

Dated 15 November 2023

CHINA PARENTING NETWORK HOLDINGS LIMITED
中國育兒網絡控股有限公司

AND

THE INVESTORS
(named in Schedule 1)

AMENDED AND RESTATED SUBSCRIPTION AGREEMENT

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THIS AGREEMENT (this “**Agreement**”) is made on the 15th day of November 2023 amongst:

- (1) **CHINA PARENTING NETWORK HOLDINGS LIMITED** 中國育兒網絡控股有限公司, an exempted company with limited liability duly incorporated under the laws of the Cayman Islands, whose registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, whose principal place of business in Hong Kong is at Room 1905, China Resources Building 26 Harbour Road Wanchai, Hong Kong, and whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 1736) (the “**Company**”); and
- (2) **THE INVESTORS** whose names and addresses are set out in Schedule 1 (the “**Investors**”); and

All the parties referred to above shall collectively be referred to as “**Parties**” and each a “**Party**”.

WHEREAS:

- (A) As at the date of this Agreement, the Company has an aggregate authorised share capital of HK\$100,000,000, consisting of 2,000,000,000 Shares (as defined below), of which 288,051,953 Shares (as defined below) have been issued and fully paid. All the Shares (as defined below) are, as at the date hereof, listed on the Main Board (as defined below) of the Hong Kong Stock Exchange (as defined below). Particulars of the Company are set out in Schedule 2.
- (B) Upon the terms and conditions set forth in this Agreement (including the terms and conditions as set out in the Schedules), the Company intends to issue to the Investor(s) (as defined below), and the Investor(s) intends to subscribe from the Company, the Convertible Notes (as defined below) at the Closing (as defined below). The principal amount of the Convertible Notes (as defined below) shall be HK\$28,288,270.

Now, therefore, in consideration of the mutual promises, representations, warranties, covenants and conditions in this Agreement, the Parties, intending to be legally bound, hereby agree as follows:

1. DEFINITIONS

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

“ Accounting Standards ”	the International Financial Reporting Standards which comprise standards and interpretations approved by the International Accounting Standards Board and International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect from time to time, applied on a consistent basis;
“ Affiliate ”	with respect to any Person, any of such Person’s Connected Person(s), any other Person directly or indirectly controlling, controlled by or under common control with such Person (including any Subsidiary) or any investment funds managed or advised by such Person

	<p>or any of its other Affiliates and, for any Person who is an individual, includes such individual's spouse, children or any Person(s) cohabiting as a spouse of such Person. Notwithstanding the foregoing, in the case of a Person that is a pooled investment vehicle or an entity wholly owned by a pooled investment vehicle, "Affiliates" shall include any of its general partners and fund managers and pooled investment vehicles managed by its fund managers, and any officers, general partners and fund managers thereof. "Affiliates" and "Affiliated" shall have correlative meanings. For the purpose of this definition, the term "control" (including with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise;</p>
"Applicable Laws"	<p>with respect to any Person, any laws, regulations, rules, notices, guidelines, treaties, orders and other legislative decisions, executive, judicial decisions or pronouncements of any Governmental Authority that is applicable to such Person;</p>
"Approvals"	<p>any consent, permit, approval, authorisation, waiver, grant, concession, licence, exemption, order, registration or certificate granted by any Governmental Authority in respect of the filings, documents, reports or notices submitted to such Governmental Authority;</p>
"Board"	<p>the board of directors of the Company as constituted from time to time;</p>
"Business Day"	<p>a day (other than a Saturday, Sunday or public holiday or days on which a tropical cyclone warning No. 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 commercial banks are generally opened for banking business in Hong Kong and the Cayman Islands;</p>
"CCASS"	<p>the Central Clearing and Settlement System of Hong Kong;</p>
"Closing"	<p>the closing of the subscription for the Convertible Notes as set out in Clause 8;</p>
"Closing Date"	<p>the date on which the Closing takes place;</p>
"Closing Price"	<p>any Trading Day, the closing market price of each of the Shares published in the daily quotation sheet or any other media published by the Hong Kong Stock Exchange and/or any other Qualified Stock Exchange for such day;</p>

“Company Early Redemption Price”	as defined in Condition 11.2(b);
“Company Early Redemption Rights”	as defined in Condition 11.2(a);
“Company Designated Bank Account”	<p>The bank account designated by the Company to receive the Subscription Price as follows:</p> <p>Account name: China Parenting Network Holdings Limited Account number (HKD): 012-581-1-027023-8 Bank name: Bank of China (Hong Kong) Limited Bank Address: Unit 701-706, the Gateway Tower 3 (Prudential Tower), 21 Canton Road, Tsim Sha Tsui, Kowloon SWIFT code: BKCHHKHHXXX</p>
“Company Transfer Notice”	as defined in Clause 9.1(a);
“Conditions Precedent”	the conditions precedent for the subscription of the Convertible Notes as referred to in Clauses 3.5 and 3.6;
“Connected Person”	has the meaning ascribed to it under the Listing Rules;
“Constitutional Documents”	the constitutional documents of the Company and/or the Group Company (as the case may be) (as modified, supplemented or amended from time to time);
“Conversion Shares”	the Shares issuable upon conversion of the Convertible Notes;
“Convertible Notes”	the eight percent (8.0%) redeemable fixed coupon unsecured and unsubordinated convertible notes to be issued by the Company to the Investor(s) at the Closing pursuant to this Agreement and the Convertible Note Instrument, and in an aggregate principal amount of HK\$28,288,270 with a maturity date of six months from the date of the Convertible Notes, subject to an extension for a further six months in the absolute discretion of the Noteholders;
“Convertible Noteholder(s)”	the Person(s) in whose names the Convertible Note is registered;
“Convertible Note Instrument”	an instrument by way of deed poll to be executed by the Company thereto in the form set forth in Schedule 5;
“Creditors”	邓菁菁 (Deng Jingjing), an individual with PRC identity card number of 440102198209266528 and 龚燕萍 (Gong Yanping), an individual with PRC identity card number of 310230197812171467;

"Diligent"	Diligent Ally Private Limited, a company incorporated in Singapore with limited liability;
"Discharge Date"	as defined in Clause 4.1;
"Discloser"	as defined in Clause 6.1;
"EGM"	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approve, among others, this Agreement and the transactions contemplated thereunder;
"Encumbrance(s)"	any mortgage, charge (whether fixed or floating), pledge, Lien (other than Lien created by operation of law), option, restriction, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Laws; or any lease, sub-lease, occupancy agreement, easement or covenant granting a right of use or occupancy to any Person; or any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, negotiation or refusal or transfer restriction in favour of any Person, or any adverse claim as to title, possession or use;
"Extension Fee"	as defined in Clause 2;
"FATCA"	means (a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 or any associated regulations or other official guidance; (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction;
"FATCA Deduction"	a deduction or withholding from a payment under a Transaction Document required by FATCA;
"Financial Debt"	means as to any Person: (i) any indebtedness of such Person for borrowed money; (ii) the outstanding principal amount of any bonds, debentures, notes, loan stock, commercial paper, acceptance credits, bills or promissory notes drawn, accepted, endorsed or issued by such Person;

	<ul style="list-style-type: none"> (iii) amounts raised by such Person under any other transaction having the financial effect of a borrowing and which would be classified as a borrowing under the Accounting Standards (excluding the portion of derivative financial instruments in relation to convertible note); (iv) the amount of the payment obligations of such Person under derivative transactions entered into in connection with the protection against or benefit from fluctuation in any rate or price (but only the net amount owing by such Person after marking the relevant derivative transactions to market); (v) all indebtedness of the types described in the foregoing items secured by Lien on any property owned by such Person, whether or not such indebtedness has been assumed by such Person; (vi) any indebtedness of such Person for the deferred purchase price of assets or services (except trade accounts incurred and payable in the ordinary course of business to trade creditors within 180 days of the date when they are incurred and which are not overdue); (vii) non-contingent obligations of such Person to reimburse any other Person for amounts paid by that Person under a letter of credit or similar instrument (excluding any letter of credit or similar instrument issued for the account of such Person with respect to trade accounts incurred and payable in the ordinary course of business to trade creditors of such Person within 180 days of the date when they are incurred and which are not overdue); (viii) the amount of any payment obligation of such Person in respect of any Financial Lease; (ix) all obligations of such Person to pay a specified purchase price for goods and services, whether or not delivered or accepted (i.e., take or pay or similar obligations); (x) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, any liability of such Person under any sale and leaseback transactions that do not create a liability on the balance sheet of such Person, any obligation under a "synthetic lease" or any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheet of such Person; (xi) any premium payable by such Person on a mandatory redemption or replacement of any of the foregoing items; and (xii) the amount of any obligation in respect of any guarantee or indemnity for any of the foregoing items incurred by any other Person;
"Financial Lease"	any lease or hire purchase contract which would, under the Accounting Standards, be treated as a finance or capital lease;

“Governmental Authority”	any national, provincial, municipal or local government, administrative or regulatory body or department, commission, agency, court, tribunal, arbitrator or any body that exercises the function of a regulator, including, but not limited to, the Hong Kong Stock Exchange, the Securities and Futures Commission of Hong Kong, the BVI Registry of Corporate Affairs, the Registry of Companies in the Cayman Islands and the Companies Registry in Hong Kong;
“Group”	the Company and its Subsidiaries, and a “Group Company” means any of them;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Indemnified Party”	as defined in Clause 10.1;
“Intellectual Property”	any and all (i) patents, all patent rights and all applications therefor and all reissues, re-examinations, continuations, continuations-in-part, divisions and patent term extensions thereof; (ii) inventions (whether patentable or not), discoveries, improvements, concepts, innovations and industrial models; (iii) registered and unregistered copyrights, copyright registrations and applications, author’s rights and works of authorship (including artwork of any kind and software of all types in whatever medium, inclusive of computer programs, source code, object code and executable code; and related documentation); (iv) URLs, web sites, web pages and any part thereof; (v) technical information, know-how, trade secrets, drawings, designs, design protocols, specifications for parts and devices, quality assurance and control procedures, design tools, manuals, research data concerning historic and current research and development efforts, including the results of successful and unsuccessful designs, databases and proprietary data; (vi) proprietary processes, technology, engineering, formulae, algorithms and operational procedures; (vii) trade names, trade dress, Trade Marks, domain names and service marks, and registrations and applications therefor; and (viii) the goodwill of the business of the Group symbolized or represented by the foregoing, customer lists and other proprietary information and common-law rights;
“Lien”	any preferential right, trust arrangement, right of set off, counterclaim or banker’s lien, privilege or priority of any kind having the effect of security, any designation of loss

	payees or beneficiaries or any similar arrangement under or with respect to any insurance policy or any preference of one creditor over another arising by operation of law;
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as modified, supplemented or amended from time to time);
"Long Stop Date"	31 December 2023 or any other dates as agreed in writing between the relevant Investor and the Company;
"Losses"	as defined in Clause 10.1;
"Main Board"	the main board of the Hong Kong Stock Exchange (excluding the option market) operated by the Hong Kong Stock Exchange, which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange;
"Material Adverse Effect"	(i) a material adverse effect, in the opinion of the Investors, on (a) the assets, liabilities, condition (financial or otherwise), business, prospects, general affairs, results of operations or properties of the Group taken as a whole, (b) the ability of the Company, any Group Company or any relevant Party (other than the Investor) (if applicable) to perform its/his/her obligations under any of the Transaction Documents, or (c) the validity or enforceability of any of the Transaction Documents; or (ii) an effect, in the opinion of the Investors, which is otherwise material in the context of the transactions contemplated under the Transaction Documents;
"Maturity Date"	in respect of any Convertible Note, the maturity date of that Convertible Note as determined in the Convertible Note Instrument;
"Noteholder Transfer Notice"	as defined in Clause 9.1(c);
"Notice"	as defined in Clause 12.1;
"Ordinary Course of Business"	in the conduct of the Principal Business by the Group;
"OFAC"	as defined in paragraph 13 in Schedule 3;
"Person"	any individual, firm, corporation, joint venture, enterprise, partnership, trust, unincorporated association, limited liability company, Governmental Authority or other entity of any kind, whether or not having separate legal personality;
"PRC"	the People's Republic of China (which, for the purpose of this Agreement, excludes Hong Kong, the Macau Special

	Administrative Region and Taiwan);
“Previous Loan Agreements”	the loan agreements entered into between the Group and each of the Creditors dated 18 August 2023 pursuant to which each of the Creditors has agreed to make available to the Group a loan of a principal amount of RMB2,250,000;
“Previous Subscription Transaction Documents”	the Subscription Agreement dated 9 February 2021 as amended by the Supplemental Subscription Agreement dated 15 February 2021; and the Amended Convertible Note Instrument dated 29 March 2022 constituting an aggregate principal amount of not more than HK\$20,000,000 redeemable fixed coupon convertible note;
“Principal Business”	the principal business carried out by any Group Company as at the date of this Agreement, which involves (i) the provision of marketing and promotional services through the Group’s platform, including CI Web, mobile CI Web, Mobile Application Software (“APPs”) and IPTV APPs; and (ii) e-commerce business in the PRC;
“Properties”	the properties owned and/or used by the Group Companies in the world;
“Public Official”	as defined in paragraph 9 in Schedule 3;
“Qualified Stock Exchange”	any stock exchange, including the Hong Kong Stock Exchange, as may be determined by the Investors in their absolute discretion;
“Redemption Period”	as defined in Clause 9.1(b);
“Relevant Jurisdiction”	<p>in relation to a Party that is not a natural Person:</p> <ul style="list-style-type: none"> (i) its jurisdiction of incorporation; (ii) any jurisdiction where any of its asset is situated; and (iii) any jurisdiction where it conducts its business; <p>in relation to a Party that is a natural Person:</p> <ul style="list-style-type: none"> (i) the jurisdiction of his/her nationality; (ii) any jurisdiction where he/she conducts his/her business; and (iii) any jurisdiction where his/her assets are situated;
“Relief”	includes any relief, allowance, concession, set off or deduction in computing profits or credit granted by or pursuant to any legislation or otherwise relating to all forms of Taxation. In the event of any deprivation of any Relief or of a right to repayment of any form of Taxation there shall be treated as an amount of Taxation for which a liability has arisen the amount of such Relief or repayment (if smaller) the amount by which the liability

	to any such Taxation of a member of the Group would have been reduced by such Relief if there had been no such deprivation as aforesaid, applying the relevant rates of Taxation in force in the period or periods in respect of which such Relief would have applied or (where the rate has at the relevant time not been fixed) the last known rate and assuming that such member of the Group had sufficient profits, turnover or other assessable income or expenditure against which such Relief might be set off or given;
"Right of Refusal Period"	as defined in Clause 9.1(d);
"RMB"	Renminbi, the lawful currency of the PRC;
"SFO"	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (as modified, supplemented or amended from time to time);
"Shares"	the Ordinary Shares of HK\$0.05 each in the share capital of the Company as the case may be;
"Share Option Scheme"	any scheme approved in a general meeting by the shareholders of the Company for the issue or grant of Shares or options to subscribe for Shares to eligible directors and employees of the Group;
"Specific Mandate"	the specific mandate to allot and issue the Conversion Shares to be sought from the Shareholders at an EGM of the Company;
"Subscription Price"	as defined in Clause 3.2;
"Subsidiary"	has the meaning ascribed to it under the Listing Rules. Unless otherwise qualified or the context otherwise requires, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Group Company;
"Tax" or "Taxation"	(i) any liability to any form of taxation whenever created or imposed and whether of Hong Kong, the PRC, Cayman Islands or of any other applicable jurisdiction and without prejudice to the generality of the foregoing includes profits tax, provisional profits tax, business tax on gross income, income tax, value-added tax, salaries tax, property tax, deed tax, estate duty, death duty, capital duty, stamp duty, payroll tax, withholding tax, rates, customs and excise duties and generally any tax duty, impost, levy or rate or any amount payable to the revenue, customs or fiscal authorities of local, municipal, governmental, state, provincial or federal level whether of Hong Kong, the PRC,

	<p>Cayman Islands or of any other applicable jurisdiction;</p> <p>(ii) such an amount or amounts as is or are referred to in the Relief; and</p> <p>(iii) all costs, interest, penalties, charges and expenses incidental or relating to the liability to Taxation or the deprivation of Relief or of a right to repayment of Taxation to the extent that the same is/are payable or suffered by any members of the Group;</p>
"Takeovers Codes"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Hong Kong Securities and Futures Commission;
"Trade Marks"	the registered trademarks and the trademarks pending registration owned and/or used by any of the Group Companies from time to time;
"Trading Day"	a day when the Hong Kong Stock Exchange or any other Qualified Stock Exchange is open for business of dealing in securities, <u>provided that</u> , if no Closing Price is reported for one or more consecutive dealing days, such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days;
"Transaction Documents"	this Agreement, the Convertible Note Instrument, and any other documents relating to the transactions contemplated therein which may be entered into from time to time;
"US\$"	US dollars, the lawful currency of the United State of America;
"Company Warranties"	the representations, warranties and covenants given or procured to be given by the Company as set out in Clause 4 and Schedule 3, and each a "Company Warranty" ; and
"Noteholder Warranties"	the representations, warranties and covenants given or procured to be given by the Company as set out in Clause 5, and Schedule 4 each an "Investor Warranty" ; and
"%"	per cent or percentage.

