

DATE: 27<sup>th</sup> May 2026

**BINGO GROUP HOLDINGS LIMITED**

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**AMENDED AND RESTATED BOND INSTRUMENT**  
relating to  
convertible bonds for an aggregate principal amount of HK\$19,000,000  
in registered form and convertible into ordinary shares in the capital of  
**BINGO GROUP HOLDINGS LIMITED**

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**CLKW LAWYERS LLP**  
in association with Michael Li & Co.  
ROOM 1901A, 1902 & 1902A, 19/F,  
NEW WORLD TOWER 1,  
16-18 QUEEN'S ROAD CENTRAL,  
CENTRAL, HONG KONG  
(Our Ref: CCL/WC/LMW/KKH/2500860)

## I N D E X

<u>Clause no.</u>	<u>Heading</u>	<u>Page no.</u>
1	Definitions and interpretation	1
2	Issue of the Bonds	6
3	Amount of the Bonds and covenant to pay	6
4	Form and denomination of the Bonds	7
5	Interest	7
6	Covenant to comply with provisions	7
7	Adjustment	7
8	Conversion	13
9	Covenants relating to conversion	13
10	Covenants	15
11	Transfer, transmission and register	16
12	Capital duties and taxes	17
13	Modifications	17
14	Suit by and meetings of Bondholders	17
15	Communications	18
16	Governing Law	18

### Schedules

Schedule 1	Form of Certificate and Conditions <u>Terms and Conditions of the Bonds</u>
	1 Status and voting rights
	2 Form, denomination and title
	3 Transfers of Bonds; issue of certificates
	4 Interest
	5 Conversion
	6 Adjustment
	7 Payments
	8 Redemption, purchase and cancellation
	9 Taxation
	10 Prescription
	11 Enforcement
	12 Meetings of Bondholders, modification and waiver
	13 Replacement of certificates
	14 Notices
	15 Agents
	16 Governing law and jurisdiction
Schedule 2	Form of Transfer
Schedule 3	Provisions for meetings of Bondholders
Schedule 4	Conversion Notice
Execution	

**THIS AMENDED AND RESTATED BOND INSTRUMENT** is executed by way of Deed Poll on 27<sup>th</sup> May 2026 by **BINGO GROUP HOLDINGS LIMITED** (the “**Company**”), a company incorporated in the Cayman Islands with limited liability and having its registered office at Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1–1111, Cayman Islands, whose principal place of business in Hong Kong is situated at Unit 202, 2/F, Chinaweal Centre 414-424 Jaffe Road Hong Kong.

**WHEREAS:**

- (A) By the Subscription Agreement entered into between the Company as issuer and Chiau Sing Chi as subscriber (the “**Subscriber**”), the Subscriber will subscribe for and the Company will create and issue the Bonds in the principal amount of HK\$19,000,000 to the Subscriber.
- (B) The Company is entering into this Instrument by way of deed poll in order to define the rights and interests of the Bondholders.

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

**1. DEFINITIONS AND INTERPRETATION**

(A) **Definitions**

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

- “**Associates**” means, in relation to a person, the “**associates**” and “**connected persons**” of such person (as these expressions are defined in Chapter 20 of the GEM Listing Rules);
- “**Auditors**” means the auditors for the time being of the Company or, if there shall be joint auditors, any one or more of such auditors or, in the event of their being unable or unwilling to carry out any action requested of them pursuant to this Instrument, such other firm of accountants of international repute as may be nominated by the Company;
- “**Bondholder(s)**” means a person or persons in whose name a Bond is registered in the register of Bondholders, and “**holder**” in relation to a Bond has a corresponding meaning;
- “**Bonds**” means the convertible bonds in registered form for an aggregate principal amount of HK\$19,000,000 constituted by this Instrument and for the time being outstanding or, as the context may require, any number of them;

<b>“Business Day”</b>	means a day (other than a Saturday, Sunday or public holiday and any day on which a tropical cyclone warning No.8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
<b>“Certificate”</b>	means a certificate in or substantially in the form set out in Schedule 1 issued in the name of the holder of one or more Bonds;
<b>“Clearing House”</b>	means a clearing house recognised by the laws of the jurisdiction in which the Shares are listed or quoted on a stock exchange in such jurisdiction;
<b>“Companies Ordinance”</b>	means the Companies Ordinance, Chapter 622 of the Laws of Hong Kong;
<b>“Conditions”</b>	means the terms and conditions endorsed on the Bonds in definitive form as they may from time to time be modified in accordance with their provisions and/or of this Instrument, and reference in this Instrument to a particular numbered Condition shall be construed accordingly;
<b>“Conversion Date”</b>	has the meaning assigned in Condition 5(B);
<b>“Conversion Price”</b>	means the conversion price determined in accordance with Condition 5(A) subject to adjustment in accordance with Condition 6;
<b>“Conversion Right”</b>	has the meaning specified in Condition 5(A);
<b>“Conversion Shares”</b>	means Shares to be allotted and issued upon exercise of the Conversion Rights;
<b>“Director(s)”</b>	means the director(s) of the Company;
<b>“Encumbrances”</b>	means any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation, equities, adverse claims, or other encumbrances, priority or security interest, deferred purchase, title retention, leasing, sale-and-purchase, sale-and-leaseback arrangement over or in any property, assets or rights of whatsoever nature or interest or any agreement for any of same;
<b>“GEM”</b>	means GEM operated by the Stock Exchange;
<b>“GEM Listing Rules”</b>	means the Rules Governing the Listing of Securities on

