall, on request, send a copy thereof to the Bondholders.

7.11 Notwithstanding anything said in these Conditions, the Issuer is not obliged to adjust the Conversion Price or issue Shares in satisfaction of the Conversion Rights in breach of its obligations under the Listing Rules (including but not limited to the minimum public float requirement of the Listing Rules) or the Takeovers Code.

8 Issuer's Undertakings

8.1 The Issuer has covenanted and undertaken that for so long as any Bond remains outstanding, save with the approval from the Bondholders or it is being considered by the Board that such action is in the ordinary course of business of the Group:

- (a) the Issuer shall from time to time keep available for issue, free from pre-emptive rights, out of its authorised but unissued capital, sufficient Shares to satisfy in full the allotment and issuance of the Conversion Shares and shall ensure that all Shares delivered on conversion of the Bonds will be duly authorised, validly issued as fully-paid, free from Encumbrances

and non-assessable and registered in the name of the Bondholders or their respective nominee(s);

- (b) the Issuer shall not modify the rights attaching to the Shares with respect to voting, dividends or liquidation nor issue any other class of ordinary share capital carrying any rights which are more favourable than the rights attaching to Shares but nothing in this Condition 8.1(c) shall prevent (i) a consolidation or subdivision of the Shares or the conversion of any Shares into stock or vice versa, (ii) a modification to the rights attaching to the Shares which is not, in the opinion of the Approved Financial Adviser, materially prejudicial to the interests of the Bondholders, (iii) the conversion of Shares into, or the issue of any Shares in, uncertificated form (or the conversion of Shares in uncertificated form to certificated form), (iv) the amendment of the constitutional documents of the Issuer to enable title to securities of the Issuer (including Shares) to be evidenced and transferred without a written instrument, (v) any other alteration to the constitutional documents of the Issuer made in connection with the matters described in this Condition 8.1 or which are supplemental or incidental to any of the foregoing (including amendments made to enable or facilitate procedures relating to such matters and amendments dealing with the rights and obligations of holders of securities (including Shares) dealt with under such procedures) or (vi) any issue of equity share capital which (subject to the provisions of Condition 7.10) results in an adjustment of the Conversion Price;
- (c) the Issuer shall use its best endeavours to:
 - (i) maintain a listing for all the issued Shares on the Stock Exchange; and
 - (ii) obtain a listing on the Stock Exchange for all the Conversion Shares,
and if the Issuer is unable to obtain or maintain such listing, to use its best endeavours to obtain and maintain a listing for all the issued Shares on an alternative stock exchange as the Issuer may from time to time determine in consultation with the Bondholders and will forthwith give notice to the Bondholders of the delisting of the Shares on the Stock Exchange and the listing of the Shares on any such alternative stock exchange;
- (d) it will pay the expenses of the issue and delivery of, and all expenses of obtaining and maintaining the listing for, Shares arising on conversion of the Bonds;
- (e) the Issuer shall ensure that all Conversion Shares shall be duly authorised and validly issued, fully paid and registered, and free from Encumbrances and all such Shares shall rank *pari passu* in all respects with the fully paid Shares in issue on the relevant Registration Date and shall accordingly entitle the holders thereof to participate in full in all dividends or other distributions the record date for which falls on a date on or after the relevant Registration Date;
- (f) the Issuer shall comply with and procure the compliance of all conditions imposed by the Stock Exchange for approval of the issue of the Bonds or for the listing of and permission to deal in the Shares issued or to be issued on conversion and ensure the continued compliance thereof;
- (g) the Issuer will notify the Bondholders in writing immediately upon becoming aware of the occurrence of any Event of Default (as defined in Condition 12) or any event or

circumstance which would, with the giving of notice and/or the lapse of time and/or the issuing of a certificate, become an Event of Default; and