1.2 In this Agreement, unless the context requires otherwise,

- (a) references to provisions of any law or regulation shall be construed as references to those provisions as replaced, amended, modified or re-enacted from time to time;
- (b) words importing the singular include the plural and vice versa, and words importing a gender include every gender;
- (c) references to this Agreement, any agreement or document shall be construed as

references to this Agreement, such agreement or document as the same may be novated, assigned, amended, restated or supplemented from time to time, unless otherwise stated;

- (d) references to Clauses and Schedules are to clauses of and schedules to this Agreement;
- (e) the Schedules form part of this Agreement;
- (f) clause headings are inserted for reference only and shall be ignored in construing this Agreement; and
- (g) any reference to a document in the "agreed form" is to a document substantially in the form and substance as the draft which has been initialled by or on behalf of the Company and the Investors for identification purposes.

2. EXTENSION FEE

- 2.1 In consideration to enter into this Agreement, the Company shall pay Diligent an extension fee in the amount of 5% of the outstanding balance of the loan and interests under the Previous Subscription Transaction Documents.
- 2.2 In consideration to enter into this Agreement, the Company shall pay each of the Creditors an extension fee in the amount of 5% of the outstanding balance of the loan and interests under the terms of the Previous Loan Agreements.

3. SUBSCRIPTION OF THE CONVERTIBLE NOTES

- 3.1 Subject to the satisfaction of the Conditions Precedent and other terms and conditions set forth herein, the Company shall issue the Convertible Notes to the Investors, and the Investors agree to subscribe for the Convertible Notes from the Company free from Encumbrances at the Closing, the terms and conditions of which are set forth in the Convertible Note Instrument. The principal amount of the Convertible Notes to be issued to the Investors shall be set out in Schedule 1.
- 3.2 The principal amount of the Convertible Notes to be issued to the Investors shall be HK\$28,288,270 (the "Subscription Price").
- 3.3 Subject to the satisfaction of the Conditions Precedent and other terms and conditions set forth herein, the Previous Subscription Transaction Documents and the Previous Loan Agreements shall cease to have any effect from the Closing Date.
- 3.4 For the avoidance of doubt, the Investor(s) shall have no obligation to subscribe for any part of the Convertible Notes if any of the Conditions Precedent are not fulfilled or waived in accordance with this Agreement. The parties hereby agree: (a) that the obligations of each Investor shall be several but not joint and for avoidance of doubt, no Investor shall be liable for obligations or liabilities of any other Investor or for any breach by any other Investor under this Agreement or any other Transaction Document; and (b) the subscription by the Investors for the Convertible Notes is not inter-conditional.
- 3.5 Conditions Precedent to the Investors' Obligations

The obligations of each Investor to subscribe for the Convertible Notes from the Company are subject to the fulfilment (or waiver) of all of the following Conditions Precedent on or before the Closing Date:

- (a) the execution and delivery of this Agreement by the Company;
- (b) all the Company Warranties being true, complete and accurate in all respects and not misleading in any respect;
- (c) a copy, certified as a true copy by a director or secretary of the Company or by the Company's legal counsel, of the resolutions of the Board which are in full force and effect, approving the Transaction Documents (to the extent it is a party) and the transactions contemplated thereunder (including but not limited to the issue of the Convertible Notes to the Investor(s));
- (d) the delivery of a copy, of the listing approval issued by the Hong Kong Stock Exchange in connection with the new Shares issuable upon the exercise of the conversion right under the Convertible Note;
- (e) the announcement to be issued by the Company in relation to the issuance of the Convertible Notes (on the terms set out in this Agreement) shall have been made in accordance with the Applicable Laws, if applicable;
- (f) there shall not have been any suspension of the trading of the Shares on the Hong Kong Stock Exchange for any reason or cessation of trading of the Shares on the Hong Kong Stock Exchange for any reason during the period between the date of this Agreement and the Closing Date (save for the purposes of clearing an announcement in respect of the issue of the Convertible Notes pursuant to this Agreement);
- (g) from the date of this Agreement to the Closing Date, save as disclosed in the announcements and the financial reports of the Company, there being no material adverse change or any development likely to result in a material adverse change, or material change in the Principal Business, operations, Properties, conditions (financial or otherwise), personnel or prospects of the Group;
- (h) from the date of this Agreement to the Closing Date, save as disclosed in the announcements and the financial reports of the Company, the Company or any Group Company is not in breach of or in default under any agreement to which the Company is a party or by which the Company may be bound which, has or could have a Material Adverse Effect on the Company or any Group Company;
- (i) there shall not have occurred (i) any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions or currency exchange rates or foreign exchange controls; (ii) a general moratorium on commercial banking activities in Cayman Islands, Hong Kong or the PRC by any Governmental Authority; (iii) an outbreak or escalation of hostilities or act of terrorism, and which, with respect to any of (i) to (iii) above, individually or in aggregate, is or is likely to have a Material Adverse Effect; or (iv) a suspension or limitation of trading in securities generally on the Hong Kong Stock Exchange;
- (j) the Shareholders passing the necessary resolution(s) at the EGM to approve this Agreement and the transactions contemplated hereunder, including the issue of the Convertible Notes and the allotment and issue of the Conversion Shares; and
- (k) there being no Governmental Authority or other Person that has:

- (i) requested any information in connection with or instituted or, threatened any action or investigation to restrain, prohibit or otherwise challenge the subscription for the Convertible Notes by the Investor and/or its nominees, or the other transactions contemplated by the Transaction Documents to which the Investor is a party;
- (ii) threatened to take any action as a result of or in anticipation of the subscription for the Convertible Notes by the Investor and/or their nominees, or the other transactions contemplated by the Transaction Documents to which the Investor is a party; or
- (iii) proposed or enacted any Applicable Laws which would prohibit, materially restrict or materially delay the subscription for the Convertible Notes by the Investor and/or its respective nominees, or the other transactions contemplated by the Transaction Documents to which the Investor is a party and/or the operation of any Group Company after the Closing.

For the purpose of this Clause 3.5, the delivery of documents by the Company or its legal adviser electronically by email to the Investors on the Closing Date shall fully discharge the relevant Company obligation to the Investors in connection with the fulfilment of the abovementioned Conditions Precedent.

3.6 Conditions Precedent to Company's Obligations.

The obligations of the Company to complete the issuance of the Convertible Notes are subject to the fulfilment (or waiver) of all of the following Conditions Precedent on or before the Closing Date:

- (a) the execution and delivery of this Agreement by the Investor(s);
- (b) the Convertible Noteholder Warranties given by each Convertible Noteholder shall be true, correct, accurate, complete and not misleading when made and on and as of the Closing Date;
- (c) Each Convertible Noteholder shall have performed and complied with all covenants, agreements, obligations and conditions contained in the Transaction Documents that are required to be performed or complied with by it.
- (d) Each Convertible Noteholder shall have duly attended to and carried out all corporate procedures that are required under the Laws of its place of incorporation or establishment to effect its execution, delivery and performance of this Agreement and the other Transaction Documents to which it is as a party, and the transactions contemplated hereby and thereby.

For the purpose of this Clause 3.6, the delivery of documents by the Investors or their legal advisers electronically by email to the Company or its legal advisers on the Closing Date shall fully discharge the relevant Investors obligation to the Company in connection with the fulfilment of the abovementioned Conditions Precedent.

3.7 Waiver

- (a) Each Investor may, at its absolute discretion, waive compliance with any or all of

the Conditions Precedent under Clause 3.5 (save and except Clauses 3.5(d) and 3.5(j) which shall not be waivable at all time) as such Investor may deem fit provided always that no such waiver shall prejudice the Investors' rights hereunder.

- (b) The Company may, at its absolute discretion, waive compliance with any or all of the Conditions Precedent under Clause 3.6 which shall not be waivable at all time) as the Company may deem fit provided always that no such waiver shall prejudice the Company's rights hereunder.

3.8 Fulfilment of the Conditions Precedent

The Company shall (i) use its best endeavours to ensure that the Conditions Precedent under Clause 3.5 are fulfilled as soon as reasonably practicable and (ii) deliver the agreed form of all documents referred to in Clauses 7.3 and 8.3 to each of the Investors (or their respective legal advisers) as soon as possible, and in any event no later than the Long Stop Date.

The Company shall notify each of the Investors in writing that the Conditions Precedent has been fulfilled.

4. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY

- 4.1 The Company hereby represents, warrants to and covenants to the Investor(s) that the Company Warranties are and will be true, complete, accurate in all respects and not misleading in any respect and fully observed at all times commencing from the date of this Agreement up to and until all outstanding liabilities and obligations under the Transaction Documents have been discharged in full to the satisfaction of each of the Investors (the "Discharge Date") with reference to the facts and circumstances subsisting from time to time.
- 4.2 Each of the Company Warranties shall (a) be separate and independent and save as otherwise expressly provided shall not be limited by reference to anything in this Agreement, and (b) be made on the date of this Agreement and be deemed to have repeated on each day until the Discharge Date.
- 4.3 The Company hereby acknowledges that each of the Investors are entering into the Transaction Documents and the transactions contemplated under the Transaction Documents (including the subscription of the Convertible Notes) in reliance on the Company Warranties.
- 4.4 The Company shall immediately notify the Investors upon its becoming aware of:
 - (a) any event which could be expected to cause any of the Company Warranties to become incorrect, misleading or breached on or prior to the Discharge Date; or
 - (b) that any of the Company Warranties is untrue, inaccurate or misleading at any time commencing from the date of this Agreement up to and until the Discharge Date.

5. REPRESENTATIONS, WARRANTIES AND COVENANTS OF EACH CONVERTIBLE NOTEHOLDER

Each Convertible Noteholder represents and warrants to the Company that each of the representations and warranties (the "Noteholder Warranties") set out in Schedule 4 in respect of itself is true, accurate and complete and not misleading as of the date of this

Agreement and as of the Closing Date.

Where any obligation, representation, warranty or undertaking in this Agreement is expressed to be made, undertaken or given by the Investor(s), they shall be severally but not jointly liable in respect of it.

6. CONFIDENTIALITY

6.1 Subject to Clauses 6.2 and 6.3 below, each Party will, and will cause its/his/her Affiliates to, subject to the Applicable Laws and/or any order issued by any Governmental Authority, and the need to provide such information to any Governmental Authority, officers, directors, employees, auditors or other professional advisers, maintain the confidentiality of the terms of the Transaction Documents and any non-public information disclosed to it/him/her by or on behalf of any other Party (the "Discloser") regarding the Discloser or any of its/his/hers Affiliates, in accordance with such procedures as they apply generally to information of this kind.

6.2 If any other Group Company is required by any Applicable Law or any Governmental Authority to disclose any information or make any public announcement or filing with any Governmental Authority in respect of any Transaction Document and/or any transaction contemplated thereunder, such Group Company shall, to the extent permitted by the Applicable Law, promptly:

- (a) notify each of the Investors in writing before such disclosure, announcement or filing; and
- (b) consult with each of the Investors regarding the proposed form, timing, nature and purpose of such disclosure, announcement or filing.

The Company agree, to the extent permitted by the Applicable Law or this Clause, not to make any such disclosure, announcement or filing or take any other action in connection with the disclosure, announcement or filing in respect of any Transaction Document and/or any transaction contemplated thereunder without the relevant Investor's prior written approval.

6.3 Each of the Investors shall be permitted to make any necessary disclosures to prospective transferees and/or assignees of the Convertible Notes regarding the terms of the transactions contemplated by the Transaction Documents provided that the prospective transferees and/or assignees to whom any such disclosure is made agree to keep any information so disclosed confidential on terms substantially similar to as those set out in this Clause.

7. UNDERTAKINGS

7.1 The Company hereby covenants that it shall perform and observe the obligations on its part contained in this Agreement to the extent that this Agreement shall inure to the benefit of each of the Investors and the Investors may, in addition to any rights they may have under this Agreement and any other remedies which may be available to it elsewhere, enforce (including suing) for the performance or observance of the terms and conditions in this Agreement.

7.2 As soon as practicable after the signing of this Agreement, the Company shall make an announcement in accordance with the Listing Rules the proposed issue of the Convertible Notes.

- 7.3 The Company shall deliver the original Convertible Note Instrument duly executed by the Company and the certificate(s) of the Convertible Notes issued in the name of the relevant Investor duly executed by the Company to the Investors as soon as practicable (but in any event within 15 days after the Closing, unless otherwise agreed in writing by the Company and the Investors).

The Company shall deliver electronically by email a copy, certified as a true copy by a director or secretary of the Company or by the Company's legal counsel, of the register of Convertible Noteholders of the Company evidencing the entries in the register of Convertible Noteholders of the Company in respect of the subscription of the Convertible Notes by the relevant Investors as soon as practicable after the Closing (but in any event within 15 days after the Closing, unless otherwise agreed in writing by the Company and the Investors).

- 7.4 So long as any part of the Convertible Notes remains outstanding, without the prior written consent of each of the Investors:

- (a) no Group Company cease carrying on the Principal Business;
- (b) the Company shall (i) maintain a listing for all the issued Shares on the Main Board and (ii) obtain and maintain a list of all the Conversion Shares upon the exercise of the conversion right under the Convertible Notes by each of the Investors;
- (c) each Group Company shall carry on its Principal Business as a going concern in the Ordinary Course of Business as carried on prior to the Closing Date and will keep or cause to be kept all of its Properties and assets in a good state of repair and condition (fair wear and tear excepted) and that there will not be any events happening which may have a Material Adverse Effect;
- (d) each Group Company shall take all reasonable steps to protect the assets and goodwill associated with its business and its operations and comply with all Applicable Laws;
- (e) no Group Company will be dissolved, liquidated or recapitalised except for the sole purpose of giving effect to the Transaction Documents;
- (f) the Company shall not and the Company shall procure that each Group Company (other than the Company) shall not, without the prior written consent of the Majority Noteholders (such consent should not be unreasonably withheld or delayed) and subject to compliance with the Listing Rules, create any mortgage, charge (whether fixed or floating), pledge, Lien (other than Lien created by operation of law), option, restriction, hypothecation, assignment, deed of trust, title retention, security interest or other Encumbrance of any kind as security for the obligations of any party over any of the assets of any Group Company;
- (g) other than pursuant to Applicable Law (including but not limited to the Listing Rules), the Company will not amend, modify or waive any provisions of its Constitutional Documents;
- (h) the Company shall or shall use its best endeavours to procure the other Group Companies to comply with all disclosure obligations, including reporting, announcement and disclosure of interests requirements, in respect of the transactions contemplated under the Transaction Documents, pursuant to the Applicable Laws;

- (i) the Company shall promptly notify the Investor(s) of any event or change in the condition (financial or otherwise) of the Group Companies, and of any litigation or proceedings being threatened or initiated against any of them before any court tribunal or administrative agency, which may have a Material Adverse Effect, within five (5) Business Days after it has knowledge of the said change or of the said litigation or proceedings or threat thereof, and, to the extent as permitted by laws and contractual obligations, any information as required by the Investor(s) in respect thereof (including, but not limited to, the amount of contingent liability if ascertainable) shall be provided to the Investor(s) as soon as practicable after becoming aware of such information;
- (j) the Company shall promptly make all notifications, registrations and filings as may from time to time be required by Applicable Laws in relation to the transactions contemplated under the Transaction Documents, including, without prejudice to the generality of the foregoing, the filings with the Hong Kong Stock Exchange and the registrations with other Relevant Jurisdictions (if any); and
- (k) there shall be no (i) any suspension of the trading of the Shares on the Hong Kong Stock Exchange for any reason for more than five (5) consecutive Trading Days, or (ii) cessation of trading of the Shares on the Hong Kong Stock Exchange for any reason; and
- (l) save for the issue of Shares pursuant to the exercise of the options granted or to be granted under the Share Option Scheme, other options and/or Convertible Notes already issued, the Company shall not undertake any equity or equity-linked financing (including without limitation the issue of Shares, Convertible Notes, options or other derivative financial products) with an issue price or conversion price lower than the Conversion Price and/or at more favourable terms than those provided to the Investor(s) in the transactions contemplated under the Transaction Document, unless the terms of the transactions contemplated under the Transaction Documents shall be adjusted to reflect such more favourable terms.