	GEM of the Stock Exchange;
<b>“Group”</b>	means together the Company and its subsidiaries
<b>“Hong Kong”</b>	means the Hong Kong Special Administrative Region of the PRC;
<b>“Instrument”</b>	means this instrument, the schedules (as from time to time altered in accordance with this instrument) and any other document executed in accordance with this instrument (as from time to time so altered) and expressed to be supplemental to this instrument;
<b>“Major Subsidiary”</b>	has the meaning ascribed in Rule 31.07 of the GEM Listing Rules;
<b>“Maturity Date”</b>	has the meaning ascribed to it in Condition 8;
<b>“Ordinary Resolution”</b>	has the meaning set out in paragraph 17 of Schedule 3;
<b>“outstanding”</b>	means in relation to the Bonds, all the Bonds issued other than: <ul style="list-style-type: none"> <li>(a) those in respect of which Conversion Rights have been exercised and which have been cancelled in accordance with the Conditions;</li> <li>(b) those which have become void or those in respect of which claims have become prescribed under Condition 10;</li> <li>(c) those mutilated or defaced Bonds which have been surrendered in exchange for replacement Bonds pursuant to Condition 13;</li> <li>(d) (for the purpose only of determining how many Bonds are outstanding and without prejudice to their status for any other purpose) those Bonds alleged to have been lost, stolen or destroyed and in respect of which replacement Bonds have been issued pursuant to Condition 13; and</li> <li>(e) those which have been purchased or redeemed and cancelled as provided in Condition 8;</li> </ul>
<b>“PRC”</b>	means the People’s Republic of China which for the purpose of this Instrument, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
<b>“Register”</b>	means the register of the Bondholders required to be maintained pursuant to Clause 9.1(L);

<b>“Registrar”</b>	means the Company having its registered address at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and any successor registrar appointed;
<b>“Share Option Scheme”</b>	means the share option scheme of the Company adopted by the Shareholders on 15 August 2012 in accordance with the provisions of the GEM Listing Rules, under which the Company may grant options to full time directors or employees, of the Company and its subsidiaries to subscribe for Shares;
<b>“Shareholders”</b>	means the holders of issued Shares;
<b>“Shares”</b>	means ordinary shares of par value HK\$0.01 each of the Company or shares of any class or classes resulting from any cancellation of paid-up capital, sub-division, consolidation or re-classification of such shares, 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 distribution of the Company;
<b>“Specified Office”</b>	means in relation to the Registrar, either the office identified with its name at the end of the Conditions or any other office notified to the Bondholders pursuant to Clause 10.1(C), or in relation to the Company, the head office and principal place of business of the Company in Hong Kong for the time being which as at the date of this Instrument is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands or any other office notified to the Bondholders pursuant to Clause 10.1(C) ;
<b>“Stock Exchange”</b>	means The Stock Exchange of Hong Kong Limited;
<b>“Subscription Agreement”</b>	means the subscription and settlement agreement dated 7 December 2021, entered into between the Company and the Subscriber, in relation to the subscription of the Bonds;
<b>“Subscription Price”</b>	means HK\$20,000,000, being the subscription price of the aggregate principal amount of the Bonds at which such Bond is proposed to be offered for subscription pursuant to the Subscription Agreement;
<b>“Successor”</b>	means in relation to the Registrar, such other or further person as may from time to time be appointed by the Company as the Registrar and notice of whose appointment is given to Bondholders pursuant to Clause 10.1(C) and Condition 15;

“Takeovers Code”	means the Hong Kong Code on Takeovers and Mergers;
“Taxation”	means all forms of taxation, including taxation in Hong Kong and in any territory outside Hong Kong and all forms of profits tax (income tax), interest tax, value added tax, stamp duty and all levies, imposts, duties, charges, fees, deductions and withholdings whatsoever charged or imposed by any statutory, governmental, state, federal, provincial, local or municipal authority whatsoever whether on or in respect of profits, income, revenue, sales, trading, the use, ownership or licensing to or from any person of tangible or intangible assets and the carrying on of other activities, including any fines, interests or other payments relating to taxes, the loss of relief and exemption from and the loss of right of repayment or credit of any tax already paid, and the expression “Tax” shall be construed accordingly;
“HK\$” and “cents”	means Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong; and
“%”	means per cent.