- (h) the Issuer shall at all times use its reasonable endeavours to ensure that the minimum public float requirement of the Listing Rules is complied with.
- 8.2 The Issuer shall not (and shall procure that its Subsidiaries shall not) enter into any deed, agreement, assignment, instrument or documents whatsoever binding on it, take any action or omit to do anything necessary, which may result in any breach of the constitutional documents of the relevant member of the Group, or any of the terms and conditions of the Bonds, the Subscription Agreement, and/or any other documents referred to in the Subscription Agreement.
- 8.3 The Issuer shall not issue any further Equity Securities if and to the extent that such issuance will result in the Issuer being unable to comply with the adjustment provisions of Condition 7.10 and its obligations to deliver Conversion Shares or result in breach of the Listing Rules (including but not limited to the minimum public float requirement of the Listing Rules).
- 8.4 So long as there are outstanding Bonds, the Issuer will not, except with the prior consent of the Bondholders, issue any Equity Securities at a conversion price or exchange price which is lower than the then applicable Conversion Price.
- 8.5 Unless so required by the Stock Exchange, the Listing Rules, applicable law or regulation or for the purpose of establishing any dividend or other rights attaching to the Shares, the Issuer shall not close the register of shareholders of the Issuer or take any other action which would prevent the transfer of its Shares (including the Conversion Shares).
- 8.6 The Issuer shall, so far as permitted by applicable law and the Listing Rules, do all such further things as may be necessary to give effect to these Conditions and the Bonds.

9 Payments

9.1 Principal amount

- (a) Payment of principal and other payable under the Conditions will be made by transfer to the Registered Account of the Bondholder in cash. Payment of principal will only be made after surrender of the relevant Certificate at the Designated Hong Kong Address.
- (b) When making payments to Bondholders, fractions of one Hong Kong cent will be rounded down or up (as the case may be) to the nearest Hong Kong cent.

9.2 Registered Accounts

A Bondholder's registered account ("Registered Account") means the Hong Kong dollar account maintained with a bank in Hong Kong and designated by the Bondholder from time to time, details of which appear on the Register of Bondholder at the close of business on the third Business Day before the due date for payment.

9.3 Fiscal Laws

All payments are subject in all cases to any applicable laws and regulations in the place of payment,

but without prejudice to the provisions of Condition 11. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

9.4 *Payment Initiation*

Where payment is to be made by transfer to a Registered Account, payment instructions of available fund (for value on the due date or, if that is not a Business Day, for value on the first following day which is a Business Day) will be initiated on the Business Day on which the relevant Certificate is surrendered at the Designated Hong Kong Address.

9.5 *Delay in payment*

- (a) Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if such delay is caused solely because 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 9 arrives after the due date for payment.
- (b) If an amount which is due on the Bonds is not paid in full, the Issuer will annotate the Register of Bondholders with a record of the amount (if any) in fact paid.

10 Redemption and Cancellation

10.1 *Redemption*

The Bonds shall be redeemable by the Company at any time before the Maturity Date at the Redemption Amount. Unless previously redeemed, converted or cancelled as provided herein, the Bonds shall be automatically converted pursuant to Condition 7.7(b) above on the Maturity Date.

10.2 *Cancellation*

All Bonds which are redeemed or converted by the Issuer will forthwith be cancelled and such Bonds may not be reissued or resold.

11 Taxation

- 11.1 All payments made by the Issuer with respect to the Bonds will be made free from any restriction or condition and 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, Hong Kong or any authority thereof or therein having power to tax (each, a "Taxing Jurisdiction"), unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law. In such event, the Issuer will pay such additional amounts as will result in the receipt by the Bondholders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been required, except that no such additional amount shall be payable in respect of any Bond to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the Taxing Jurisdiction otherwise than merely by holding the Bond or by the receipt of amounts in respect of the Bond or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or other similar claim for

exemption to the appropriate authority which such holder is legally capable and competent of making but fails to do so.

- 11.2 References in these Conditions to principal and other payments payable by the Issuer shall be deemed also to refer to and include any additional amounts which may be payable under this Condition 11.