8. CLOSING

The Closing shall take place on the same Business Day as the fulfilment or waiver (as the case may be) of all Conditions Precedent (or such other date as may be agreed in writing between the Parties) (the "Closing Date") at such place as may be agreed by the Parties.

8.1 Obligations of the Company on or Prior to the Closing Date

The Company shall notify each of the Investors in writing that the Conditions Precedent has been fulfilled.

8.2 Obligation of the Investors on the Closing Date

On the Closing Date, each of the Investors shall, subject to the satisfaction of the Conditions Precedent under Clause 3.5, upon receiving all documents mentioned in Clause 8.1 above, fully discharge the obligation of the Company to the Investors in connection with the Previous Subscription Transaction Documents, Previous Loan Agreement and the Extension Fee.

8.3 Obligation of the Company after the Closing Date

The Company shall deliver to each of the Investors such documents as set out in Clause 7.3 after the Closing Date (in accordance with the timeline as set out in Clause 7.3).

9. TRANSFERABILITY

- 9.1 The Convertible Note is transferable in accordance with the terms in this Clause 9.1 in whole or in part provided such transfer is in an amount of not less than HK\$500,000.

At any time on and after the Issue Date up to the close of business on the Business Day immediately preceding the Maturity Date (both days inclusive), no outstanding principal amount of the Convertible Notes may be transferred by any Convertible Noteholder unless in accordance with the provisions below:-

- (a) if a Convertible Noteholder wishes to transfer in full or in part of the outstanding principal amount of the Convertible Notes (the **"Selling Noteholder"**), the Selling Noteholder shall forthwith provide the Company with a written notice (the **"Company Transfer Notice"**);
- (b) upon receipt of a Company Transfer Notice delivered pursuant to sub-clause (a), the Company shall have the right but not the obligation, exercisable within 10 Business Days of the receipt of the Company Transfer Notice from the Selling Noteholder (the **"Redemption Period"**), to redeem in full or in part of the outstanding principal amount of the Convertible Notes proposed to be transferred, at the Company Early Redemption Price as defined in Condition 11.2(b). Such notice of acceptance shall be deemed to be irrevocable and may not be withdrawn.
- (c) if the Company does not serve a notice of acceptance on the Selling Noteholder within the Redemption Period, or (ii) the Company only wishes to redeem part of the outstanding principal amount of the Convertible Note proposed to be transferred, the Selling Noteholder shall forthwith provide the other Convertible Noteholders with a written notice (the **"Noteholder Transfer Notice"**) setting forth the details of the proposed transfer and the offer made by any independent third party (the **"Prospective Subscriber"**) for such Convertible Notes;
- (d) upon receipt of the Noteholder Transfer Notice delivered pursuant to sub-clause (c), other Convertible Noteholders shall have the right but not the obligation, exercisable within 10 Business Days of the receipt of the notice from the Selling Noteholder (the **"Right of Refusal Period"**), to acquire from the Selling Noteholder the remaining portion of the outstanding principal amount of the Convertible Notes not redeemed in accordance with Clause 9.1(b), at the same price and upon the same terms and conditions as offered by the Prospective Subscriber, provided always that if more than one Convertible Noteholder that is not the Selling Noteholder (**"Interested Note Buyer"**) is interested to acquire such Convertible Note(s) from the Selling Noteholder, the Convertible Note(s) to be sold from the Selling Noteholder shall be transferred to the Interested Note Buyer in proportion to the aggregate outstanding principal amounts of the Convertible Note as held by such Interested Note Buyers. Such notice of acceptance shall be deemed to be irrevocable and may not be withdrawn;
- (e) (i) if no Convertible Noteholders serve a notice of acceptance on the Selling Noteholder within the Right of Refusal Period, the Selling Noteholder shall be at liberty to transfer the outstanding principal amount of the relevant Convertible Notes to the Prospective Subscriber upon the terms and conditions as originally agreed between the Selling Noteholder and the Prospective Subscriber, provided

the Prospective Subscriber is not a Connected Person; (ii) if more than one Interested Note Buyer serves a notice of acceptance on the Selling Noteholder within the Right of Refusal Period, the Interested Note Buyers can elect either to acquire in full or in part of the outstanding principal amount of the relevant Convertible Note not redeemed in accordance with Condition 8.3(b), in proportion to the aggregate outstanding principal amounts of the Convertible Note as held by such Interested Note Buyers; (iii) if there are outstanding principal amounts of the relevant Convertible Note that have not been sold pursuant to Clause 9.1(e)(ii) above, the Selling Noteholder shall be at liberty to transfer the remaining portion of the outstanding principal amount of the Convertible Note to the Prospective Subscriber upon the terms and conditions as originally agreed between the Selling Noteholder and the Prospective Subscriber, provided the Prospective Subscriber is not a Connected Person.

- 9.2 Any transfer of Convertible Notes not made in compliance with this Clause 9 shall be null and void as against the Company, shall not be recorded on the Register and shall not be recognized by the Company.

10. INDEMNIFICATION

10.1 General Indemnity

Subject to Clause 10.2, the Company shall indemnify, defend and hold harmless each of the Investors and the Investors' Affiliates, or any of its/their respective directors, officers, employees or agents (each an "Indemnified Party") from and against any and all losses, damages, liabilities, claims, proceedings, costs and expenses (including the fees, disbursements and other charges of counsel incurred by the Indemnified Party in any action between the Company and the Indemnified Party or between the Indemnified Party and any third party, in connection with any investigation or evaluation of a claim or otherwise) (collectively, "Losses"), resulting from or arising out of any breach by the Company of any Company Warranty under Clause 4 and Schedule 3 or any undertaking under Clause 7, or any breach of any covenant or agreement in the Transaction Documents. In connection with the obligation of the Company to indemnify for Losses as set forth above, if an Indemnified Party believes that it has a claim that may give rise to an indemnity obligation under this Clause, it shall notify the Company stating the basis on which such claim is being made, the material facts related thereto and (if ascertainable or quantifiable) the amount of the claim asserted. The Company shall, upon presentation of appropriate invoices or documents by the Indemnified Party (which shall be conclusive of any amounts to be reimbursed save for manifest errors), reimburse each Indemnified Party for all such Losses as they are incurred by such Indemnified Party within three (3) Business Days.

10.2 Losses and Damages

- (a) Any indemnity as referred to in Clause 10.1 for breach of a Company Warranty, undertaking, covenant or agreement shall be satisfied by a payment of Losses to the Indemnified Party, so as to place the Indemnified Party in the same position as it would have been in had there not been such breach of the Company Warranty, undertaking, covenant, or agreement under which the Indemnified Party is to be indemnified.
- (b) The Parties agree that, in assessing the amount of damages for a breach of a Company Warranty, undertaking, covenant or agreement, there shall be taken into account that the Losses suffered or foreseeable to be suffered by the relevant Investor arising from such breach shall include the decrease in value, calculated

as at the Closing Date, of the assets of the Group as a result of such breach.

10.3 Tax Indemnity

Without prejudice to the generality of Clauses 10.1 and 10.2, the Company hereby covenants and undertakes to fully and effectually indemnify and at all times keep fully and effectually indemnified the Indemnified Parties from and against the amount of any and all Taxation falling on the Indemnified Parties resulting from or by reference to any income, profits, gains for sums received in respect of any claims pursuant to Clauses 10.1 and 10.2 together with all costs (including all legal costs), expenses or other liabilities which the Indemnified Parties may incur in connection with any legal proceedings in which the Indemnified Parties may be involved in enforcing this Clause.

11. TERMINATION

11.1 Notwithstanding anything herein contained, each of the Investors may, by notice in writing to the other Parties, terminate the subscription of the Convertible Notes under this Agreement at any time before the Closing Date in any of the following circumstances:

- (a) if any of the Conditions Precedent has not been fulfilled, or waived by the relevant Investor on or before the Long Stop Date;
- (b) if there shall have come to the notice of the relevant Investor any material breach of, or any event rendering untrue, incomplete, inaccurate or misleading in any respect, any of the Company Warranties;
- (c) if there is any material breach of any covenant or agreement in the Transaction Documents, including, without limitation, any undertakings under Clause 7;
- (d) if there is (i) any material change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions of foreign exchange controls; (ii) a general moratorium on commercial banking activities in Cayman Islands, Hong Kong or the PRC by any Governmental Authority; (iii) an outbreak or escalation of hostilities or act of terrorism, and which, with respect to any of (i) to (iii) above, individually or in aggregate, is or is likely to have a Material Adverse Effect; or (iv) a suspension or limitation of trading in securities generally on the Hong Kong Stock Exchange; or
- (e) if there is a material change in the Principal Business, operations, Properties, conditions (financial or otherwise) or prospects of the Group taken as a whole or the happening of events which may have a Material Adverse Effect.

11.2 Upon such written notice being given pursuant to Clause 11.1 by the relevant Investor, this Agreement shall terminate and be of no further effect between the relevant Investor and the Company, and the relevant Investor and the Company shall not be under any liability to any other in respect of this Agreement, and the relevant Investor and the Company shall be released and discharged from their respective obligations hereunder, in each case without prejudice to any rights or obligations which have accrued on or before the termination of this Agreement, provided always that, if the Closing shall then have taken place, the subscription and issue of the Convertible Notes (and the relevant rights, obligations and liabilities) shall not thereby in any way be affected.

12. NOTICES

- 12.1 Any notice, claim or demand in connection with this Agreement shall be in writing, in English language, and marked "IMPORTANT LEGAL NOTICE" (each a "Notice"), and shall be delivered or sent to the recipient at its/his/her email address or address listed below or address notified to the sender by the recipient for the purposes of this Agreement:

- (a) in the case of a Notice to the Investors, shall be sent to:

Such person, place and details as set out in Schedule 1.

- (b) in the case of a Notice to the Company, shall be sent to:

China Parenting Network Holdings Limited 中國育兒網絡控股有限公司

Address: Room 1304, 13/F, Building J, Cloud Security City,
No. 19 Ningshuang Road,
Yu Huatai District,
Nanjing, Jiangsu Province,
the People's Republic of China

Email address: ir@corp-ci.com

For the attention of the Directors of the Company

- (c) The addresses and e-mail address for service of a notice in connection with this Agreement are, in respect of each Convertible Noteholder, the address and e-mail address as specified in the Deed of Adherence to which the Convertible Noteholder is a party.

- 12.2 If any Party that is a natural Person dies, until the Party giving a Notice has received notice in writing of the grant of probate of his will or letters of administration of his estate (or equivalent), any Notice so given shall be as effectual as if he was still living.

- 12.3 Any notice shall be deemed to have been served: (a) if served by hand, when delivered and proof of delivery is obtained by the delivery party, (b) if served by overnight courier, on the next Business Day, or (c) if sent by facsimile, when despatched subject to confirmation of uninterrupted transmission by a transmission report, provided that any notice despatched by facsimile after 5:00 p.m. on any day shall be deemed to have been received at 9:00 a.m. on the next Business Day. Any notice received on a Sunday or public holiday shall be deemed to have been received on the next Business Day.

13. GENERAL

- 13.1 In the event that any Governmental Authority challenges the clauses or the terms of the Transaction Documents and/or any transactions contemplated thereunder, the Parties shall work promptly and diligently in good faith to agree on the changes to the terms of such Transaction Documents to the satisfaction of the relevant Governmental Authority so as to effect the original intent and business objectives of the Parties to the Transaction Documents as closely as possible in an acceptable manner such that the return to the Investor(s) following the consummation of the transactions contemplated hereunder shall be the same (or as closely as possible) as it would have been if the Transaction Documents had duly been implemented.

This Agreement and the documents referred to in this Agreement constitute the whole agreement between the Parties in relation to the subject matter covered and supersede any previous agreement between the Parties in relation to such matters, which shall cease to have any further effect.

- 13.2 No waiver of any provision of this Agreement shall be effective unless set forth in a written instrument signed by the Party waiving such provision. No failure or delay by a Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Without limiting the foregoing, no waiver by a Party of any breach by any other Party of any provision hereof shall be deemed to be a waiver of any subsequent breach of that or any other provision hereof. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.
- 13.3 This Agreement may not be amended, modified or supplemented except by a written instrument executed by each of the Parties; provided that upon the execution of a Deed of Adherence by any holder of the Convertible Note or other alternative instruments and the Company, such holder shall become a party to this Agreement and have all the rights and obligations of a Party and a Convertible Noteholder under this Agreement and each other Party shall be bound by the provisions of such deed of adherence without the consent of any other Party and without requirement of a written instrument executed by another Party.
- 13.4 Nothing in this Agreement shall constitute or be deemed to constitute a partnership between the Parties or any of them.
- 13.5 Each of the Investors may assign or transfer any or all of its rights and delegate any or all of its obligations under the Transaction Documents in accordance with Clause 9. The Company may assign or transfer any of its rights or delegate any of its obligations under the Transaction Documents with the express prior written consent of each of the Investors. Any purported transfer by the Company in contravention of this Clause 13.5 shall be null and void ab initio.
- 13.6 Upon any liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary, the payment obligations of the Company to the holders of the Convertible Note shall rank equally with all other unsecured debt obligations of the Company. If, upon any such liquidation, distribution, or winding up, the assets of the Company shall be insufficient to make payment of the foregoing amounts in full on all of the Convertible Note, then such assets shall be distributed among the Convertible Noteholders and all other unsecured debt obligations of the Company as provided by Applicable Laws.
- 13.7 Any of the rights, powers, discretions or consents of the Investor(s) under the Transaction Documents may be exercised by its/their authorised representative appointed from time to time to act on their behalf or by some other party or parties nominated by the Investor(s) for the time being and such authorised representative or Persons may enforce such rights directly as if it/they were a Party to this Agreement.
- 13.8 This Agreement may be executed in several counterparts (whether original or facsimile counterparts) and, upon due execution of all such counterparts by one or more Parties, each counterpart shall be deemed to be an original hereof, and all such counterparts shall together constitute one and the same instrument.
- 13.9 If at any time any provision of this Agreement is or becomes invalid, illegal or unenforceable, such provision will be fully severable, (b) this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision were severed from this Agreement and (c) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom, it being intended that the rights of the Parties

hereunder shall be enforceable to the fullest extent permitted by the Applicable Laws and the economic or legal substance of the transactions contemplated hereby shall be preserved to the fullest extent permitted by the Applicable Laws. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order for the transactions contemplated hereby to be consummated as originally contemplated to the greatest extent possible.

- 13.10 This Agreement shall inure to the benefit of and be binding upon the Parties and their respective heirs, successors, legal representatives and permitted assigns. Nothing in this Agreement, expressed or implied, is intended to confer on any Person other than the Parties, and their respective heirs, successors, legal representatives and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.
- 13.11 The Company shall give such further assurance, provide such further information, take such further actions and execute and deliver such further documents and instruments as are, in each case, within its power to give, provide and take so as to give full effect to the provisions of this Agreement.
- 13.12 Unless expressly provided to the contrary in this Agreement, a Person who is not a Party has no right under the Contracts (Rights of Third Parties) Ordinance (Cap 623 of the laws of Hong Kong) to enforce or to enjoy the benefit of any term of this Agreement.
- 13.13 Notwithstanding any term of this Agreement, the consent of any Person who is not a Party is not required to rescind or vary this Agreement at any time.

14. GOVERNING LAW AND JURISDICTION

- 14.1 This Agreement is governed by and is to be construed in accordance with the laws of Hong Kong.
- 14.2 With respect to any dispute, controversy or claim arising out of or relating to this Agreement, including the existence, validity, performance, interpretation, construction, breach or termination thereof or the consequences of its nullity, the Parties hereby irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts.
- 14.3 The Company agrees that any such legal process shall be sufficiently served on it if delivered to the address of its principal place of business in Hong Kong as set out in Clause 12.1.
- 14.4 Each of the Investors irrevocably appoints Titan Capital Asia (HK) Limited of Room 1801, 18/F, Malaysia Building, No. 50 Gloucester Road, Wanchai, Hong Kong as a process agent to receive, for it and on its behalf, service of process in any question, dispute, suit, action or proceedings arising out of or in connection with this Agreement.
- 14.5 If for any reason the Investors' process agent is unable to act as such, the Investor(s) shall promptly notify the Company and forthwith appoint a substitute process agent acceptable to the Company. Without affecting the rights of the Parties or the Company to serve process in any other way permitted by law, each of the Investors irrevocably consents to service of process given in the manner provided for notices in this Clause.

IN WITNESS WHEREOF this Agreement has been duly executed by the parties or its authorised representatives on the date first above written.