(B) Construction of certain references

References in this Instrument to:

- (a) costs, charges, remuneration or expenses shall include any value added tax, turnover tax or similar tax charged in respect thereof;
- (b) any action, remedy or method of judicial proceedings for the enforcement of rights of creditors shall include, in respect of any jurisdiction other than Hong Kong, references to such action, remedy or method of judicial proceedings for the enforcement of rights or creditors available or appropriate in such jurisdiction as shall most nearly approximate thereto;
- (c) any reference to an obligation to be performed or warranty to be given by more than one person, it shall be deemed to be performed or given by the persons jointly and severally;
- (d) words denoting the singular number only shall include the plural number also and vice versa;
- (e) words denoting one gender only shall include the other genders;
- (f) words denoting persons only shall include firms and corporations and vice versa; and
- (g) any provision of any statutory or non-statutory provisions (including the GEM Listing Rules and the Statements of Standard Accounting Practice) shall be deemed also to refer to any modification or re-enactment thereof or any instrument, order or regulation made thereunder or under such modification or

re-enactment.

(C) **Definitions in Conditions**

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

(D) **Headings**

Headings shall be ignored in construing this Instrument.

(E) **Schedules**

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

(F) **Enforceability**

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

(G) **“Subsidiary” and “holding company”**

The words “**Subsidiary**” and “**Holding company**” have the meanings assigned to those expressions by the Companies Ordinance save that any reference therein to a company shall be deemed to include a reference to a body corporate incorporated or established outside Hong Kong or under any other statutory provisions.

**2. ISSUE OF THE BONDS**

Subject to the conditions precedent set out in Clause 3.1 of the Subscription Agreement being fulfilled by the parties thereto as provided therein on or before the time specified in such clause, the Company shall, on the date fixed for completion as determined under the Subscription Agreement, issue the Bonds for subscription by the relevant Bondholder.

**3. AMOUNT OF THE BONDS AND COVENANT TO PAY**

(A) **Amount of the Bonds:** The aggregate principal amounts of the Bonds are HK\$19,000,000 and the principal amount of each Bond is HK\$200,000.

(B) **Covenant to pay:** The Company will on any date when the Bonds or any of them become due to be redeemed unconditionally pay to or to the order of the Bondholders by 4:00 p.m. (Hong Kong time) in Hong Kong dollars in immediately available funds in Hong Kong the principal amount of the Bonds becoming due for redemption on that date and will (subject to the Conditions) until such payment (both before and after judgment) unconditionally pay to or to the order of the Bondholders, provided that every payment of any sum due in respect of the Bonds made to or to the account of the Bondholders shall, to such extent, satisfy such obligation except to the extent that there is failure in its subsequent payment to the relevant Bondholders under the Conditions.

- (C) **Discharge:** Any payment to be made in respect of the Bonds by the Company may be made as provided in the Conditions and any payment so made will to such extent be a good, full and complete discharge to the Company.

#### 4. FORM AND DENOMINATION OF THE BONDS

- (A) **The Certificates:** On issue of the Bonds, every Bondholder will be entitled to a definitive Certificate in or substantially in the form set out in Schedule 1 with the Conditions in or substantially in the form also set out in that Schedule.
- (B) **Denomination:** The Bonds shall be denominated in Hong Kong dollars and shall be issued in principal amounts of HK\$200,000 each (or the multiples thereof) (unless the amount remaining on exercise of the Conversion Rights or in consequence of any adjustment pursuant to the terms of this Instrument becoming less than HK\$200,000).
- (C) **Signature:** The definitive Certificates will be signed manually or in facsimile by any Director or any person authorised by the board of directors of the Company authenticated manually by or on behalf of the Company. The Company may use the facsimile signature of any person who at the date of this Instrument is a Director or a person authorised by the board of directors of the Company even if at the time of issue of any Certificate he no longer holds such office and the Bonds in respect of which a Certificate is so executed and authenticated will be binding and valid obligations of the Company.
- (D) **Issue:** Issue and delivery of the Bonds shall be complete on the issue and delivery of the Certificate(s) to the Bondholder (or its representative) by, or by the order of, the Company and completion of the register of Bondholders by or on behalf of the Registrar.
- (E) **Entitlement to treat holder as owner:** The holder of any Bond will (save as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on or the theft or loss of the Certificate issued in respect of it) and no person will be liable for so treating the holder or any entry on the register of Bondholders.