12 Events of Default

For so long as any Bond remains outstanding, the holder of any outstanding Bonds at its discretion may, give notice to the Issuer that the Bond is, and it shall accordingly thereby become, immediately due and repayable without further formality at an amount equal to the Redemption Amount and other amounts payable by the Issuer under the Conditions, if any of the following events (each, an “Event of Default”) occurs:

- (a) there is failure by the Issuer to pay any principal or any other amount due in respect of the Bonds and the Issuer fails to rectify such failure within three Business Days from the payment due date;
- (b) there is any failure by the Issuer to deliver any Shares as and when the Shares are required to be delivered following conversion of Bonds;
- (c) there is default by the Issuer in the performance or observance of any covenant, provision or obligation contained in the Subscription Agreement or these Conditions and on its part to be performed or observed in respect of any of the Bonds;
- (d) there have been material changes to the senior management of the Issuer without the prior consent of the Bondholder;
- (e) there has been any material breach of and non-compliance with any applicable law, regulation or Listing Rules by the Issuer which will result in a Material Adverse Effect;
- (f) the Shares cease to be listed on the Stock Exchange or are suspended from trading on the Stock Exchange for a continuous period of 30 days due to the default of the Issuer, excluding any suspension in connection with the clearance of any announcement, circular or other documents pursuant to the Takeovers Code;
- (g) it is or will become unlawful for the Issuer to perform or comply with any one or more of its covenants, conditions, provisions or obligations under any of the Bonds;
- (h) a resolution is passed or a petition for winding up or an order of a court of competent jurisdiction is made that the Issuer be wound up or dissolved otherwise than for the purposes of or pursuant to a consolidation, amalgamation, merger, reconstruction or reorganisation the terms of which have previously been approved in writing by all the Bondholders and upon which the continuing corporation effectively assumes the entire obligations of the Issuer under the Bonds;
- (i) an Encumbrancer takes possession or a receiver is appointed of the whole or a material part of the assets or undertaking of the Issuer;

- (j) the Issuer is unable to pay its debts as and when they fall due;
- (k) the Issuer ceases to carry on a substantive part of its business or (through an official action of its board of directors) threatens to cease to carry on a substantive part of its business;
- (l) proceedings shall have been initiated against the Issuer under any applicable bankruptcy, reorganisation or insolvency law;
- (m) the Issuer shall initiate or consent to proceedings seeking with respect to itself adjudication of bankruptcy or a decree of commencement of composition or reorganisation or other similar procedures or the appointment of an administrator or other similar official under any applicable bankruptcy, reorganisation or insolvency law or make a general assignment for the benefit of, or enter into any composition with, its creditors; or
- (n) a distress, execution or seizure before judgement is levied or enforced upon or sued out against a part of the property of the Issuer, which is material and adverse in its effect upon the operations of the Issuer taken as a whole.

13 Voting

- 13.1 The Bondholders shall not be entitled to receive notices of, attend or vote at any meetings of the Issuer by reason only of it being a holder of Bonds.
- 13.2 So long as any Bond remains outstanding, the Bondholders shall be entitled to receive the following documents:
 - (a) the annual reports of the Issuer; and
 - (b) the interim reports of the Issuer.

14 Experts

In giving any certificate or making any adjustment to the Conversion Price, the Approved Financial Adviser appointed shall be deemed to be acting as an expert and not as arbitrators and, in the absence of manifest error, their decision shall be conclusive and binding on the Issuer and the Bondholders and all persons claiming through or under them respectively.

15 Replacement Certificate

If the Certificate for the Bonds is lost or mutilated, the relevant Bondholder shall notify the Issuer as soon as practicable and a replacement Certificate shall be issued if the Bondholder provides the Issuer with a declaration by the Bondholder or its officer or director that the original Certificate for the Bonds had been lost or mutilated (as the case may be) or other evidence that the Certificate for the Bonds had been lost or mutilated, together with the mutilated Certificate for the Bonds (if applicable).

The Certificate for the Bonds replaced in accordance with this Condition shall forthwith be cancelled.

16 Amendment, Modification and Waiver

The terms and conditions of the Bonds may only be varied, modified, expanded or amended by agreement in writing between the Issuer and all of the Bondholders. Any consent or approval in relation to the Bonds or any waiver or authorisation of any breach by the Issuer of the Bonds may only be effected after being sanctioned by agreement amongst all Bondholders.