The Company

SIGNED for and on behalf of
China Parenting Network Holdings Limited
中國育兒網絡控股有限公司

by 程力

in the presence of:

)
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)
)
)
)
)



Witness signature:

Witness name: 张丽芳

Witness occupation: 审计经理

Witness address: 河南省郑州市金水区经二路1号丁标1楼

The Investors

Diligent Ally Private Limited

SIGNED for and on behalf of
Diligent Ally Private Limited

by: **LEE YONG SOON**
in the presence of:

YSLee

Witness signature: *M.B.J.*
Witness name: *Marie Beth Jicos*
Witness occupation: *Office Assistant*
Witness address: *315 P. Panjering Road.*
Singapore

SIGNED by

in the presence of:

)
)
)
)

Witness signature: *[Signature]*
 Witness name: *Wang Li Zhang*
 Witness occupation: *Professional Investor*
 Witness address: *182 Cecil Street, #3-01 Brasbas Tower, Singapore, 069547*

The investors

SIGNED by

龚燕萍

in the presence of:

龚燕萍

Witness signature:

Frank Teng

Witness name:

Witness occupation:

Professional Investor

Witness address:

上海市静安区西藏北路1018号C-102

SCHEDULE 1

THE INVESTORS

No.	Investors	Principal amount of the Convertible Notes (HK\$)	Address / Contact
1.	Diligent Ally Private Limited, a company incorporated in Singapore with limited liability	24,510,445	531 UPPER CROSS STREET #04-52 HONG LIM COMPLEX SINGAPORE (050531) Attention: Lee Yong Soon Email: diligentcoy78@gmail.com
2.	邓菁菁, an individual with PRC passport number of 440102198209266528	1,166,545	深圳市福田区彩田路兆邦基金大厦 1401 室 Attention: 邓菁菁 Email: fatpanda8383@qq.com
3.	龚燕萍, an individual with PRC passport number of 310230197812171467	2,611,280	长宁区水城路 883 弄 25 号 2303 室 Attention: 龚燕萍 Email: 191718190@qq.com

SCHEDULE 2

PARTICULARS OF THE COMPANY

1. Name of company : China Parenting Network Holdings Limited
中國育兒網絡控股有限公司
2. Date of incorporation : 13 October 2014
3. Incorporation number : 292877
4. Place of incorporation : The Cayman Islands
5. Registered Office : Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands
6. Principal place of business in Hong Kong : Room 1905, China Resources Building 26 Harbour Road Wanchai, Hong Kong
7. Directors : Mr. Zhang Lake Mozi, Mr. Cheng Li, Mr. Lin Luofeng, Ms. Ng Kwok Ying Isabella, Ms. Li Juan, Mr. Zhang Haihua, Mr. Zhao Zhen, Mr. Ge Ning and Mr. Manley Poon
8. Share capital
Authorised : HK\$100,000,000
Nominal value of Issued and paid up : HK\$14,402,597
9. Substantial shareholders:

Substantial shareholder	Existing Shares	Shareholding
Maria Rachel Mai Decolongon Tatoy (Note 1)	50,562,270	17.55%
Victory Glory Holdings Limited (Note 2)	24,000,000	8.33%
Tan Chiu Lan Francine	22,679,729	7.87%
Diligent Ally Private Limited	18,346,750	6.37%

Notes:

- 1) Ms. Maria Rachel Mai Decolongon Tatoy holds 23,920,322 Shares and 7,291,666 Shares, respectively through her wholly-owned companies, Prime Wish Limited and Bonus Shares Pte. Ltd and has personal interest of 19,350,282 Shares.
- 2) Victory Glory Holdings Limited is directly and wholly owned by Mr. Cheng Li.

SCHEDULE 3

COMPANY WARRANTIES

The Company represents, warrants and undertakes to the Investor(s):

Save as disclosed in the announcement and financial reports of the Company, the matters stated in the Recitals in this Agreement, the Company Warranties and the information in relation to the Group Companies as set out in Schedule 2 to this Agreement are true, complete and accurate in all respects and not misleading in any respect; and:

1. Status

- (a) each Group Company has been duly incorporated, is validly existing and (where applicable) in good standing under the laws of its place of incorporation or establishment, has the requisite power, right and authority to own, use, lease and operate its respective assets and to conduct its respective business and is duly qualified to transact business in each jurisdiction in which the conduct of its business or its ownership, use or leasing of Property requires such qualification, save that the Company cannot trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Island;
- (b) no Group Company is insolvent; no notice of appointment of a liquidator, receiver, administrative receiver or administrator has been served on it; no order has been made, petition filed or resolution passed for its or any of the Group Companies' winding-up or liquidation; no cases or proceedings under any applicable insolvency, reorganisation, or similar laws in any jurisdiction concerning it or any of the Group Companies; no step or legal proceedings threatened against any of them for bankruptcy, insolvency, liquidation, winding-up, administration, dissolution or reorganization or for the appointment of a receiver, administrative receiver, trustee or similar officer of their or any or all of their assets or revenues; no scheme of arrangement has been proposed by it or any of the Group Companies with its creditors or shareholders; and it or any of the Group Companies has never been involved in any consensual workout or another debt restructuring arrangement of similar nature (however described) nor has taken advantage of any insolvency act for the benefit of creditors;

2. Share capital and ownership of shares of the Group Companies

- (a) as at the date of this Agreement, the Company has an aggregate authorized share capital of HK\$100,000,000 divided into 2,000,000,000 ordinary Shares, of which 288,051,953 Shares have been properly and validly issued, allotted and fully paid up as at the date of this Agreement. All of the issued Shares are (i) listed on the Hong Kong Stock Exchange, and (ii) freely transferable and not subject to any restriction on transfer or disposal by any law, contract or otherwise. The beneficial ownership of the issued Shares can be transferred in accordance with the General Rules and Operational Procedures of CCASS and other Applicable Law;
- (b) as at the date of this Agreement and the Closing Date, save for the options granted under the Share Option Scheme, no Person has (except pursuant to the Convertible Notes) the right (whether exercisable now or in the future and whether contingent or not) to call for the conversion, issue, registration, sale or transfer, amortization or payment of any share capital or shares any other security giving rise to a right over, or an interest in, the capital or the shares of any Group Company under any option, agreement or other arrangement (including conversion rights and rights of pre-emption);

- (c) as at the date of this Agreement and the Closing Date, save for the options granted under the Share Option Scheme, no unissued share capital or shares of any Group Company is under any option or agreed conditionally or unconditionally to be put under any option and, as of the date of this Agreement, no Person has an outstanding warrant, pre-emptive right or any other right of any description to require shares to be allotted or issued by any Group Company (other than as contemplated under the Transaction Documents);

3. Power and Authority

- (a) the Company has all requisite legal and corporate power, and has taken all corporate actions on the part of such Person, its officers, directors and shareholders as may be necessary, for the authorization, execution and delivery of this Agreement and each of the Transaction Documents to which it is a party and the performance of all obligations of such Person hereunder and thereunder; the execution, delivery and performance by it of the Transaction Documents do not contravene or conflict with the Listing Rules, its Constitutional Documents (where applicable), any provision of any Applicable Laws, any agreement or other instrument binding upon any Group Company, or any judgment, order or decree of any Governmental Authority having jurisdiction over any Group Company or any of their assets; and no consent from any Governmental Authority is required for the performance by it of its obligations under the Transaction Documents, except such as have already been obtained and are in full force and effect;
- (b) each of the Transaction Documents has been, or will be by the Closing Date, duly authorised, executed and delivered by the Company and is or will be by the Closing Date a valid and binding agreement of the Company enforceable in accordance with its terms when executed;
- (c) all authorizations required from any creditors of the Company for or in connection with the execution, validity and performance of this Agreement and the other Transaction Documents have been obtained and are in full force and effect;

4. No Legal Proceedings

there is no claim, litigation, arbitration, prosecution or other legal proceedings or investigation or inquiry in progress, pending, or threatened against any Group Company or any of its directors or officers or employees or agents or the assets of the Group that relates to the business of a Group Company, nor is there any claim or any facts or circumstances of a nature which would give rise to a claim against any Group Company which may have a Material Adverse Effect;

5. Accounts

- (a) (i) the audited consolidated financial statements of the Company and its Subsidiaries for the financial period from 1 January to 31 December 2020, the financial period from 1 January to 31 December 2021 and the financial period from 1 January to 31 December 2022 give a true and fair view of the state of affairs of the Company and its Subsidiaries as at, and of the profits, losses and cashflows of the Group for the period ended on, the date of such financial statements; (ii) the unaudited consolidated management accounts of the Company and its Subsidiaries for the financial period from 1 January to 30 June 2023 was prepared on a recognised and consistent basis and in accordance with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"); and (iii) all announcements, reports, circulars and financial accounts to shareholders issued by or on behalf of the Company were, true, complete and

accurate in all respects and not misleading in any respect in the context in which they were made and all expressions of opinion or intention contained therein were honestly made on reasonable grounds and were fairly based and there were no other facts omitted so as to make any such statement or expression in any of the announcements misleading in any respect;

- (b) each Group Company maintains systems of internal accounting controls sufficient to provide assurance that (i) transactions are executed in accordance with management's general or specific authorisations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with the Accounting Standards and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorisation, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;
- (c) all requisite books of account (reflecting in accordance with the relevant Accounting Standards all the financial transactions of the relevant Group Company), minute books, registers, records and these and all other deeds and documents (properly stamped where necessary) belonging to or which ought to be in the possession of a Group Company and its seal (if applicable): (i) are in the possession of the relevant Group Company or the lender(s) to the Group Company concerned (where such documents form part of the loan or security documents for loans made to the Group or documents required to be delivered under such loan or security documents); and (ii) contain full and accurate records of the matters which ought to appear therein and no notice or allegation that any of the same is incorrect has been received;

6. Properties

- (a) each Group Company has good and valid title to or right to use all Properties and all assets necessary for its conduct of the business now operated by it or otherwise held by it as investment properties in each case free from title defects that would affect the value thereof or interfere with the use made or to be made thereof by them and all leases of any real property and buildings occupied by any Group Company entered into by any Group Company are valid, existing and enforceable leases;
- (b) each Group Company (i) possesses or has obtained all licences, permits, concessions, certificates, consents, orders, Approvals and other authorisations from, and has made all declarations and filings with, all national, state, local and other Governmental Authorities, domestic or foreign, necessary to own or lease, as the case may be, and to operate its Properties and to carry on its Principal Business on these Properties; and (ii) has not received any notice of proceedings relating to the revocation or modification of any such licence, permit, certificate, consent, order, Approval or other authorisation, and there is not threatened proceeding relating to the revocation or modification of any such licence, permit, certificate, consent, order, approval or other authorisation which may have a Material Adverse Effect;

7. Guarantee, contingent payment obligations and off-balance sheet entities

- (a) save as disclosed in the announcements and/or financial reports published by the Company, there are no outstanding guarantees or contingent payment obligations of any Group Company in respect of Financial Debt of third parties; each Group Company is in compliance in all respects with all of its obligations under any outstanding guarantees or contingent payment obligations as described in such financial statements;

- (b) except as permitted under the Transaction Documents, no Group Company has created, or has any relationships with any off-balance sheet entities that are contractually limited to narrow activities that facilitate the transfer of or access to assets or liabilities by any Group Company, such as structured finance entities and special purpose entities, that are likely to have a Material Adverse Effect on the liquidity of any Group Company or the availability thereof or the requirements of any Group Company for capital resources;
- (c) no Group Company has created any mortgage, charge (whether fixed or floating), pledge, Lien (other than Lien created by operation of law), option, restriction, hypothecation, assignment, deed of trust, title retention, security interest or other Encumbrance of any kind as security for the obligations of any party;

8. Issue of Convertible Note and Conversion Shares

- (a) the Convertible Note(s), upon issue to the Investor(s), will constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* without any preference among themselves;
- (b) the Conversion Shares when issued:
 - (i) will be duly authorized, validly issued and allotted in accordance with the Constitutional Documents, fully paid, rank *pari passu* in all respects with the other Shares in their respective capital (as applicable) in issue and not subject to any option to purchase or similar right;
 - (ii) will have not been issued in violation of any Applicable Laws and the Constitutional Documents;
 - (iii) are free from any Encumbrance and any interests or claims of third parties other than interests or claims arising by operation of law affecting companies generally or created by or permitted under the Transaction Documents;
 - (iv) are freely transferable and not subject to any restriction on transfer or disposal by any law, contract or otherwise in relation to the Conversion Shares themselves (except for any restriction contained in any of the Transaction Documents or the Applicable Laws);
 - (v) are duly listed, and admitted to trading, on the Main Board of the Hong Kong Stock Exchange;
 - (vi) their beneficial ownership can be transferred in accordance with the General Rules and Operational Procedures of CCASS and other Applicable Laws;
- (c) the Company shall at all times reserve and keep available out of its authorised, but unissued Shares solely for the purpose of effecting the exercise of the conversion right under the Convertible Notes from time to time a sufficient number of Conversion Shares and if at any time the number of authorised, but unissued Shares shall not be sufficient to effect the exercise of the conversion right under the Convertible Notes and the Company will take such action as may be necessary to increase its authorised, but unissued Shares to such number of Conversion Shares as shall be sufficient for such purposes;
- (d) The Noteholder shall have the right at any time from the date of issue of the Convertible Notes up to the maturity date to convert the whole or part of the outstanding principal amount of the Convertibles Notes registered in its names into Shares provided that the

public float of the Shares shall not be less than 25% (or any given percentage as required by the Listing Rules) of the issued Shares at any time and any conversion of the Convertible Note triggering a mandatory offer obligation under the Takeovers Code on the part of the Noteholder which exercises the conversion rights shall comply with the Applicable laws and Takeovers Code.

9. No Illegal Activities

none of the Group Companies and their respective directors, officers or employees, nor any agent of any of the Group Companies, has, directly or indirectly, made or authorised (i) any money laundering activities in breach of any Applicable Laws; (ii) any contribution, payment or gift of funds or property to any Public Official (as defined below) in any jurisdiction, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under any Applicable Laws of such jurisdiction; or (iii) any bribe, rebate, payoff, influence payment, kickback or other unlawful payment in connection with the business activities of the Group; without prejudice to the foregoing, none of the Group Companies and their directors, officers or employees, nor any agent of any of the Group Companies, is aware of or has taken any action, directly or indirectly, that would result in a violation by Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong); and the Group Companies have instituted and maintained policies and procedures designed to ensure, and which are expected to continue to ensure, continued compliance therewith (as used herein, "Public Official" includes any officer or employee of a government or government-owned or controlled entity or of a public international organisation, or any Person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for public office);

10. Taxation

- (a) each Group Company has filed all tax returns that are required to be filed in all Relevant Jurisdictions or has duly requested extensions thereof and has paid all Taxation required to be paid by any of them in all Relevant Jurisdictions and any related assessments, fines or penalties. Adequate charges, accruals and reserves have been provided for in the financial statements referred to in paragraph 6(a) above in respect of all Taxation for all periods as to which the Taxation liability of the Group Company has not been finally determined or remains open to examination by applicable taxing authority. There is no dispute or disagreement outstanding nor is any dispute or disagreement contemplated with any revenue authority in any jurisdiction regarding liability for any Taxation or duty (including in each case, penalties or interest) recoverable from any Group Company or regarding the availability of any Relief from Taxation or duty to any Group Company; there are no circumstances which make it likely that any such dispute or disagreement will commence or that any claims are being or likely to be asserted against any Group Company. All amounts payable by the Company under the Transaction Documents may be made without any tax deduction;
- (b) no stamp or registration duty or similar Taxation or charge is payable in its jurisdiction of incorporation in respect of the entering into of any Transaction Document;

11. No Suspension of Trading

there has not been (i) any suspension of the trading of the Shares on the Hong Kong Stock Exchange for any reason for more than five (5) consecutive Trading Days, or (ii) cessation of trading of the Shares on the Hong Kong Stock Exchange for any reason;

12. FATCA Deduction

(i) if any Group Company is required to make a FATCA Deduction, such Group Company shall make that FATCA Deduction and any payment required in connection with that FATCA Deduction within the time allowed and in the minimum amount required by FATCA; (ii) if a FATCA Deduction is required to be made by any Group Company, the amount of the payment due from any Group Company shall be increased to an amount which (after making any FATCA Deduction) leaves an amount equal to the payment which would have been due if no FATCA Deduction had been required; (iii) any Group Company will promptly upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of a FATCA Deduction) notify the Investors accordingly; (iv) within ten (10) calendar days of making either a FATCA Deduction or any payment required in connection with that FATCA Deduction, any Group Company making that FATCA Deduction shall deliver to the Investors entitled to the payment evidence satisfactory to the Investors that the FATCA Deduction has been made or (as applicable) any appropriate payment paid to the relevant Governmental Authority;