#### 5. INTEREST

The Bonds shall bear no interest.

#### 6. COVENANT TO COMPLY WITH PROVISIONS

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

#### 7. ADJUSTMENT

- (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 (a) to (g) inclusive of this Clause 7(A) it shall fall within the first of the applicable paragraphs to the exclusion of the remaining paragraphs:

- (a) If and whenever the Shares by reason of any consolidation or sub-division become of a different nominal amount, the Conversion Price in force immediately prior thereto shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount. Each such adjustment shall be effective from the close of business in Hong Kong on the day immediately preceding the date on which the consolidation or sub-division becomes effective.
- (b) If and whenever the Company shall issue (other than in lieu of a cash dividend) any Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund), the Conversion Price in force immediately prior to such issue shall be adjusted by multiplying it by the aggregate nominal amount of the issued Shares immediately before such issue and dividing the result by the sum of such aggregate nominal amount and the aggregate nominal amount of the Shares issued in such capitalisation. Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for such issue.
- (c) If and whenever the Company shall make any Capital Distribution (as defined in Clause 7(B)) to holders (in their capacity as such) of Shares (whether on a reduction of capital or otherwise) or shall grant to such holders rights to acquire for cash assets of the Company or any of its subsidiaries, the Conversion Price in force immediately prior to such distribution or grant shall be adjusted by multiplying it by the following fraction:

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

where:

A = the market price (as defined in Clause 7(B)) on the date on which the Capital Distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) next preceding day of the Capital Distribution or, as the case may be, of the grant; and

B = the fair market value on the day of such announcement or (as the case may require) the next preceding day, as determined in good faith by the Auditors, of the portion of the Capital Distribution or of such rights which is attributable to one Share. For avoidance of doubt, if the Capital Distribution is distributions in cash the fair market value shall be the cash value and determination by the Auditors is not required.

Provided that:

- (aa) if in the opinion of the Auditors, the use of the fair market value as aforesaid produces a result which is significantly inequitable, it may instead determine (and in such event the above formula shall be construed as if B meant) the amount of the said market price which should properly be attributed to the value of the Capital Distribution or rights; and

- (bb) the provisions of this sub-paragraph (c) shall not apply in relation to the issue of Shares paid out of profits or reserves and issued in lieu of a cash dividend.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for the Capital Distribution or grant.

- (d) If and whenever the Company shall offer to holders of Shares new Shares for subscription by way of rights, or shall grant to holders of Shares any options or warrants to subscribe for new Shares, at a price which is less than 93% of the market price on the date of the announcement of the terms of the offer or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate of the amount (if any) payable for the rights, options or warrants and of the amount payable for the total number of new Shares comprised therein would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the aggregate number of Shares offered for subscription or comprised in the options or warrants. Such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the record date for the offer or grant. Provided however that no such adjustment shall be made if the Company shall make a like offer or grant (as the case may be) at the same time to the Bondholders (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong) as if they had exercised the Conversion Rights under the Bonds registered in their Bondholder holds out of the total principal amount of the Bonds outstanding at the time of the proposed redemption.
- (e) (aa) If and whenever the Company shall issue wholly for cash any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares, and the total Effective Consideration per Share (as defined below) initially receivable for such securities is less than 93% of the market price on the date of the announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by a fraction of which the numerator is the number of Shares in issue immediately before the date of the issue plus the number of Shares which the total Effective Consideration receivable for the securities issued would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of the issue plus the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price. Such adjustment shall become effective (if appropriate retroactively) from the close of business in Hong Kong on the Business Day next preceding whichever is the earlier of the date on which the issue is announced

and the date on which the Company determines the conversion or exchange rate or subscription price.

- (bb) If and whenever the rights of conversion or exchange or subscription attached to any such securities as are mentioned in section (aa) of this sub-paragraph (e) are modified so that the total Effective Consideration per Share initially receivable for such securities shall be less than 93% of the market price on the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by a fraction of which the numerator is the number of Shares in issue immediately before the date of such modification plus the number of Shares which the total Effective Consideration receivable for the securities issued at the modified conversion or exchange price would purchase at such market price and of which the denominator is the number of Shares in issue immediately before such date of modification plus the number of Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion or exchange rate or subscription price. Such adjustment shall become effective as at the date upon which such modification shall take effect. A right of conversion or exchange or subscription shall not be treated as modified for the foregoing purposes where it is adjusted to take account of rights or capitalisation issues and other events normally giving rise to an adjustment of the Conversion Price under this Clause 7(A) provided that corresponding adjustment has already been made to the Conversion Price in respect of such an event.