17 No Waiver of Bondholder's Rights

No omission or delay by the Bondholder in exercising any rights under the Bonds shall operate as a waiver, and the single or partial exercise of any such right or rights shall not preclude any other further exercise of such right or rights.

18 Notices

18.1 Any notice or other communication to be given or made under the Bonds shall be in writing and shall be given, made or served by e-mail, by first class pre-paid post, by courier or personally delivered. Any such notice or communication shall be sent to the party to whom it is addressed and must contain sufficient reference and/or particulars to render it readily identifiable with the subject matter of the Bonds. If so given, made or served by e-mail, such notice or communication shall be deemed received upon successful despatch of the e-mail; if so given or made by post to an address in Hong Kong, shall be deemed to be received three Business Days after the date of despatch; if so given or made by air-mail to an address outside Hong Kong, shall be deemed received seven Business Days after the date of despatch; and if so given or made by courier or personally delivered, shall be deemed received at the time of delivery.

18.2 The relevant address and e-mail address of the Issuer for the purpose of notices and communications are as follows:

<u>Address</u>	<u>E-mail</u>	<u>Attention</u>
3/F, Mandarin Commercial House, 38 Morrison Hill Road, Wanchai, Hong Kong	tommylaw@58sunway.com	Mr. LAW Chun Choi

18.3 The relevant address, e-mail address and contact person of each Bondholder for the purpose of notices and communications shall be as set out in the Register of Bondholders.

19 Governing Law and Jurisdiction

19.1 This Bond is governed by and shall be construed in accordance with Hong Kong.

19.2 The parties hereby submit to the non-exclusive jurisdiction of the courts of Hong Kong in connection herewith but the terms of this Agreement may be enforced in any court of competent jurisdiction.

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Exhibit A
FORM OF TRANSFER

SUNWAY INTERNATIONAL HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)

1-YEAR NIL INTEREST
CONVERTIBLE BONDS DUE [*] 2025

TRANSFER NOTICE

Date: [*]

CERTIFICATE NUMBER(S): [*]

FOR VALUE RECEIVED the undersigned hereby intends to transfer the principal amount of the Bond represented by this Certificate and all rights in respect thereof to:

.....
.....

(PLEASE PRINT OR TYPEWRITE NAME, E-MAIL ADDRESS AND ADDRESS OF TRANSFEREE)

All payments in respect of the Bonds hereby transferred are to be made (unless otherwise instructed by the transferee) to the following bank account:

Name of bank :
HK\$ account number :
For the account of :

[Please make the Certificate(s) of the Bonds so transferred available for collection by the transferee (or, if the transferee is a corporate, its authorized person with evidence of his/her authorization) at the Designated Hong Kong Address.] / [Please deliver or mail to the address of the transferee set out above at risk of the transferee.]

For and on behalf of:
[name of transferor Bondholder]

Signature
Name of authorized person: [*]

Notes:

- (a) A representative of the holder of the Bonds should state the capacity in which he signs, e.g. executor.
- (b) The signature of the person authorized by a corporate Bondholder effecting a transfer shall provide evidence of his/her authorization.
- (c) This form of transfer should be dated as of the date it is deposited with the Issuer.
- (d) Transfers of the Bonds are subject to the restrictions set out in the Conditions.

Exhibit B
FORM OF CONVERSION NOTICE

SUNWAY INTERNATIONAL HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)

**1-YEAR NIL INTEREST
CONVERTIBLE BONDS DUE [*] 2025**

CONVERSION NOTICE

Date: [*]

To: **Sunway International Holdings Limited** (the “Issuer”)

Re: Conversion Notice in relation to the 1-year nil interest Convertible Bonds due [*] 2025 (the “Bonds”), constituted by the Certificate(s) issued in respect of the Bond(s) with an aggregate outstanding principal amount of HK\$[•]. Capitalised terms used herein and not otherwise defined shall have their respective meanings as set forth in the Certificate and Conditions.