13. No Sanctions

None of the Group Companies and their respective directors, officers or employees, nor any agent of any of the Group Companies, is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC"), the European Union or the United Nations; and none of the Group Company will directly or indirectly use the proceeds of the Subscription Price hereunder, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other Person or entity, for the purpose of financing the activities of any Person currently subject to any sanctions administered by OFAC, the European Union or the United Nations;

14. Intellectual Property

(i) Each Group Company owns, possesses, or has the right to use pursuant to licence, sub-licence, agreement, permission or otherwise to use Intellectual Property necessary to conduct its Principal Business; (ii) each Group Company has used its best endeavours, and will use its best endeavours, to maintain measures to prevent the unauthorised dissemination or publication of its confidential information; and (iii) no litigation or proceeding is pending or threatened that challenges (aa) the registration of such Intellectual Property that is owned by such Group Company, is capable of registration and for which a registration application has been made, if applicable, or (bb) the Company's or any of the Group Companies' rights to use any such Intellectual Property;

15. Employment

- (a) there is no outstanding contract of service between any Group Company and any of its directors, officers, or employees which is not terminable by that Group Company with compensation by six (6) months' notice given at any time, and there are no claims pending or threatened against any Group Company, by any employee or third party, in respect of any accident or injury not fully covered by insurance or payment obligations for which if made would have a Material Adverse Effect;
- (b) no labour dispute with the employees of any Group Company exists or is imminent, which, in either case, would reasonably be expected to result in a Material Adverse Effect;

16. Supply of Information

- (a) all information supplied or disclosed in writing to the Investor(s), its/their Affiliates or its/their directors, officers, employees and agents is and was, when supplied or published, true and accurate in all respects and not misleading in any respect and all forecasts and estimates relating to each Group Company so supplied or disclosed, if any, have been made after reasonable consideration, and were based on reasonable assumptions and represent reasonable and fair expectations honestly held;
- (b) all information supplied by the Company to the Investor(s) in connection with the Transaction Documents is true and accurate in all respects and is not misleading in any respect as the date it was given, and the Company has not omitted to supply any information which, if disclosed, might make the information supplied untrue in any respect or misleading in any respect;
- (c) the Company has disclosed to the Investor(s) upon request all information regarding the financial or business condition of the Group, which is relevant and material in relation to the Group, in the context of the subscription of the Convertible Notes. None of the Transaction Documents (including the schedules thereto, if any) or any statements or certificates made or delivered in connection therewith contains any untrue statement of a fact or omits a fact necessary to make the statement therein not misleading in light of the circumstances under which they were made;

17. Filings

The Company has made and will promptly make all notifications, registrations and filings as may from time to time be required in relation to the Convertible Notes, the Conversion Shares and the transactions contemplated under the Transaction Documents including, without prejudice to the generality of the foregoing, the filings with the Hong Kong Stock Exchange and the registrations with other jurisdictions (if any);

18. Jurisdiction

The Company's respective irrevocable submission under the Transaction Documents to the jurisdiction of such courts specified therein, agreement that each Transaction Document is governed by the governing law of that Transaction Document, and agreement not to claim any immunity to which it or its assets may be entitled, are legal, valid and binding under the laws of its Relevant Jurisdiction; and any judgment obtained in such jurisdiction referred to above will be recognised and be enforceable by the courts of its/his/her Relevant Jurisdiction;

19. Others

- (a) there are no contracts, agreements or understandings between a Group Company and any Person that would give rise to a claim against a Group Company for a brokerage, commission, finder's fee or other like payment in connection with the transactions contemplated under the Transaction Documents;
- (b) none of the Group Company is a party to any agreement or instrument, subject to any restriction, or aware of any fact, event, development or circumstance which could reasonably be expected to affect it to perform its obligations under the Transaction Documents (to the extent it is a party) or its/his/her business, Properties or assets, or condition (financial or otherwise). None of the Group Company is in default in any respect in the performance, observance or fulfilment of any of the obligations, covenants or conditions contained in any other agreement or instrument to which it is a party or by which it or any of its business, Properties or assets are bound;

- (c) no event has occurred or circumstance arisen which, had the Convertible Notes already been issued, would (whether or not with the giving of notice and/or the passage of time and/or the fulfilment of any other requirement) constitute an event described under “Events of Default” in the Convertible Note Instrument; and
- (d) there is no other event or circumstance outstanding which constitutes a default under the Transaction Documents, and there is no other event or circumstance outstanding which constitutes a default under any other document binding on any of the Group Company or any of their assets.

SCHEDULE 4

NOTEHOLDER WARRANTIES

Each Convertible Noteholder represents, warrants and undertakes to the Company on the date of this Agreement and on the date of the Deed of Adherence to which it is a party:

The matters stated in the Recitals in this Agreement and the Investor Warranties are true, complete and accurate in all respects and not misleading in any respect; and:

In the case that a Convertible Noteholder is a corporation

1. Independence

It and its ultimate beneficial owner(s) is not a Connected Person or an associate of such Connected Person;

2. Status

It is a company duly incorporated and organized (as applicable) and validly existing in good standing (as applicable) under the Laws of its place of incorporation or in accordance with its Articles of Association (as the case may be) and is in material compliance with all material registrations and Approval requirements of its place of incorporation;

3. Power and Authority

- (a) it has all requisite legal and corporate power, and has taken all corporate actions on the part of such Person, its officers, directors and shareholders as may be necessary, for the authorization, execution and delivery of this Agreement (and the Deed of Adherence to which it is a party (as the case may be)) and the performance of all obligations of such Person hereunder and thereunder; the execution, delivery and performance by it of this Agreement (and the Deed of Adherence to which it is a party (as the case may be)) do not contravene or conflict with the Listing Rules, its Constitutional Documents (where applicable), any provision of any Applicable Laws, any agreement or other instrument binding upon any Group Company, or any judgment, order or decree of any Governmental Authority having jurisdiction over any Group Company or any of their assets;
- (b) all consents, Approvals, orders or authorizations of, or registrations, qualifications, designations, declarations or filings with, any Governmental Authority or any other competent corporate authority required in connection with the execution, delivery and performance by it of this Agreement (and the Deed of Adherence to which it is a party (as the case may be)) and the consummation of the transactions contemplated hereby have been obtained; and
- (c) this Agreement (and the Deed of Adherence to which it is a party (as the case may be)) have been, or will be by the Closing Date, duly authorised, executed and delivered by the Convertible Noteholder and is or will be by the Closing Date a valid and binding agreement of the Convertible Noteholder enforceable in accordance with its terms when executed.

In the case that a Convertible Noteholder is an individual

1. **Independence**

He/she is not a Connected Person or an associate of such Connected Person;

2. **Status**

- (a) he/she is not and never have been bankrupt under applicable laws and no bankruptcy proceedings have been initiated against he/she in Hong Kong or elsewhere;

3. **Power and Authority**

- (a) he/she has the requisite capacity, power and authority to enter into and perform this Agreement (and the Deed of Adherence to which it is a party (as the case may be)) pursuant to or in connection with this Agreement (and the Deed of Adherence to which it is a party (as the case may be)) and, when executed, this Agreement (and the Deed of Adherence to which it is a party (as the case may be)) will constitute valid, binding and enforceable obligations of he/she in accordance with its terms; and
- (b) he/she has the power to enter into and to exercise his/her rights and to perform his/her obligations under this Agreement (and the Deed of Adherence to which it is a party (as the case may be)) and his/her compliance with terms of this Agreement (and the Deed of Adherence to which it is a party (as the case may be)) shall not infringe any laws by which he/she may be bound or breach or constitute a default under any agreement or other instrument binding upon him/her, or any judgment, order or decree of any Governmental Authority having jurisdiction over him/her or any of his/her assets.

SCHEDULE 5
THE CONVERTIBLE NOTE INSTRUMENT

Agreed Form

Dated 2023

China Parenting Network Holdings Limited
中國育兒網絡控股有限公司

CONVERTIBLE NOTE INSTRUMENT

constituting

an aggregate principal amount of HK\$28,288,270 REDEEMABLE FIXED COUPON

CONVERTIBLE NOTE

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

China Parenting Network Holdings Limited 中國育兒網絡控股有限公司, an exempted company with limited liability duly incorporated under the laws of the Cayman Islands, whose registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, whose principal place of business in Hong Kong is at Room 1905, China Resources Building 26 Harbour Road Wanchai, Hong Kong, and whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 1736) (the “Company”).

IN FAVOR OF:

THE PERSONS for the time being and from time to time registered as Convertible Noteholder(s) (as defined below).

WHEREAS:

- (A) On [●] 2023, the shareholders of the Company passed the necessary resolutions to approve and grant a specific mandate to the directors of the Company to issue, allot and otherwise deal with unissued Shares (as defined below) up to a maximum of Conversion Shares (the “Specific Mandate”).
- (B) The Company has, by resolution of its directors exercising their powers conferred under the Constitutional Documents (as defined below), authorised the issue of the Convertible Note (as defined below) on the terms and conditions set out in this Instrument.
- (C) The Company has determined to execute this Instrument by way of deed poll in order to provide for and to protect the rights and interest of the Convertible Noteholder(s) (as defined below) more effectively.
- (D) Approval for the listing of and the permission to deal in the Conversion Shares (as defined below) on the Hong Kong Stock Exchange (as defined below) has been obtained.

NOW THIS INSTRUMENT WITNESSED AS FOLLOWS:

1. Definition and Interpretation

- 1.1 In this Instrument, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Accounting Standards” the International Financial Reporting Standards which comprise standards and interpretations approved by the International Accounting Standards Board and International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee that remain in effect from time to time, applied on a consistent basis;

"Adjusted Issue Price" as defined in Condition 8.3(j);

"Affiliate" with respect to any Person, any of such Person's Connected Person(s), any other Person directly or indirectly controlling, controlled by or under common control with such Person (including any Subsidiary) or any investment funds managed or advised by such Person or any of its other Affiliates and,

	<p>for any Person who is an individual, includes such individual's spouse, children or any Person(s) cohabiting as a spouse of such Person. Notwithstanding the foregoing, in the case of a Person that is a pooled investment vehicle or an entity wholly owned by a pooled investment vehicle, "Affiliates" shall include any of its general partners and fund managers and pooled investment vehicles managed by its fund managers, and any officers, general partners and fund managers thereof. "Affiliates" and "Affiliated" shall have correlative meanings. For the purpose of this definition, the term "control" (including with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise;</p>
"Applicable Laws"	<p>with respect to any Person, any laws, regulations, rules, notices, guidelines, treaties, orders, and other legislative decisions, executive, judicial decisions or pronouncements of any Governmental Authority that is applicable to such Person;</p>
"Approvals"	<p>any consent, permit, approval, authorisation, waiver, grant, concession, licence, exemption, order, registration or certificate granted by any Governmental Authority in respect of the filings, documents, reports or notices submitted to such Governmental Authority;</p>
"Auditors"	<p>the auditors of the Company for the time being;</p>
"Board"	<p>the board of directors of the Company as constituted from time to time;</p>
"Business Day"	<p>a day (other than a Saturday, Sunday or public holiday or days on which a tropical cyclone warning No. 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 commercial banks are generally opened for banking business in Hong Kong and the Cayman Islands;</p>
"CCASS"	<p>the Central Clearing and Settlement System of Hong Kong;</p>
"Closing Price"	<p>any Trading Day, the closing market price of each of the Shares published in the daily quotation sheet or any other media published by the Hong Kong Stock Exchange and/or any other Qualified Stock Exchange for such day;</p>
"Common Stock Equivalent"	<p>as defined in Condition 8.3(j);</p>
"Conditions"	<p>terms and conditions contained in this Instrument and each a "Condition";</p>

“Connected Person”	has the meaning ascribed to it under the Listing Rules;
“Constitutional Documents”	the constitutional documents of the Company or other Group Companies (as the case may be) (as modified, supplemented or amended from time to time);
“Conversion Date”	as defined in Condition 8.2(a);
“Conversion Notice”	as defined in Condition 8.2(a) and the form of which is set out in Exhibit 5;
“Conversion Period”	as defined in Condition 8.1(a);
“Conversion Price”	as defined in Condition 8.1(c);
“Conversion Rights”	has the meaning ascribed thereto in Condition 8.1(a) and the term “Conversion Right” shall be construed accordingly;
“Conversion Shares”	the Shares issuable upon conversion of the Convertible Note;
“Convertible Note”	the Convertible Note created and constituted by this Instrument and any deed poll supplemental hereto and issued with the benefit of and subject to the provisions of this Instrument in an aggregate principal amount of HK\$28,288,270;
“Convertible Note Certificate(s)”	the certificate(s) (in registered form) in respect of the Convertible Note to be issued and executed in the form or substantially in the form shown in Exhibit 1, as from time to time modified in accordance with the provisions of this Instrument;
“Convertible Noteholder Redemption Notice”	as defined in Condition 11.3;
“Convertible Noteholder Redemption Price”	as defined in Condition 11.4;
“Convertible Noteholder Redemption Rights”	as defined in Condition 11.3;
“Convertible Noteholder(s)”	the Person(s) entered in the Register maintained pursuant to Condition 4.1 as the holder or joint holders of the Convertible Note;
“Convertible Noteholder’s Bank Account”	as defined in Condition 9.2;
“Encumbrance(s)”	any mortgage, charge (whether fixed or floating), pledge, Lien (other than Lien created by operation of law), option, restriction, hypothecation, assignment, deed of trust, title

retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Laws; or any lease, sub-lease, occupancy agreement, easement or covenant granting a right of use or occupancy to any Person; or any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, negotiation or refusal or transfer restriction in favour of any Person, or any adverse claim as to title, possession or use;

"Equivalent Amount"	as defined in Condition 8.2(c);
"Event of Default"	as defined in Condition 11.3;
"Experts"	any firm of certified public accountants or such investment bank registered for type 6 regulated activity under the SFO as appointed by the Convertible Noteholder, which shall be independent from the Convertible Noteholder;
"FATCA"	means (a) sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986 or any associated regulations or other official guidance; (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or (c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction;
"FATCA Deduction"	a deduction or withholding from a payment under a Transaction Document required by FATCA;
"Financial Debt"	means, as to any Person: <ul style="list-style-type: none">(i) any indebtedness of such Person for borrowed money;(ii) the outstanding principal amount of any bonds, debentures, notes, loan stock, commercial paper, acceptance credits, bills or promissory notes drawn, accepted, endorsed or issued by such Person;(iii) amounts raised by such Person under any other transaction having the financial effect of a borrowing and which would be classified as a borrowing under the Accounting Standards (excluding the portion of derivative financial instruments in relation to Convertible Note);(iv) the amount of the payment obligations of such Person under derivative transactions entered into in connection with the protection against or benefit from fluctuation in any rate or price (but only the net amount owing by such Person after marking the relevant derivative transactions to market);

- (v) all indebtedness of the types described in the foregoing items secured by a Lien on any property owned by such Person, whether or not such indebtedness has been assumed by such Person;
- (vi) any indebtedness of such Person for the deferred purchase price of assets or services (except trade accounts incurred and payable in the ordinary course of business to trade creditors within 180 days of the date they are incurred and which are not overdue);
- (vii) non-contingent obligations of such Person to reimburse any other Person for amounts paid by that Person under a letter of credit or similar instrument (excluding any letter of credit or similar instrument issued for the account of such Person with respect to trade accounts incurred and payable in the ordinary course of business to trade creditors of such Person within 180 days of the date they are incurred and which are not overdue);
- (viii) the amount of any payment obligation of such Person in respect of any Financial Lease;
- (ix) all obligations of such Person to pay a specified purchase price for goods and services, whether or not delivered or accepted (i.e., take or pay or similar obligations);
- (x) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, any liability of such Person under any sale and leaseback transactions that do not create a liability on the balance sheet of such Person, any obligation under a "synthetic lease" or any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheet of such Person;
- (xi) any premium payable by such Person on a mandatory redemption or replacement of any of the foregoing items; and
- (xii) the amount of any obligation in respect of any guarantee or indemnity for any of the foregoing items incurred by any other Person;

"Financial Lease"

any lease or hire purchase contract which would, under the Accounting Standards, be treated as a finance or capital lease;

"Governmental Authority"

any national, provincial, municipal or local government, administrative or regulatory body or department, commission, agency, court, tribunal, arbitrator or any body that exercises the function of a regulator, including, but not limited to, the Hong Kong Stock Exchange, the Securities and Futures Commission of Hong Kong, the Registry of Companies in the Cayman Islands and the Companies Registry in Hong Kong;