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

- (f) If and whenever the Company shall issue wholly for cash any Shares at a price per Share which is less than 93% of the market price on the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate amount payable for the issue would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares so issued. Such adjustment shall become effective on the date of the issue; and

(g) If and whenever the Company shall issue Shares for the acquisition of asset at a total Effective Consideration per Share (as defined below) which is less than 93% the market price (as defined in Clause 7(B)) at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted in such manner as may be determined by the Auditors. Such adjustment shall become effective on the date of issue. For the purpose of this sub-paragraph (g) “**total Effective Consideration**” shall be the aggregate consideration credited as being paid for such Shares by the Company on acquisition of the relevant asset without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the “**total Effective Consideration per Share**” shall be the total Effective Consideration divided by the number of Shares issued as aforesaid.

(B) For the purposes of this Clause 7:

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

“**Capital Distribution**” shall (without prejudice to the generality of that phrase) include distributions in cash or specie. Any dividend charged or provided for in the accounts for any financial period shall (whenever paid and however described) be deemed to be a Capital Distribution Provided that any such dividend shall not automatically be so deemed if it is paid out of the aggregate of the net profits (less losses) accrued and attributable to the holders of Shares for all financial periods after 31 December 2019 as shown in the audited consolidated profit and loss account of the Company and its subsidiaries for each financial period;

“**issue**” shall include allot;

“**market price**” means the average of the closing prices of one Share on the Stock Exchange for each of the last five (5) Stock Exchange dealing days on which dealings in the Shares on the Stock Exchange took place ending on the last such dealing day preceding the day on or as of which the market price is to be ascertained;

“**reserves**” includes unappropriated profits;

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

“**Shares**” includes, for the purposes of Shares comprised in any issue, distribution or grant pursuant to sub-paragraphs (c), (d), (e), (f) or (g) of Clause 7(A), any such ordinary shares of the Company as, when fully paid, will be Shares; and

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

(C) The provisions of sub-paragraphs (b), (c), (d), (e), (f) and (g) of Clause 7(A) shall not apply to:

(a) an issue of fully paid Shares upon the exercise of any conversion rights attached to securities convertible into Shares or upon exercise of any rights (including any conversion of the Bond or any other convertible bond of the same class as this Bond) to acquire Shares provided that an adjustment has

been made under this Clause 7 in respect of the issue of such securities or granting of such rights (as the case may be);

- (b) an issue of fully paid Shares upon the exercise of any subscription warrants of the Company listed on the Stock Exchange the initial exercise price of which is not less than the market price (as defined hereinabove) of the Shares on the trading day before the announcement of a proposal for the creation and issue of such warrants provided that an adjustment has been made under this Clause 7 in respect of the issue of such securities or granting of such rights (as the case may be);
  - (c) an issue of Shares or other securities of the Company or any subsidiary of the Company wholly or partly convertible into, or rights to acquire, Shares pursuant to any employee or executive share scheme which complies with Chapter 23 of the GEM Listing Rules adopted by the Company from time to time (including the Share Option Scheme);
  - (d) an issue by the Company of Shares or by the Company or any subsidiary of the Company of securities wholly or partly convertible into or rights to acquire Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business provided that an adjustment has been made (if appropriate) under this Clause 7 in respect of the issue of such securities or granting of such rights (as the case may be);
  - (e) an issue of fully paid Shares by way of capitalisation of all or part of any subscription right reserve, or any similar reserve which has been or may be established pursuant to the terms of any securities wholly or partly convertible into or rights to acquire Shares; or
  - (f) an issue of Shares pursuant to a scrip dividend scheme where an amount not less than the nominal amount of the Shares so issued is capitalised and the market value of such Shares is not more than 120% of the amount of dividend which holders of the Shares could elect to or would otherwise receive in cash, for which purpose the “**market value**” of a Share shall mean the average of the closing prices for such Stock Exchange dealing days on which dealings in the Shares took place (being not less than five (5) such days) as are selected by the directors of the Company in connection with determining the basis of allotment in respect of the relevant scrip dividend and which fall within the period of one month ending on the last day on which holders of Shares may elect to receive or (as the case may be) not to receive the relevant dividend in cash.
- (D) Any adjustment to the Conversion Price shall be made to the nearest one tenth of a cent so that any amount under one twentieth of a cent shall be rounded down and any amount of one twentieth of a cent or more shall be rounded up and in no event shall any adjustment (otherwise than upon the consolidation of Shares into Shares of a larger nominal amount) involve an increase in the Conversion Price. In addition to any determination which may be made by the directors of the Company every adjustment to the Conversion Price shall be certified either (at the option of the Company) by the Auditors of the Company for the time being or by the Auditors.
- (E) 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 Clause 7 would be less

than one-tenth of one cent and any adjustment that would otherwise be required then to be made shall not be carried forward.