Dear Sirs,

I/We, [being the holder of Bonds/by or on behalf of the holder or beneficial owner of the Bonds] in the aggregate principal amount of HK\$[•], hereby deliver this Conversion Notice pursuant to Condition 7.1 of the Bonds and notify the Issuer of the exercise of the Conversion Rights set forth in Condition 7 of the Bonds to convert [all of the outstanding principal amount of the Bonds]/[such principal amount of the Bonds set out below] at the prevailing Conversion Price set out below. Capitalised terms used herein shall, unless otherwise defined, have the same meanings as given to them in the Certificate and the Conditions.

1. Total principal amount and certificate numbers of Bonds to be converted:

Total principal amount:

Total number of Bonds:

Certificate numbers of Bonds:

N.B. If necessary, the certificate numbers of Bonds attached need not be in consecutive serial numbers.

2. Conversion Price prevailing on the Conversion Date:

3. Total number of Shares to be issued:

4. Name(s) and address(es) of person(s) in whose name(s) the Shares required to be delivered on conversion are to be registered:

Name:

Address:

.....

.....

5. (A) the relevant number of Shares be issued in the name(s) of the person(s) whose name(s) stand(s) on the Register of Bondholders as the Bondholder(s) represented by this Certificate and the certificate for such Shares be delivered to the address of the following participant of the Central Clearing and Settlement System (“CCASS”) operated by the Hong Kong Securities Clearing Company Limited:

Participation I.D. of the designated CCASS participant:

CCASS participants contact person:

CCASS participants contact telephone number and fax number:

CCASS participants address for delivery of share certificates:

OR

- (B) I/We will collect the certificates for the Shares (or other securities) at the Designated Hong Kong Office (and, in the case of a corporate, our authorized person will produce to the Issuer evidence of his/her authorization).

OR

- (C) I/We hereby request that the certificates for the Shares (or other securities) required to be delivered upon conversion be despatched or mailed (at my/our risk) to the person whose name and address is given below and in the manner specified below:

Name:

Address:.....

.....

.....

Manner of dispatch (if other than by ordinary mail):

6. I/We hereby request that a Certificate evidencing the Bond not so converted be issued in our name. [Please make the Certificate of the Bond available for my/our collection (and, in the case of a corporate, our authorized person will produce to the Issuer evidence of his/her authorization).] / [Please deliver or mail (at my/own risk) the Certificate of the Bond to my/our address.]

7. I/we designate [my/own Registered Account] / [the following account maintained by me/us with a bank in Hong Kong] for the receipt of payments under Conditions 7.3, 7.9(d) and 7.10:

Bank:

Account Number:

Name of account holder:

8. The Certificates representing the Bonds converted hereby accompany this Conversion Notice.

For and on behalf of:
[name of the Bondholder]

Signature
Name of authorized person: [*]

Notes:

- (a) A representative of the holder of the Bonds should state the capacity in which he signs this Conversion Notice, e.g. executor.
- (b) The signature of the person authorized by a corporate Bondholder signing this Conversion Notice shall provide evidence of his/her authorization, when the Conversion Notice is delivered to the Issuer.

Schedule 2
WARRANTIES AND REPRESENTATIONS

PART A: SUBSCRIBER WARRANTIES

The Subscriber hereby makes the following representations, warranties and undertakings to the Issuer:

- (a) the Subscriber is a company duly incorporated and organised and validly existing and in good standing under the laws of its jurisdiction of incorporation or organisation, is not insolvent, in liquidation or receivership. The Subscriber has not taken any step to enter liquidation and there is no grounds on which a petition or application could be based for the winding up or appointment of a receiver of the Subscriber. The Subscriber has full power and authority to own its properties and to conduct its business;
- (b) the Subscriber has power under its constitutional documents to subscribe the Bonds upon the terms set out in this Agreement;
- (c) the Subscriber has full power and authority to enter into this Agreement and to perform its obligations set out in and contemplated under this Agreement and may execute and deliver this Agreement, and perform its obligations in this Agreement without any further sanction or consent of its shareholders or of any other person or Authority; and
- (d) this Agreement has been duly authorised, executed and delivered by the Subscriber and constitutes valid and legally binding obligations of the Subscriber enforceable in accordance with its terms.