"Group"

the Company and its Subsidiaries from time to time and a

	“Group Company” means any of them;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Issue Price”	as defined in Condition 8.3(j);
“Intellectual Property”	any and all (i) patents, all patent rights and all applications therefor and all reissues, re-examinations, continuations, continuations-in-part, divisions and patent term extensions thereof; (ii) inventions (whether patentable or not), discoveries, improvements, concepts, innovations and industrial models; (iii) registered and unregistered copyrights, copyright registrations and applications, author’s rights and works of authorship (including artwork of any kind and software of all types in whatever medium, inclusive of computer programs, source code, object code and executable code; and related documentation); (iv) URLs, web sites, web pages and any part thereof; (v) technical information, know-how, trade secrets, drawings, designs, design protocols, specifications for parts and devices, quality assurance and control procedures, design tools, manuals, research data concerning historic and current research and development efforts, including the results of successful and unsuccessful designs, databases and proprietary data; (vi) proprietary processes, technology, engineering, formulae, algorithms and operational procedures; (vii) trade names, trade dress, Trade Marks, domain names and service marks, and registrations and applications therefor; and (viii) the goodwill of the business of the Group symbolised or represented by the foregoing, customer lists and other proprietary information and common-law rights;
“Issue Date”	as defined in Condition 2.2(b);
“Lien”	any preferential right, trust arrangement, right of set off, counterclaim or banker’s lien, privilege or priority of any kind having the effect of security, any designation of loss payees or beneficiaries or any similar arrangement under or with respect to any insurance policy or any preference of one creditor over another arising by operation of law;
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as modified, supplemented or amended from time to time);
“Main Board”	the main board of the Hong Kong Stock Exchange (excluding the option market) operated by the Hong Kong Stock Exchange, which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange;

“Majority Noteholders”	holder or holders of Convertible Note(s) collectively hold more than 66.67% of the total principal amount of all the Convertible Notes outstanding as at the relevant time, excluding any outstanding principal amount of Convertible Notes held by any Convertible Noteholders who failed to comply with Condition 17.5;
“Material Adverse Effect”	(i) a material adverse effect, in the opinion of the Convertible Noteholder(s), on (a) the assets, liabilities, condition (financial or otherwise), business, prospects, general affairs, results of operations or properties of the Group taken as a whole, (b) the ability of the Company, any Group Company or any relevant Party (if applicable) to perform its/his/her obligations under any of the Transaction Documents, or (c) the validity or enforceability of any of the Transaction Documents; or (ii) an effect, in the opinion of the Convertible Noteholder(s), which is otherwise material in the context of the transactions contemplated under the Transaction Documents;
“Maturity Date”	[•], subject to an extension for further six months by the absolute discretion of the Convertible Noteholder in writing;
“Maturity Price”	as defined in Condition 11.1;
“Notice”	as defined in Condition 15.1;
“Ordinary Course of Business”	in the conduct of the Principal Business by the Group;
“OFAC”	as defined in Condition 6.13;
“Original Convertible Noteholder”	the Investors;
“outstanding”	in relation to the Convertible Note, all of the Convertible Note issued except: <ul style="list-style-type: none"> (i) those which have been redeemed in accordance with these Conditions; (ii) those in respect of which the date for redemption has occurred and the redemption moneys (including any interest or premium (if any) accrued on the Convertible Note to the date of redemption and any interest payable under these Conditions after such date) are held by the Company and remain available for payment following surrender of Convertible Note Certificate(s) in respect of the Convertible Note; (iii) those which have been purchased and cancelled as provided in these Conditions; and (iv) those in respect of which the Conversion Rights have been duly exercised and discharged (and, for the avoidance of doubt, the Convertible Note in respect of which a Conversion Date has occurred shall be deemed to remain outstanding until the Conversion Rights have been satisfied and discharged, even if the holder is

removed from the Register during the conversion process);

provided that for the purposes of determining how many Convertible Note is outstanding for the purposes of Condition 11, any Convertible Note which is directly or indirectly held by or on behalf of the Company or any other member of the Group and not yet cancelled shall be deemed not to remain outstanding;

"Person"	any individual, firm, corporation, joint venture, enterprise, partnership, trust, unincorporated association, limited liability company, Governmental Authority or other entity of any kind, whether or not having a separate legal personality;
"PRC"	the People's Republic of China (which, for the purpose of this Instrument, excludes Hong Kong, the Macau Special Administrative Region and Taiwan);
"Principal Business"	the principal business carried out by any Group Company as at the Issue Date, which involves (i) the provision of marketing and promotional services through the Group's platform, including CI Web, mobile CI Web, Mobile Application Software ("APPs") and IPTV APPs; and (ii) e-commerce business in the PRC;
"Properties"	the properties owned and/or used by the Group Companies in the world;
"Public Official"	as defined in Condition 6.9;
"Qualified Stock Exchange"	any stock exchange, including the Hong Kong Stock Exchange, as may be determined by the Convertible Noteholder(s) in its absolute discretion;
"Register"	a register on which shall be entered the names and addresses of the holders of the Convertible Note issued by the Company and the particulars of the Convertible Note held by them and all transfers of the Convertible Note;
"Registration Date"	as defined in Condition 8.2(c);
"Relevant Jurisdiction"	in relation to a Party that is not a natural Person: its jurisdiction of incorporation; any jurisdiction where any of its asset is situated; and any jurisdiction where it conducts its business; in relation to a Party that is a natural Person: the jurisdiction of his/her nationality; any jurisdiction where he/she conducts his/her business; and any jurisdiction where his/her assets are situated

“Relief”	includes any relief, allowance, concession, set off or deduction in computing profits or credit granted by or pursuant to any legislation or otherwise relating to all forms of Taxation. In the event of any deprivation of any Relief or of a right to repayment of any form of Taxation there shall be treated as an amount of Taxation for which a liability has arisen the amount of such Relief or repayment (if smaller), the amount by which the liability to any such Taxation of a member of the Group would have been reduced by such Relief if there had been no such deprivation as aforesaid, applying the relevant rates of Taxation in force in the period or periods in respect of which such Relief would have applied or (where the rate has at the relevant time not been fixed) the last known rate and assuming that such member of the Group had sufficient profits, turnover or other assessable income or expenditure against which such Relief might be set off or given;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (as modified, supplemented or amended from time to time);
“Shares”	the ordinary shares of par value of HK\$0.05 each of the Company;
“Share Option Scheme”	any scheme approved in a general meeting by the shareholders of the Company for the issue or grant of Shares or options to subscribe for Shares to eligible directors and employees of the Group;
“Specific Mandate”	as defined in Recital (A);
“specified office”	as defined in Condition 2.3;
“Subscription Agreement”	the subscription agreement entered into by the Parties and the Original Convertible Noteholder dated 12 September 2023 (as amended and restated on 15 November 2023) (as may be amended from time to time) pursuant to which, among other matters, the Company agreed to issue the Convertible Note to the Original Convertible Noteholder;
“Subsequent Time”	as defined in Condition 8.3(j);
“Subsidiary”	has the meaning ascribed to it under the Listing Rules. Unless otherwise qualified, or the context otherwise requires, all references to a “Subsidiary” or to “Subsidiaries” in this Instrument shall refer to a Subsidiary or Subsidiaries of the Group Company;

“Tax” or “Taxation”	<p>(i) any liability to any form of taxation whenever created or imposed and whether of Hong Kong, the PRC, Cayman Islands or of any other applicable jurisdiction and without prejudice to the generality of the foregoing includes profits tax, provisional profits tax, business tax on gross income, income tax, value added tax, salaries tax, property tax, deed tax, estate duty, death duty, capital duty, stamp duty, payroll tax, withholding tax, rates, customs and excise duties and generally any tax duty, impost, levy or rate or any amount payable to the revenue, customs or fiscal authorities of local, municipal, governmental, state, provincial, or federal level whether of Hong Kong, the PRC, Cayman Islands or of any other applicable jurisdiction;</p> <p>(ii) such an amount or amounts as is or are referred to in the Relief; and</p> <p>(iii) all costs, interest, penalties, charges and expenses incidental or relating to the liability to Taxation or the deprivation of Relief or of a right to repayment of Taxation to the extent that the same is/are payable or suffered by any members of the Group;</p>
“Takeovers Codes”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Hong Kong Securities and Futures Commission;
“Trade Marks”	the registered trademarks and the trademarks pending registration owned and/or used by any of the Group Companies from time to time;
“Trading Day”	a day when the Hong Kong Stock Exchange is open for business of dealing in securities, provided that, if no Closing Price is reported for one or more consecutive dealing days, such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days;
“Transaction Documents”	this Instrument, the Subscription Agreement and any other documents relating to the transactions contemplated therein which may be entered into from time to time;
“Transfer Form”	as defined in Condition 4.2;
“US\$”	US dollars, the lawful currency of the United State of America;
“%”	percent or percentage.

- 1.2 References to persons include references to bodies corporate, references to the singular include references to the plural and vice versa.
- 1.3 References to “Recitals”, “Conditions” and “Exhibits” are to recitals to, conditions of and

exhibits to this Instrument.

- 1.4 References to any statute, statutory provision or Listing Rule include a reference to that statute, statutory provision or Listing Rule as from time to time amended, extended or re-enacted.
- 1.5 References to “include” or “including” are to be construed without limitations.
- 1.6 Headings are for convenience only and shall not affect the interpretation of this Instrument.

2. Creation and Issuance of the Convertible Note

2.1 The Convertible Note

The issue of an aggregate principal amount of HK\$28,288,270 at eight percent (8.0%) per annum redeemable fixed coupon Convertible Note of the Company with right of conversion into Shares and the allotment and issuance of Conversion Shares upon conversion of the Convertible Note were authorised by a resolution of the Board passed on [●] pursuant to the Specific Mandate and the Constitutional Documents. The Company hereby creates and issues the Convertible Note subject to the Conditions. The Conditions shall be binding on the Company and the Convertible Noteholder.

2.2 Status and Term

- (a) The Convertible Note constitutes direct, unsubordinated, unconditional and unsecured obligations of the Company and the Convertible Note shall at all times rank *pari passu* in all respects and without any preference or priority among themselves. The payment obligations of the Company under the Convertible Note shall at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations. No application will be made for the listing of the Convertible Note on the Hong Kong Stock Exchange or any other stock exchange.
- (b) Subject to Condition 11, the Convertible Note shall have a term of two (2) calendar years commencing from (and including) the date of this Instrument (the “Issue Date”), being [●].

2.3 Form

The Convertible Note is issued in registered form in the denomination of an amount of not less than HK\$500,000 or other amount thereof as agreed to between the Company and the Convertible Noteholder. The form of Convertible Note Certificate(s) is set out in Exhibit 1. A Convertible Note Certificate will be issued to each Convertible Noteholder in respect of its registered holding of the Convertible Note. The Convertible Note Certificate(s) will be executed by one director and the secretary of the Company or two (2) duly authorised director(s) of the Company and issued to the Convertible Noteholder. The Convertible Note Certificate(s) will have an identifying number which shall be recorded on the Convertible Note Certificate(s) and in the Register which shall be maintained by the Company and kept at Room 1905, China Resources Building 26 Harbour Road Wanchai, Hong Kong as the Company may specify from time to time (the “specified office”). A copy, certified as a true copy by a director of the Company, of the Register evidencing the entry in respect of the Convertible Note shall be delivered to the Original Convertible Noteholder on the Issue Date. The Company shall ensure that the contents of the Register are true, accurate and not misleading at all times.

3. Title

The registered holder of the Convertible Note will (except as otherwise required by Applicable Laws) 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 Convertible Note Certificate(s) issued in respect of it) and no person will be liable for so treating the holder.

4. Transfers of the Convertible Note and Issue of Convertible Note Certificate(s)

4.1 Register

The Company will cause the Register to be kept at the specified office. The Convertible Noteholder(s) shall be entitled to receive the appropriate number of Convertible Note Certificate(s) in respect of their respective entire holding of the Convertible Note.

4.2 Transfer

The Convertible Note is freely transferable in accordance with the terms in this Condition 4 in an amount of not less than HK\$500,000 by the Convertible Noteholders to third party in accordance with this Condition 4.2.

At any time on and after the Issue Date up to the close of business on the Business Day immediately preceding the Maturity Date (both days inclusive), no outstanding principal amount of the Convertible Note may be transferred by the Convertible Noteholder unless in accordance with the provisions below:-

- (a) if the Convertible Noteholder wishes to transfer in full or in part of the outstanding principal amount of the Convertible Note (the "**Selling Noteholder**"), the Selling Noteholder shall forthwith provide the Company with a written notice (the "**Company Transfer Notice**") in the form or substantially in the form shown in Exhibit 2;
- (b) upon receipt of a Company Transfer Notice delivered pursuant to sub-clause (a), the Company shall have the right but not the obligation, exercisable within 10 Business Days of the receipt of the Company Transfer Notice from the Selling Noteholder (the "**Redemption Period**"), to redeem in full or in part of the outstanding principal amount of the Convertible Note proposed to be transferred, at the Company Early Redemption Price as defined in Condition 11.2(b). Such notice of acceptance shall be deemed to be irrevocable and may not be withdrawn.
- (c) if (i) the Company does not serve a notice of acceptance on the Selling Noteholder within the Redemption Period; or (ii) the Company only wishes to redeem part of the outstanding principal amount of the Convertible Note proposed to be transferred, the Selling Noteholder shall forthwith provide the other Convertible Noteholders with a written notice (the "**Noteholder Transfer Notice**"), in the form or substantially in the form shown in Exhibit 3, setting forth the details of the proposed transfer and the offer made by any independent third party (the "**Prospective Subscriber**") for such Convertible Note;
- (d) upon receipt of a Noteholder Transfer Notice delivered pursuant to sub-clause (c), other Convertible Noteholders shall have the right but not the obligation, exercisable within 10 Business Days of the receipt of the notice from the Selling Noteholder (the "**Right of Refusal Period**"), to acquire from the Selling Noteholder the remaining portion of the outstanding principal amount of the

Convertible Note not redeemed in accordance with Condition 4.2(b), at the same price and upon the same terms and conditions as offered by the Prospective Subscriber, provided always that if more than one Convertible Noteholder that is not the Selling Noteholder ("**Interested Note Buyer**") is interested to acquire such Convertible Note(s) from the Selling Noteholder, the Convertible Note(s) to be sold from the Selling Noteholder shall be transferred to the Interested Note Buyer in proportion to the aggregate outstanding principal amounts of the Convertible Note as held by such Interested Note Buyers. Such notice of acceptance shall be deemed to be irrevocable and may not be withdrawn;

- (e) (i) if no Convertible Noteholders serve a notice of acceptance on the Selling Noteholder within the Right of Refusal Period, the Selling Noteholder shall be at liberty to transfer in full or in part of the outstanding principal amount of the relevant Convertible Note to the Prospective Subscriber upon the terms and conditions as originally agreed between the Selling Noteholder and the Prospective Subscriber, provided the Prospective Subscriber is not a Connected Person; (ii) if more than one Interested Note Buyer serves a notice of acceptance on the Selling Noteholder within the Right of Refusal Period, the Interested Note Buyers can elect either to acquire in full or in part of the outstanding principal amount of the relevant Convertible Note not redeemed in accordance with Condition 4.2(b), in proportion to the aggregate outstanding principal amounts of the relevant Convertible Note as held by such Interested Note Buyers; (iii) if there are balance amounts of the Convertible Note(s) that have not been sold pursuant to Clause 4.2(e)(ii) above, the Selling Noteholder shall be at liberty to transfer the remaining portion of the outstanding principal amount of the Convertible Note to the Prospective Subscriber upon the terms and conditions as originally agreed between the Selling Noteholder and the Prospective Subscriber, provided the Prospective Subscriber is not a Connected Person.

Any transfer of Convertible Note not made in compliance with this Agreement shall be null and void as against the Company, shall not be recorded on the Register and shall not be recognized by the Company.

In relation to any transfer of any part of the Convertible Note, the relevant Convertible Note Certificate must be delivered for registration to the specified office accompanied by a duly executed transfer form (in the form attached to Exhibit 4) (the "Transfer Form"). No transfer of the Convertible Note will be valid or effective unless and until entered on the Register. The Company shall procure the prompt registration of any transfer of all or any part of the outstanding principal amount of the Convertible Note which is made in compliance with this Condition 4.2 within ten (10) Business Days upon the receipt of the Convertible Note Certificate and the Transfer Form, and shall not refuse or delay such registration process.

4.3 Delivery of New Convertible Note Certificate(s)

In respect of the whole of the Convertible Note being transferred in accordance with the Conditions, subject to the receipt by the registrar of the Transfer Form and the Convertible Note Certificate(s) therefor for cancellation, new Convertible Note Certificate(s) shall within three (3) Business Days of receipt be made available for collection at the specified office or, if so requested in the Transfer Form, the Convertible Note Certificate(s) shall be mailed by uninsured mail at the risk of the holder entitled to such Convertible Note (but free of charge to the holder and at the Company's expense) to the address specified in the Transfer Form.