- (F) If the Company or any subsidiary of the Company shall in any way modify the rights attached to any share or loan capital so as wholly or partly to convert or make convertible such share or loan capital into, or attach thereto any rights to acquire, Shares, the Company shall appoint the Auditors to consider whether any adjustment to the Conversion Price is appropriate (and if such Auditors shall certify that any such adjustment is appropriate, the Conversion Price shall be adjusted accordingly and the provisions of Clauses 7(D), 7(E) and 7(H) shall apply).
- (G) Notwithstanding the provisions of Clause 7(A), in any circumstances where the directors of the Company shall consider that an adjustment to the Conversion Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Conversion Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or with a different time from that provided for under the provisions, the Company may appoint the Auditors to consider whether for any reason whatever the adjustment to be made (or the absence of adjustment) would or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if such Auditors shall consider this to be the case, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner including without limitation, making an adjustment calculated on a different basis) and/or the adjustment shall take effect from such other date and/or time as shall be certified by such Auditors to be in its opinion appropriate.
- (H) Whenever the Conversion Price is adjusted as herein provided the Company shall give notice to the Bondholder forthwith that the Conversion Price has been adjusted (setting forth the event giving rise to the adjustment, the adjustment Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date thereof) and shall at all times thereafter so long as the Bond remains outstanding make available for inspection at its principal place of business in Hong Kong a signed copy of the said certificate of the Auditors or (as the case may be) of the relevant Auditors and a certificate signed by a director of the Company setting forth brief particulars of the event giving rise to the adjustment, the Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date thereof and shall, on request, send a copy thereof to the Bondholder.
- (I) If application of any of the provisions of this Clause 7 would but for this paragraph (I) result in the Conversion Price being reduced so that on Conversion Shares shall fall to be issued at a discount to their nominal value, then the Conversion Price shall be adjusted to an amount equal to the nominal value of one Share.

## 8. CONVERSION

- (A) **Rights of Conversion:** The holder of each Bond will have the right, subject to Clause 8(B) and the Conditions, and in accordance with the provisions of Condition 5, to convert such Bond into Shares, credited as fully paid.
- (B) **Limitation of Conversion:** Notwithstanding any provision in this Instrument, fractions of Shares will not be issued on conversion and no cash adjustments will be made in respect thereof.

## 9. COVENANTS RELATING TO CONVERSION

9.1 The Company hereby undertakes to and covenants with the Bondholders that so long as any Conversion Right remains exercisable, it will, save with the approval of an Ordinary Resolution:

- (A) **Comply with conversion restriction:** provided that at the time a Conversion Notice is issued, the public float of the Shares shall not be less than 25% (or any given percentage as required by the GEM Listing Rules for the minimum percentage of Shares being held by the public as per Rule 17.37B of the GEM Listing Rules) of the issued Shares of the Company at the time in compliance with the GEM Listing Rules, the Bondholder(s) shall, subject to compliance with the procedures set out in the Conditions, have the right at any time during the Conversion Period to convert the whole or part (in authorised denominations) of the outstanding principal amount of Bonds registered in its name into Shares at the Conversion Price;
- (B) **Maintain sufficient unissued share capital:** ensure that the Conversion Shares and all other rights of conversion into, subscription for or exchange into Shares exercisable at that time to be satisfied in full are kept available for issue free from pre-emptive rights out of its authorised but unissued share capital;
- (C) **Limited modification of rights:** not in any way modify the rights attaching to the Shares with respect to voting, dividends or liquidation nor issue any other class of equity share capital carrying any rights which are more favourable than the rights attaching to the Shares but so that nothing in this sub-Clause (C) shall prevent (i) the issue of any equity share capital pursuant to any scheme or plan relating to employees now in existence or which may in the future be approved by the Company in general meeting or (ii) any cancellation of paid-up capital, consolidation or subdivision of the Shares or the conversion of any Shares into stock or vice versa or (iii) any modification of such rights which is not, in the opinion of the Auditors and acting as an expert, materially prejudicial to the interests of the Bondholders or (iv) without prejudice to any rule of law or legislation, 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) or the amendment of the articles of association of the Company to enable title to securities of the Company (including Shares) to be evidenced and transferred without a written instrument or any other alteration to the articles of association of the Company made in connection with the matters described in this sub-Clause or which is supplemental or incidental to any of the foregoing (including any amendments made to enable or facilitate procedures relating to such matters and any amendment dealing with the rights and obligations of holders of securities (including Shares) dealt with under such procedures);
- (D) **Restricted action:** not make any grant or distribution or take any other action if the effect thereof would be that, on the conversion of Bonds, Shares would have to be issued at a discount;
- (E) **Extend offer:** if any offer is made to all (or as nearly as may be practicable all) Shareholders other than the offeror and/or any associate or associates of the offeror and/or parties acting in concert with the offeror to acquire all or a majority of the issued ordinary share capital of the Company, or if any person proposes a scheme with regard to such acquisition, use its best endeavours to procure that a like offer or scheme is extended to the holders of any Shares issued during the period of the offer or scheme arising out of the exercise of the Conversion Rights and a comparable offer

is made to the Bondholders in respect of their Bonds;