PART B: ISSUER WARRANTIES

The Issuer Warranties shall be deemed to have been made or given in respect of each member of the Group. Accordingly, whenever the Warranties can be read and applied in respect of a Subsidiary references to “Issuer” in this schedule shall where the context permits be construed as a reference to that Subsidiary and such Warranties shall be applied to the fullest extent possible in such circumstances.

The Issuer hereby makes the following representations, warranties and undertakings to the Subscriber:

1. The Issuer

- 1.1 The Issuer has full power and authority to enter into and perform this Agreement, and may execute and deliver this Agreement and perform their obligations in this Agreement without any further sanction or consent of any other person or Authority and this Agreement constitutes valid and binding obligations of the Issuer enforceable in accordance with its terms.
- 1.2 (A) No order has been made, petition presented or resolution passed for the winding up of the Issuer and no meeting has been convened for the purpose of winding up the Issuer and there are no circumstances likely to lead to the presentation of any petition or passing of any resolution for the winding up of the Issuer.
- (B) No steps have been taken for the appointment of an administrator or receiver (including any administrative receiver) of all or any part of the Issuer’s assets and there are no circumstances likely to lead to the appointment of such administrator or receiver (or administrative receiver).
- (C) The Issuer has not made or proposed any arrangement or composition with its creditors or any class of its creditors and there are no circumstances likely to lead to the making of any such arrangement or composition or the making of any proposal for any arrangement or composition with its creditors or any class of its creditors.
- (D) The Issuer is not insolvent or unable to pay its debts within the meaning of the insolvency legislation applicable to it and it has not stopped paying its debts as they fall due.

2. Group structure and corporate matters

- 2.1 Each of the Issuer and its Subsidiaries is duly incorporated and organised, and validly existing and in good standing under the law of its jurisdiction of incorporation or organisation, is not in liquidation or receivership and has full power and authority to own its properties and to conduct its business. The incorporation of each Subsidiary registered in the PRC has been duly filed with the competent Authorities in accordance with applicable law.
- 2.2 The entire issued share capital of the Issuer is listed on the Stock Exchange, and the Issuer has not been declared by the Stock Exchange to have breached of any rules, regulations or requirements of the Stock Exchange which will cause the current listing of the Shares on the Stock Exchange to be suspended, cancelled or revoked before Completion.

3. The Issuer and the law

- 3.1 (A) So far as the Issuer is aware, each member of the Group has conducted its business in all material respects in accordance with all applicable laws and has not been declared by the Stock Exchange to have breached the applicable requirements (including but not limited to disclosure requirements) of the Listing Rules.

- (B) So far as the Issuer is aware, the operations of each member of the Group are and have been conducted in compliance with applicable financial recordkeeping and reporting and other requirements of the money laundering laws of all relevant jurisdiction, and no action, suit, proceeding or inquiry by or before any Authority involving any member of the Group with respect to the relevant money laundering laws is threatened, contemplated or pending.
 - (C) So far as the Issuer is aware, there is no order, decree or judgment of any Authority outstanding against the Issuer which may have a Material Adverse Effect on the Issuer.
- 3.2 (A) All Authorisations necessary under any law for utilising any of the material assets of the Group or carrying on of its business in the places and in the manner in which such business is now carried on have been obtained by the Group and all of them are in full force and effect.
- (B) So far as the Issuer is aware, there is no circumstance which indicates that any Authorisation as referred to under paragraph 3.2(A) above is likely to be suspended, cancelled or revoked.
- 3.3 Neither the Issuer, nor any other member of the Group, has committed, or omitted to do, any act or thing the commission or omission of which is, in contravention of any law which have a Material Adverse Effect.
- 3.4 (A) Neither the Issuer, nor any other member of the Group, is engaged in or the subject of any material litigation or arbitration or administrative or criminal proceedings whether as claimant, plaintiff, defendant or otherwise have a Material Adverse Effect.
- (B) So far as the Issuer is aware, there is no circumstances which indicate that material litigation or arbitration or administrative or criminal proceedings are threatened, contemplated or pending against any member of the Group.
- (C) Neither the Issuer nor any other member of the Group is a party to any undertaking or assurance given to any Authority or is the subject of any injunction or other similar court order or has been the subject of any injunction or other similar court order.
- 3.5 Neither the Issuer nor any other member of the Group has paid or accepted any unlawful bribe or inducement (monetary or otherwise) or used any of the Group's assets unlawfully to obtain an advantage for itself, himself or any other person.
- 3.6 So far as the Issuer is aware, no officer, agent or employee of the Issuer has committed or purported to commit the Issuer to any contract, commitment, engagement, arrangement or obligation of any kind which is not in accordance with the authority given to such officer, agent or employee by the directors of the Issuer or any officer or executive of the Issuer responsible for conferring such authority and no officer, agent or employee of the Issuer has committed any fraud upon the Issuer or has misappropriated any of its property or assets or falsified any of its records.
4. **The Issuer's solvency**
- 4.1 No order has been made, petition presented or resolution passed for the winding up of the Issuer or any of its Subsidiaries and no meeting has been convened for the purpose of winding up the Issuer or any of its Subsidiaries. Each member of the Group is able to pay its debts as they fall due.