Where only part of the principal amount of the Convertible Note is to be transferred,

redeemed or converted, subject to the receipt by the Company of the Transfer Form, the Convertible Noteholder Redemption Notice or the Conversion Notice and the Convertible Note Certificate(s) therefor for cancellation, the Company shall issue new Convertible Note Certificate(s) in respect of the part of the Convertible Note not so transferred, redeemed or converted and new Convertible Note Certificate(s) in respect of the part of the Convertible Note so transferred shall within three (3) Business Days of receipt of the original Convertible Note Certificate(s) be made available for collection at the specified office or, if so requested in the Transfer Form, the Convertible Noteholder Redemption Notice or the Conversion Notice, the Convertible Note Certificate(s) shall be mailed by uninsured mail at the risk of the holder of the part of the Convertible Note not so transferred, redeemed or converted (at the expense of the holder) and the holder of the part of the Convertible Note so transferred (at the expense of the holder) to the address of such holders appearing on the Register.

For the avoidance of doubt, the failure of the Company to make available for collection or, as the case may be, to mail any Convertible Note Certificate(s) for the Convertible Note not transferred, redeemed or converted within the prescribed time, shall in no way preclude that Convertible Noteholder from transferring, redeeming or converting the Convertible Note. Instead the Convertible Noteholder may request (prior to the Company having mailed the relevant Convertible Note Certificate(s) for the Convertible Note at the request of the Convertible Noteholder) that the Company hold the balancing Convertible Note Certificate(s) (at the risk of the Convertible Noteholder) pending receipt of a Transfer Form, Convertible Noteholder Redemption Notice or Conversion Notice to be delivered on that same day. Once a transfer is registered or upon exercise of Conversion Rights, regardless of whether or not the Company has received and/or cancelled the Convertible Note Certificate(s) for the relevant Convertible Note, such Convertible Note Certificate(s) for the transferred or converted Convertible Note shall forthwith cease to be evidence of the existence of the Convertible Note.

4.4 Formalities Free of Charge

Issuance of new Convertible Note Certificate(s) will be effected without charge by or on behalf of the Company.

5. Interest

The Convertible Note shall bear interest on the outstanding principal amount from and including the Issue Date up to (and including) (a) the Maturity Date, or if earlier, (b) the Company Early Redemption Rights or the Convertible Noteholder Redemption Rights in respect of the Convertible Note, at the interest rate of eight percent (8.0%) per annum, payable on the Maturity Date. Interest on the Convertible Note accrues on a daily basis and shall be calculated on the basis of the actual number of days elapsed in a year of 365 days, including the first day of the period during which it accrues and including the last day of the period. For the avoidance of doubt, no interest shall be payable on any Convertible Notes if they are eventually converted into Conversion Shares.

6. Representations and Warranties

The representations and warranties set out below are made by the Company to the Convertible Noteholder on the date hereof, and are deemed to be repeated by the Parties on each day so long as any part of the Convertible Note remains outstanding:

6.1 Status

- (a) each Group Company has been duly incorporated, is validly existing and (where

applicable) in good standing under the laws of its place of incorporation or establishment, has the requisite power, right and authority to own, use, lease and operate its respective assets and to conduct its respective business and is duly qualified to transact business in each jurisdiction in which the conduct of its business or its ownership, use or leasing of Property requires such qualification, save that the Company cannot trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands;

- (b) no Group Company is insolvent; no notice of appointment of a liquidator, receiver, administrative receiver or administrator has been served on it; no order has been made, petition filed or resolution passed for its or any of the Group Companies' winding-up or liquidation; no cases or proceedings under any applicable insolvency, bankruptcy, reorganisation, or similar laws in any jurisdiction concerning it or any of the Group Companies; no step or legal proceedings threatened against any of them for bankruptcy, insolvency, liquidation, winding-up, administration, dissolution or reorganization or for the appointment of a receiver, administrative receiver, trustee or similar officer of their or any or all of their assets or revenues; no scheme of arrangement has been proposed by it or any of the Group Companies with its creditors or shareholders; and it or any of the Group Companies has never been involved in any consensual workout or another debt restructuring arrangement of similar nature (however described) nor has taken advantage of any insolvency act for the benefit of creditors;

6.2 Share capital and ownership of shares of the Group Companies

- (a) as at the Issue Date, the Company has an aggregate authorized share capital of HK\$100,000,000 divided into 2,000,000,000 ordinary Shares, of which 288,051,953 Shares have been properly and validly issued, allotted and fully paid up as at the Issue Date. All of the issued Shares are (i) listed on the Hong Kong Stock Exchange, and (ii) freely transferable and not subject to any restriction on transfer or disposal by any law, contract or otherwise. The beneficial ownership of the issued Shares can be transferred in accordance with the General Rules and Operational Procedures of CCASS and other Applicable Law;
- (b) as at the Issue Date, save for the options granted under the Share Option Scheme, no Person has (except pursuant to the Convertible Note) the right (whether exercisable now or in the future and whether contingent or not) to call for the conversion, issue, registration, sale or transfer, amortization or payment of any share capital, share or any other security giving rise to a right over, or an interest in, the capital or the shares of any Group Company under any option, agreement or other arrangement (including conversion rights and rights of pre-emption);
- (c) save for the options granted under the Share Option Scheme, no unissued share capital or shares of any Group Company is under any option or agreed conditionally or unconditionally to be put under any option and, as of the Issue Date, no Person has an outstanding warrant, pre-emptive right or any other right of any description to require shares to be allotted or issued by any Group Company (other than as contemplated under the Transaction Documents);

6.3 Power and Authority

- (a) the Company has all requisite legal and corporate power, and has taken all corporate actions on the part of such Person, its officers, directors and shareholders as may be necessary, for the authorization, execution and delivery of this Instrument and each of the Transaction Documents to which it is a party and the performance of all obligations of

such Person hereunder and thereunder; the execution, delivery and performance by it of the Transaction Documents do not contravene or conflict with the Listing Rules, its Constitutional Documents, any provision of any Applicable Laws, any agreement or other instrument binding upon any Group Company, or any judgment, order or decree of any Governmental Authority having jurisdiction over any Group Company or any of their assets; and no consent from any Governmental Authority is required for the performance by it of its obligations under the Transaction Documents, except such as have already been obtained and are in full force and effect;

- (b) each of the Transaction Documents has been duly authorised, executed and delivered by the Company, and is a valid and binding agreement of the Company enforceable in accordance with its terms when executed;
- (c) the entry into and performance by the Company of this Instrument and the other Transaction Documents (to the extent it is a party) do not conflict with:
 - (i) the Listing Rules or any Applicable Law;
 - (ii) its Constitutional Documents;
 - (iii) any agreement or document which is binding upon it or any of its assets; or
 - (iv) any judgment, order or decree of any Governmental Authority having jurisdiction over it or any of its assets;
- (d) all authorizations required from any creditors of the Company for or in connection with the execution, validity and performance of this Instrument and the other Transaction Documents have been obtained and are in full force and effect;

6.4 No Legal Proceedings

There is no claim, litigation, arbitration, prosecution or other legal proceedings or investigation or inquiry in progress, pending, or threatened against any Group Company or any of its directors or officers or employees or agents or the assets of the Group that relates to the business of a Group Company, nor is there any claim or any facts or circumstances of a nature which would give rise to a claim against any Group Company which may have a Material Adverse Effect;

6.5 Accounts

- (a) (i) the audited consolidated financial statements of the Company and its Subsidiaries for the financial period from 1 January to 31 December 2020, the financial period from 1 January to 31 December 2021 and the financial period from 1 January to 31 December 2022 give a true and fair view of the state of affairs of the Company and its Subsidiaries as at, and of the profits, losses and cashflows of the Group for the period ended on, the date of such financial statements; (ii) the unaudited management accounts of the Company and its Subsidiaries for the financial period from 1 January to 30 June 2023 was prepared on a recognised and consistent basis and in accordance with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"); and (iii) all announcements, reports, circulars and financial accounts to shareholders issued by or on behalf of the Company were, true, complete and accurate in all respects and not misleading in any respect in the context in which they were made and all expressions of opinion or intention contained therein were honestly made on reasonable grounds and were fairly based and there were no other facts omitted so as to

make any such statement or expression in any of the announcements misleading in any respect;

- (b) each Group Company maintains systems of internal accounting controls sufficient to provide assurance that (i) transactions are executed in accordance with management's general or specific authorisations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with the Accounting Standards and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorisation, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;
- (c) all requisite books of account (reflecting in accordance with the relevant Accounting Standards all the financial transactions of the relevant Group Company), minute books, registers, records and these and all other deeds and documents (properly stamped where necessary) belonging to or which ought to be in the possession of a Group Company and its seal (if applicable): (i) are in the possession of the relevant Group Company or the lender(s) to the Group Company concerned (where such documents form part of the loan or security documents for loans made to the Group or documents required to be delivered under such loan or security documents); and (ii) contain full and accurate records of the matters which ought to appear therein and no notice or allegation that any of the same is incorrect has been received;

6.6 Properties

- (a) each Group Company has good and valid title to or right to use all Properties and all assets necessary for its conduct of the business now operated by it or otherwise held by it as investment properties in each case free from title defects that would affect the value thereof or interfere with the use made or to be made thereof by them and all leases of any real property and buildings occupied by any Group Company entered into by any Group Company are valid, existing and enforceable leases;
- (b) each Group Company (i) possesses or has obtained all licences, permits, concessions, certificates, consents, orders, Approvals and other authorisations from, and has made all declarations and filings with, all national, state, local and other Governmental Authorities, domestic or foreign, necessary to own or lease, as the case may be, and to operate its Properties and to carry on its Principal Business on these Properties; and (ii) has not received any notice of proceedings relating to the revocation or modification of any such licence, permit, certificate, consent, order, Approval or other authorisation, and there is not threatened proceeding relating to the revocation or modification of any such licence, permit, certificate, consent, order, approval or other authorisation which may have a Material Adverse Effect;

6.7 Guarantee, contingent payment obligations and off-balance sheet entities

- (a) save as disclosed in the announcements and/or financial reports published by the Company, there are no outstanding guarantees or contingent payment obligations of any Group Company in respect of Financial Debt of third parties; each Group Company is in compliance in all respects with all of its obligations under any outstanding guarantees or contingent payment obligations as described in such financial statements;
- (b) except as permitted under the Transaction Documents, no Group Company has created, or has any relationships with any off-balance sheet entities that are contractually limited to narrow activities that facilitate the transfer of or access to assets or liabilities by any

Group Company, such as structured finance entities and special purpose entities, that are likely to have a Material Adverse Effect on the liquidity of any Group Company or the availability thereof or the requirements of any Group Company for capital resources;

- (c) no Group Company has created any mortgage, charge (whether fixed or floating), pledge, Lien (other than Lien created by operation of law), option, restriction, hypothecation, assignment, deed of trust, title retention, security interest or other Encumbrance of any kind as security for the obligations of any party;

6.8 Issue of Convertible Note and Conversion Shares

- (a) the Convertible Note constitutes direct, general, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* without any preference among themselves;
- (b) the Specific Mandate has been properly obtained from the shareholders of the Company in accordance with the requirements of the Applicable Laws and the Specific Mandate is in full force and effect and the issue of the Convertible Note and the Conversion Shares issuable upon exercise of the conversion right under the Convertible Note (in each case, in the manner and in the number) as contemplated under the Transaction Documents will fall within the authority and the limit granted under the Specific Mandate and there are, at all times, sufficiently available unissued Shares under the Specific Mandate to satisfy the issue of the Convertible Note and the Conversion Shares issuable upon exercise of the conversion right under the Convertible Note;
- (c) the Conversion Shares when issued:
 - (i) will be duly authorized, validly issued and allotted in accordance with the Constitutional Documents, fully paid, rank *pari passu* in all respects with the other Shares in their respective capital (as applicable) in issue and not subject to any option to purchase or similar right;
 - (ii) will have not been issued in violation of any Applicable Laws and the Constitutional Documents;
 - (iii) are free from any Encumbrance and any interests or claims of third parties other than interests or claims arising by operation of law affecting companies generally or created by or permitted under the Transaction Documents;
 - (iv) are freely transferable and not subject to any restriction on transfer or disposal by any law, contract or otherwise in relation to the Conversion Shares themselves (except for any restriction contained in any of the Transaction Documents or the Applicable Laws);
 - (v) are duly listed, and admitted to trading, on the Main Board of the Hong Kong Stock Exchange;
 - (vi) their beneficial ownership can be transferred in accordance with the General Rules and Operational Procedures of CCASS and other Applicable Laws;
- (d) the Company shall at all times reserve and keep available out of its authorised, but unissued Shares solely for the purpose of effecting the exercise of the conversion right under the Convertible Note from time to time a sufficient number of Conversion Shares and if at any time the number of authorised, but unissued Shares shall not be sufficient to effect the

exercise of the conversion right under the Convertible Note and the Company will take such action as may be necessary to increase its authorised, but unissued Shares to such number of Conversion Shares as shall be sufficient for such purposes;

6.9 No Illegal Activities

None of the Group Companies and their respective directors, officers or employees, nor any agent of any of the Group Companies, has, directly or indirectly, made or authorised (i) any money laundering activities in breach of any Applicable Laws; (ii) any contribution, payment or gift of funds or property to any Public Official (as defined below) in any jurisdiction, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under any Applicable Laws of such jurisdiction; or (iii) any bribe, rebate, payoff, influence payment, kickback or other unlawful payment in connection with the business activities of the Group; without prejudice to the foregoing, none of the Group Companies and their directors, officers or employees, nor any agent of any of the Group Companies, is aware of or has taken any action, directly or indirectly, that would result in a violation by such Persons of any applicable anti-bribery laws, rules and regulations, including, but not limited to, Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong); and the Group Companies have instituted and maintained policies and procedures designed to ensure, and which are expected to continue to ensure, continued compliance therewith (as used herein, "Public Official" includes any officer or employee of a government or government-owned or controlled entity or of a public international organisation, or any Person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for public office);

6.10 Taxation

- (a) each Group Company has filed all tax returns that are required to be filed in all Relevant Jurisdictions or has duly requested extensions thereof and has paid all Taxation required to be paid by any of them in all Relevant Jurisdictions and any related assessments, fines or penalties. Adequate charges, accruals and reserves have been provided for in the financial statements referred to in Condition 6.5 above in respect of all Taxation for all periods as to which the Taxation liability of the Group Company has not been finally determined or remains open to examination by applicable taxing authority. There is no dispute or disagreement outstanding nor is any dispute or disagreement contemplated with any revenue authority in any jurisdiction regarding liability for any Taxation or duty (including in each case, penalties or interest) recoverable from any Group Company or regarding the availability of any Relief from Taxation or duty to any Group Company; there are no circumstances which make it likely that any such dispute or disagreement will commence or that any claims are being or likely to be asserted against any Group Company. All amounts payable by the Company under the Transaction Documents may be made without any tax deduction;
- (b) no stamp or registration duty or similar Taxation or charge is payable in its jurisdiction of incorporation in respect of the entering into of any Transaction Document;

6.11 No Suspension of Trading

There has not been (i) any suspension of the trading of the Shares on the Hong Kong Stock Exchange for any reason for more than five (5) consecutive Trading Days, or (ii) cessation of trading of the Shares on the Hong Kong Stock Exchange for any reason;

6.12 FATCA Deduction

(i) if any Group Company is required to make a FATCA Deduction, such Group Company shall make that FATCA Deduction and any payment required in connection with that FATCA Deduction within the time allowed and in the minimum amount required by FATCA; (ii) if a FATCA Deduction is required to be made by any Group Company, the amount of the payment due from any Group Company shall be increased to an amount which (after making any FATCA Deduction) leaves an amount equal to the payment which would have been due if no FATCA Deduction had been required; (iii) any Group Company will promptly upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of a FATCA Deduction) notify the Convertible Noteholder accordingly; (iv) within ten (10) calendar days of making either a FATCA Deduction or any payment required in connection with that FATCA Deduction, any Group Company making that FATCA Deduction shall deliver to the Convertible Noteholder entitled to the payment evidence satisfactory to the Convertible Noteholder that the FATCA Deduction has been made or (as applicable) any appropriate payment paid to the relevant Governmental Authority;

6.13 No Sanctions

None of the Group Companies and their respective directors, officers or employees, nor any agent of any of the Group Companies, is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC"), the European Union or the United Nations; and none of the Group Company will directly or indirectly use the proceeds of the Subscription Price hereunder, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other Person or entity, for the purpose of financing the activities of any Person currently subject to any sanctions administered by OFAC, the European Union or the United Nations;