- (F) **Listing of Shares:** obtain and/or maintain a listing on the Stock Exchange (as the case may be) for all the issued Shares for the time being and, as soon as reasonably practicable after their issue, for all Conversion Shares to be issued on exercise of the Conversion Rights attaching to the Bonds;
- (G) **Compliance with stock exchange rules:** comply with all rules, regulations, practice directions and other applicable directives imposed by the Stock Exchange and other regulatory authorities having jurisdiction over it;
- (H) **No reduction of issued share capital:** not reduce its issued share capital, share premium account, contributed surplus or capital redemption reserve and save in circumstances where such share premium account, contributed surplus or capital redemption reserve is converted into share capital or used in the payment of any related expenses and other than any reduction for the purposes of (to the extent permissible under applicable law) writing off goodwill arising from the acquisition of business or shares in a corporation or resulting from the purchase of Shares pursuant to the authority granted to the Directors of the Company by the Shareholders in general meeting or any uncalled liability in respect thereof except pursuant to the terms of issue of the relevant share capital or by means of a purchase or redemption of share capital of the Company;
- (I) **Closing of register of members:** unless so required by applicable law or regulation or for the purpose of establishing any dividend or other rights attaching to the Shares, not close its register of shareholders or take any other action which prevents the transfer of its Shares generally and ensure that the Bonds may be converted legally and the Conversion Shares to be issued upon conversion may (subject to any limitation imposed by law) be transferred (as between transferor and transferee although not as against the Company) at all times during the period of such closure or while such other action is effective, nor take any action which prevents the conversion of the Bonds or the issue of the Conversion Shares in respect of them, and in the event of any closure or proposed closure of its register of shareholders permitted pursuant to this sub-Clause (J), give notice of such closure or proposed closure to the Bondholders as soon as is practicable;
- (J) **Maintenance of register of Bondholders:** to maintain a register of holders of the Bonds in a place outside of Hong Kong in accordance with the requirements of the Companies Law, Chapter 22 of the Cayman Islands (Law 3 of 1961, as consolidated and revised), as amended from time to time;
- (K) **Expenses:** to pay the expenses of the issue of, and all expenses of obtaining listing on the Stock Exchange of, the Shares arising on conversion of the Bonds; and
- (L) **Registrar:** if and whenever required to do so by the Bondholders pursuant to an Ordinary Resolution, appoint such a professional firm of registrars to act as Registrar, enter into agreements with such registrar containing provisions with respect to such matters as are specified in such Ordinary Resolution, and to pay all charges of the Registrar that are payable to it under its agreement with the Company.

## 10. COVENANTS

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

- (A) **Financial statements, etc.:** the Company will send to the Bondholders a copy of every consolidated balance sheet, profit and loss account, report and notice of general meeting and every other document issued or sent to its shareholders, stockholders or creditors generally together with any of the foregoing, every document issued or sent to holders of listed securities other than its shareholders or its creditors generally and in its or their capacity as such, at the time of issue thereof, and copy of every announcement of the Company published pursuant to the GEM Listing Rules within three (3) Business Days after the publication thereof;
- (B) **Further acts:** the Company will, so far as permitted by applicable law, do all such further things as may be necessary having regard to the interests of Bondholders to give effect to this Instrument;
- (C) **Change in Registrar:** the Company will give not less than seven (7) days' prior notice to the Bondholders of any future appointment or any resignation or removal of the Registrar or of any change by the Registrar of its Specified Office or, if later, notice as soon as reasonably practicable after becoming aware thereof or of any change in its Specified Office;
- (D) **Bonds held by Company etc.:** the Company will send to the Bondholders as soon as reasonably practicable and in any event within five (5) Business Days after being so requested in writing by any Bondholders a certificate of the Company signed by any two of its Directors on behalf of the Company setting out, based on the register of Bondholders maintained by the Registrar on behalf of the Company, the total number of Bonds which, at the date of such certificate, were held by or on behalf of the Company or its subsidiaries and which had not been cancelled;
- (E) **Compliance:** the Company will comply with and perform and observe all the provisions of this Instrument which are expressed to be binding on it. The Conditions shall be binding on the Company and the Bondholders. The Bondholders shall be entitled to enforce the obligations of the Company under the Bonds and the Conditions as if the same were set out and contained in this Instrument which shall be read and construed as one document with the Bonds. The provisions contained in Schedule 3 shall have effect in the same manner as if herein set forth;
- (F) **Conversion Rights:** upon the exercise of any Conversion Rights pursuant to the Conditions it will within fourteen (14) days after the Conversion Date (and subject, with regard to fractional entitlements, to Condition 5(A)(i)) allot such number of Conversion Shares in respect of which Conversion Rights are exercised;
- (G) **Ranking:** all Shares allotted in accordance with (F) above shall rank *pari passu* in all respects with the fully paid Shares in issue on the relevant Conversion Date and shall accordingly entitle the holders to participate in full in all dividends or other distributions paid or made on the Shares after the relevant Conversion Date other than any dividend or other distribution previously declared, or recommended or resolved to be paid or made if the record date therefor shall be on or before the relevant Conversion Date and notice of the amount and record date for which shall have been given to the Stock Exchange and the Bondholders prior to the relevant Conversion Date and, for this purpose, the notice to the Bondholders may take the form of sending a copy of the relevant paid announcement to them; and
- (H) **Banking and trade credit facilities:** the Company will at all times maintain sufficient banking and trade credit facilities available to satisfy the Group's working capital