- 4.2 No steps have been taken for the appointment of an administrator or receiver (including an administrative receiver) of all or any part of the Group's assets.
- 4.3 None of the members of the Group has made or proposed any arrangement or composition with its creditors or any class of its creditors.
- 4.4 Each member of the Group is not insolvent, or unable to pay its debts within the meaning of the relevant insolvency legislation applicable to the Issuer and the Issuer has not stopped paying its debts as they fall due.
- 4.5 No distress, execution or other process has been levied against the Issuer or any of its Subsidiaries or action taken to repossess goods in the Group's possession which has not been satisfied in full. No unsatisfied material judgment is outstanding against the Issuer or any of its Subsidiaries.

5. **The effect of the Bonds issuance**

- 5.1 Subject only to satisfaction of the Conditions Precedent, this Agreement will upon Completion be on full force and effect. The subscription of the Bonds by the Subscriber and compliance with the terms of this Agreement will not:
- (A) cause the Issuer to lose the benefit of any Authorisation or any right or privilege it presently enjoys or relieve any person of any obligation to the Issuer (whether contractual or otherwise) or enable any person to determine any such obligation or any contractual right or benefit now enjoyed by the Issuer or to exercise any right whether under an agreement with the Issuer;
 - (B) result in any present or future indebtedness of the Issuer becoming due or capable of being declared due and payable prior to its stated maturity;
 - (C) result in the creation, imposition or enforcement of any Encumbrances whatsoever on any assets of the Issuer;
 - (D) give rise to or cause to become exercisable any right of pre-emption (save for those contemplated under this Agreement and the Conditions of the Bond);
 - (E) result in a breach of, or constitute a default under any provision of the constitutional documents of the Issuer;
 - (F) result in a breach of, or constitute a default under any order, judgment or decree of any Authority by which the Issuer is bound or subject; and
 - (G) result in a breach of, or constitute a default under the terms, conditions or provisions of any agreement, understanding, arrangement or instrument (including, but not limited to, any of the Issuer's contracts).

Execution

IN WITNESS WHEREOF this Agreement has been executed by the Parties and is intended to be and is hereby delivered on the day and year first above written.

Issuer

SIGNED by **LAW Chun Choi**)
for and on behalf of)
Sunway International Holdings Limited)
in the presence of:)
Yu Shui Sang Bernard)

For and on behalf of
SUNWAY INTERNATIONAL HOLDINGS LIMITED
LAW Chun Choi
Authorized Signature(s)

Bernard

Subscriber

SIGNED by **CHIM Pui Chung**
for and on behalf of
Wealthy Port Holdings Limited
in the presence of:
Tse Yuk Kong



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)
)
)
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For and on behalf of
WEALTHY PORT HOLDINGS LIMITED
富亨集團有限公司



Authorized Signature(s)