requirements.

## 11. TRANSFER, TRANSMISSION AND REGISTER

- 11.1 The Bondholder may assign or transfer the Bonds to the transferee subject to the prior notification to the Company. The Bonds may not be assigned or transferred, in whole or in part, to any connected person of the Company (as defined under the GEM Listing Rules) without prior written consent of the Company. The Bonds may be assigned or transferred in whole or in part (provided that the principal amount to be assigned or transferred shall be at least HK\$200,000 and in integral multiples of HK\$200,000 unless the outstanding principal amount of the Convertible Bonds is less than HK\$200,000 in which case the whole (but not part only) of that amount may be assigned and transferred) of its outstanding principal amount and the Company shall facilitate any such assignment or transfer of the Bond, including making any necessary applications to the Stock Exchange for the said approval (if required).
- 11.2 A transfer of the Bonds shall be effected by completing and signing, by both the transferor and the transferee under the hand of one of their officers duly authorised in writing or otherwise by a duly authorised person thereof, of a form of transfer set out in Schedule 2 to the Conditions.

## 12. CAPITAL DUTIES AND TAXES

- (A) **Capital duties, etc:** The Company will pay any capital, stamp, issue, registration, documentary or other similar taxes and duties, including interest and penalties, payable in Hong Kong in respect of the creation and original issue and offering of the Bonds and the execution or delivery of this Instrument. The Company will also indemnify the Bondholders from and against all capital stamp, issue, registration, documentary or other similar taxes paid by any of them in any jurisdiction in relation to which the liability to pay arises directly as a result of any action taken by or on behalf of the Bondholders to enforce the obligations of the Company under this Instrument or the Bonds.
- (B) **Change of taxing jurisdiction:** If the Company becomes subject generally to the taxing jurisdiction of any territory or any authority of or in that territory having power to tax other than Hong Kong or any such authority of or in such territory then the Company will give to the Bondholders an undertaking in terms corresponding to the terms of Condition 9 with the substitution for the references in that Condition to Hong Kong of references to that other territory or authority to whose taxing jurisdiction the Company has become so subject and in such event this Instrument and the Bonds will be read accordingly.

## 13. MODIFICATIONS

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

#### 14. SUIT BY AND MEETINGS OF BONDHOLDERS

- (A) The Company hereby acknowledges and covenants that the benefit of the covenants, obligations and conditions on the part of or binding upon it contained in this Instrument shall enure to each and every Bondholder and the holder(s) of the Conversion Shares.
- (B) Each Bondholder and holder of the Conversion Shares shall be entitled severally to enforce the said covenants, obligations and conditions against the Company insofar as each such Bondholder's Bonds and holder of the Conversion Shares are concerned, without the need to join the allottee of any such Bond or the predecessor in title of the Conversion Shares or any intervening or other Bondholder or holder of the Conversion Shares in the proceedings for such enforcement.
- (C) The Bondholders may hold meetings for the consideration of such matters as they may think fit. The provisions of Schedule 3 shall apply to regulate the convening and conduct, and the powers, of all meetings of Bondholders. Such provisions may be altered by Ordinary Resolution.

#### 15. COMMUNICATIONS

- (A) Any communication to the Company shall be by letter delivered personally or by facsimile transmission to it at Unit 202, 2/F, Chinaweal Centre 414-424 Jaffe Road Hong Kong, Hong Kong (facsimile no. (852) 3585 3180) (or such other address or number as shall be notified in writing by the Company to the Bondholders, the Registrar from time to time with specific reference to this Deed).
- (B) Any such communication will take effect, in the case of delivery, at the time of delivery or, in the case of facsimile transmission, at the time of despatch.

#### 16. GOVERNING LAW

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

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