6.14 Operation

- (a) all documents that are necessary to the operations of the Principal Business that have fallen due to be filed with or approved by the relevant Governmental Authorities by the Group Companies have been properly made up, presented, filed, and approved;
- (b) the Group Companies have complied in all respects with all Applicable Laws for the operation or conduct of the Principal Business and employment related matters;

6.15 Intellectual Property

(i) Each Group Company owns, possesses, or has the right to use pursuant to licence, sub-licence, agreement, permission or otherwise to use Intellectual Property necessary to conduct its Principal Business; (ii) each Group Company has used its best endeavours, and will use its best endeavours, to maintain measures to prevent the unauthorised dissemination or publication of its confidential information; and (iii) no litigation or proceeding is pending or threatened that challenges (aa) the registration of such Intellectual Property that is owned by such Group Company, is capable of registration and for which a registration application has been made, if applicable, or (bb) the Company's or any of the Group Companies' rights to use any such Intellectual Property;

6.16 Employment

- (a) there is no outstanding contract of service between any Group Company and any of its directors, officers, or employees which is not terminable by that Group Company with compensation by six (6) months' notice given at any time, and there are no claims pending or threatened against any Group Company, by any employee or third party, in respect of

any accident or injury not fully covered by insurance or payment obligations for which if made would have a Material Adverse Effect;

- (b) no labour dispute with the employees of any Group Company exists or is imminent, which, in either case, would reasonably be expected to result in a Material Adverse Effect;

6.17 Supply of Information

- (a) all information supplied or disclosed in writing to the Convertible Noteholder(s), its Affiliates or its directors, officers, employees and agents is and was, when supplied or published, true and accurate in all respects and not misleading in any respect and all forecasts and estimates relating to each Group Company so supplied or disclosed, if any, have been made after reasonable consideration, and were based on reasonable assumptions and represent reasonable and fair expectations honestly held;
- (b) all information supplied by the Company to the Convertible Noteholder(s) in connection with the Transaction Documents is true and accurate in all respects and is not misleading in any respect as the date it was given, and the Company has not omitted to supply any information which, if disclosed, might make the information supplied untrue in any respect or misleading in any respect;
- (c) the Company has disclosed to the Convertible Noteholder(s) upon request all information regarding the financial or business condition of the Parties and the Group, which is relevant and material in relation to the Parties and the Group, in the context of the subscription of Convertible Note. None of the Transaction Documents (including the schedules thereto, if any) or any statements or certificates made or delivered in connection therewith contains any untrue statement of a fact or omits a fact necessary to make the statement therein not misleading in light of the circumstances under which they were made;

6.18 Filings

The Company has made and will promptly make all notifications, registrations and filings as may from time to time be required in relation to the Convertible Note, the Conversion Shares and the transactions contemplated under the Transaction Documents including, without prejudice to the generality of the foregoing, the filings with the Hong Kong Stock Exchange and the registrations with other jurisdictions (if any);

6.19 Jurisdiction

The Company's respective irrevocable submission under the Transaction Documents to the jurisdiction of such courts specified therein, agreement that each Transaction Document is governed by the governing law of that Transaction Document, and agreement not to claim any immunity to which it or its assets may be entitled, are legal, valid and binding under the laws of its Relevant Jurisdiction; and any judgment obtained in such jurisdiction referred to above will be recognised and be enforceable by the courts of its Relevant Jurisdiction;

6.20 No Stabilisation or Manipulation of Share Price

Neither the Company or its Subsidiaries or Affiliates or any of their directors, nor any Person acting on its/his/her or their behalf or under its/his/her or their control (other than the Convertible Noteholder(s) and their respective Affiliates) has taken or will take, directly or indirectly, any action designed or which was designed, or which constitutes or has constituted or might reasonably be or have been expected to cause or result in, stabilisation or manipulation of the price of the Shares or other securities of the Company;

6.21 Others

- (a) there are no contracts, agreements or understandings between a Group Company and any Person that would give rise to a claim against a Group Company for a brokerage, commission, finder's fee or other like payment in connection with the transactions contemplated under the Transaction Documents;
- (b) none of the Group Company is a party to any agreement or instrument, subject to any restriction, or aware of any fact, event, development or circumstance which could reasonably be expected to affect it to perform its obligations under the Transaction Documents (to the extent it/he/she is a party) or its/his/her business, Properties or assets, or condition (financial or otherwise). none of the Group Company is in default in any respect in the performance, observance or fulfilment of any of the obligations, covenants or conditions contained in any other agreement or instrument to which it is a party or by which it or any of its business, Properties or assets are bound;
- (c) no event has occurred or circumstance arisen which would (whether or not with the giving of notice and/or the passage of time and/or the fulfilment of any other requirement) constitute an event described under "Events of Default" in this Instrument; and
- (d) there is no other event or circumstance outstanding which constitutes a default under the Transaction Documents, and there is no other event or circumstance outstanding which constitutes a default under any other document binding on any of the Group Company or any of their assets.

7. Covenants and Undertakings

7.1 The Company covenants with the Convertible Noteholder that it shall, so long as any part of the Convertible Note remains outstanding:

- (a) perform and observe the obligations on its part contained in the Transaction Documents to the intent that the Transaction Documents shall inure to the benefit of the Convertible Noteholder and the Convertible Noteholder may, in addition to any rights it may have under the Transaction Documents and any other remedies which may be available to it elsewhere, enforce (including by suing) for the performance or observance of the terms and conditions in the Transaction Documents;
- (b) if any event happens which, in the opinion of the Convertible Noteholder, may have a Material Adverse Effect and the Convertible Noteholder requires all relevant information from the Group for the purpose of identifying whether such event has a Material Adverse Effect, to the extent permitted by the Applicable Laws, provide the Convertible Noteholder with such relevant information of the Group; and
- (c) not, without the prior written consent of the Majority Noteholders and subject to compliance with the Listing Rules, permit or cause to be permitted any amendment to the Transaction Documents.

7.2 Unless otherwise approved by the Convertible Noteholder(s) in advance in writing, the Company agrees to procure the following so long as any part of the Convertible Note is outstanding:

- (a) no Group Company will cease carrying on the Principal Business;

- (b) the Company shall (i) maintain a listing for all the issued Shares on the Main Board, and (ii) obtain and maintain a list of all the Conversion Shares upon the exercise of the conversion right under the Convertible Note by the Convertible Noteholder(s);
- (c) each Group Company shall carry on its Principal Business as a going concern in the Ordinary Course of Business as carried on prior to the Issue Date and will keep or cause to be kept all of its Properties and assets in a good state of repair and condition (fair wear and tear excepted) and that there will not be any events happening which may have a Material Adverse Effect;
- (d) each Group Company shall take all reasonable steps to protect the assets and goodwill associated with its business and its operations and comply with all Applicable Laws;
- (e) the Company shall not and the Company shall procure that each Group Company (other than the Company) shall not, without the prior written consent of the Majority Noteholders (such consent should not be unreasonably withheld or delayed) and subject to compliance with the Listing Rules, create any mortgage, charge (whether fixed or floating), pledge, Lien (other than Lien created by operation of law), option, restriction, hypothecation, assignment, deed of trust, title retention, security interest or other Encumbrance of any kind as security for the obligations of any party over any of the assets of any Group Company;
- (f) other than pursuant to Applicable Law (including but not limited to the Listing Rules), the Company will not amend, modify or waive any provisions of its Constitutional Documents;
- (g) no Group Company will be dissolved, liquidated or recapitalised except for the sole purpose of giving effect to the Transaction Documents;
- (h) the Company shall or shall use its best endeavours to procure the other Group Companies to comply with all disclosure obligations, including reporting, announcement and disclosure of interests requirements, in respect of the transactions contemplated under the Transaction Documents, pursuant to the Applicable Laws;
- (i) the Company shall promptly notify the Convertible Noteholder of any event or change in the condition (financial or otherwise) of the Group Companies, and of any litigation or proceedings being threatened or initiated against any of them before any court tribunal or administrative agency, which may have a Material Adverse Effect, within five (5) Business Days after it has knowledge of the said change or of the said litigation or proceedings or threat thereof, and, to the extent as permitted by laws and contractual obligations, any information as required by the Convertible Noteholder in respect thereof (including, but not limited to, the amount of contingent liability if ascertainable) shall be provided to the Convertible Noteholder as soon as practicable after becoming aware of such information;
- (j) the Company shall promptly make all notifications, registrations and filings as may from time to time be required by Applicable Laws in relation to the transactions contemplated under the Transaction Documents, including, without prejudice to the generality of the foregoing, the filings with the Hong Kong Stock Exchange, and the registrations with other Relevant Jurisdictions (if any);
- (k) there shall be no (i) any suspension of the trading of the Shares on the Hong Kong Stock Exchange for any reason for more than five (5) consecutive Trading Days, or (ii) cessation of trading of the Shares on the Hong Kong Stock Exchange for any reason;

- (l) each Group Company shall provide all the evidence/documents as may be reasonably required by each of the potential transferees of the Convertible Noteholder(s) to comply with their respective "Know Your Client" and customer due diligence requirements; and
- (m) save for the issue of Shares pursuant to the exercise of the options granted or to be granted under the Share Option Scheme, other options and/or Convertible Notes already issued, the Company shall not undertake any equity or equity-linked financing (including without limitation the issue of Shares, Convertible Notes, options or other derivative financial products) with an issue price or conversion price lower than the Conversion Price and/or at more favourable terms than those provided to the Convertible Noteholder(s) in the transactions contemplated under the Transaction Document, unless the terms of the transactions contemplated under the Transaction Documents shall be adjusted to reflect such more favourable terms.
- (n) each Group Company shall provide all the evidence/documents as may be reasonably required by each of the potential transferees of the Convertible Noteholder(s) to comply with their respective "Know Your Client" and customer due diligence requirements.

8. Conversion

8.1 Conversion Rights

- (a) *Conversion Period:* Subject as hereinafter provided, the Convertible Noteholder shall have the right (the "**Conversion Right**") to convert the principal amount of the Convertible Note into Shares in an amount of not less than HK\$500,000 during the Conversion Period referred to below.

Subject to and upon compliance with the provisions of this Condition and any Applicable Law, the Conversion Rights attaching to the Convertible Note may be exercised at any time before the Maturity Date; provided that the public float of the Shares shall not be less than 25% (or any given percentage as required by the Listing Rules) of the issued Shares at any time and in each case, if such final date for the exercise of the Conversion Rights is not a Business Day in Hong Kong and in the city in which the specified office is located, then the period of the Conversion Right by the Convertible Noteholder shall end on the immediately preceding Business Day at the place aforesaid.

The number of Shares to be issued on conversion of the Convertible Note will be determined by dividing the principal amount of the Convertible Note to be converted by the Conversion Price in effect on the Conversion Date.

Upon exercise of Conversion Rights in relation to the Convertible Note in full and the fulfilment by the Company of all its obligations in respect thereof, the Convertible Noteholder shall have no further rights in respect of the Convertible Note and the obligations of the Company in respect thereof shall be extinguished. For the avoidance of doubt, no interest shall be payable on any Convertible Notes if they are eventually converted into Conversion Shares.

If the allotment of any portion of the Conversion Shares through the conversion of the Convertible Note the ("**Excess Shares**") together with any existing interest in the Company owned by the Convertible Noteholder (if any), will result in the Convertible Noteholder directly holding 30% or more of the total issued capital of the Company (on a post-conversion basis) or result in a change of control or trigger mandatory general offer (defined under the Takeovers Code) of the

Company, the Convertible Noteholder shall comply with the Applicable Laws and Takeovers Code.

- (b) *Fractions of Shares:* Fractions of Shares will not be issued on conversion. All Shares (including fractions thereof) issuable upon conversion of more than the Convertible Note held by the holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of any fractional share, the Company shall, in lieu of issuing any fractional share, pay cash equal to the product of such fraction multiplied by the fair market value of one Share on the Conversion Date. Any such sum shall be paid not later than five (5) Business Days after the relevant Conversion Date by transfer to a HK\$ account maintained by the payee in accordance with instructions given by the relevant Convertible Noteholder(s) in the Conversion Notice.
- (c) *Conversion Price:* The price at which Shares will be issued upon conversion (the “**Conversion Price**”) will, subject to adjustment in the manner provided in Condition 8.2, initially be HK\$0.076.
- (d) *Revival and/or Survival after Default:* Notwithstanding the provisions of Condition 8.1(a), if:
 - (i) the Company shall default in making payment in full in respect of any Convertible Note which shall have been called for redemption on the date fixed for redemption thereof,
 - (ii) any Convertible Note has become due and payable prior to its Maturity Date by reason of the occurrence of any of the events under Condition 11.3, or
 - (iii) any Convertible Note is not redeemed on its Maturity Date in accordance with Condition 11.1,

the Conversion Rights attached to the Convertible Note will revive and/or will continue to be exercisable until, and including, the close of business (at the place where the Convertible Note Certificate(s) evidencing the Convertible Note is deposited for conversion) on the date upon which the full amount of the moneys payable in respect of the Convertible Note has been duly received by the Convertible Noteholder, notwithstanding that the Conversion Period may have expired before such relevant Conversion Date.

- (e) *No Conversion Rights exercised during the Conversion Period:* If the Convertible Noteholder has not exercised any of the Conversion Rights during the Conversion Period or any of the Conversion Rights remain outstanding on the Maturity Date, the Company shall irrevocably and unconditionally pay the Maturity Price to the Convertible Noteholder or any of its designated Person in accordance with Condition 11.1.

8.2 Conversion Procedure

- (a) *Conversion Notice:* To exercise the Conversion Rights attached to the Convertible Note, the Convertible Noteholder must complete, execute and deposit at its own expense during normal business hours at the principal place of business of the Company a notice of conversion (a “**Conversion Notice**”), the

form of which is set out in Exhibit 5, together with the relevant Convertible Note Certificate(s) for cancellation.

The conversion date in respect of the Convertible Note (the "**Conversion Date**") must fall at a time when the Conversion Rights attached to the Convertible Note is expressed in these Conditions to be exercisable (subject to the provisions of Condition 8.1(e)) and will be deemed to be the Trading Day immediately following the later of the date of the surrender of the Convertible Note Certificate(s) in respect of the Convertible Note (if they are not delivered on the same day) and delivery of such Conversion Notice and, if applicable, any payment to be made or any indemnity given under these Conditions in connection with the exercise of such Conversion Rights. A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Company consents to such withdrawal.

- (b) *Stamp Duty and Tax, etc.:* The Company shall be responsible for the payment of and must pay directly to the relevant tax authority any taxes and capital, stamp, issue and registration duties levied and payable in Hong Kong, the Cayman Islands or other Relevant Jurisdiction and all other expenses arising on the issue of the Conversion Shares upon conversion of the Convertible Note.
- (c) *Registration:* As soon as practicable, and in any event not later than two (2) Business Days after the Conversion Date, the Company will, in the case of the Convertible Note converted on exercise of the Conversion Rights and in respect of which a duly completed Conversion Notice together with the relevant Certificate(s) and such other information in relation to the Person or Persons designated for the purpose in the Conversion Notice as holder(s) of the Conversion Shares as may be required by the Company's share registrar in Hong Kong having been delivered to and received by the Company and the relevant Certificate(s), register the Person or Persons designated for the purpose in the Conversion Notice as holder(s) of the relevant number of Shares in the Company's share register and will, if the Convertible Noteholder 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 actions to procure that Shares are delivered through the CCASS for as long as the Shares are listed on the Main Board, and will, if the Convertible Noteholder has also requested in the Conversion Notice, make such certificate or certificates available for collection at the office of the Company's share registrar in Hong Kong notified to the Convertible Noteholder in accordance with Condition 15 or, if so requested in the relevant Conversion Notice, will 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, together (in either case) with 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 transfer thereof, in which case, a single certificate will be issued in respect of all Shares issued on conversion of the Convertible Note subject to the same Conversion Notice and which are to be registered in the same name. For the purpose of this Condition, "**two (2) Business Days**" shall not include any day on which the register of members of the Company is closed.

If the Conversion Date in relation to the Convertible Note shall be on or after a date with effect from which an adjustment to the Conversion Price takes retroactive effect pursuant to any of the provisions referred to in Condition 8.3 and

the relevant Registration Date (as defined below) falls on a date when the relevant adjustment has not yet been reflected in the then current Conversion Price, the provisions of this sub-paragraph (iii) shall be applied *mutatis mutandis* to such number of Shares as is equal to the excess of the number of Shares which would have been required to be issued on conversion of the Convertible Note if the relevant retroactive adjustment had been given effect as at the said Registration Date over the number of Shares previously issued (or which the Company was previously bound to issue) pursuant to such conversion.

The Person or Persons specified for that purpose 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 Company's register of members (the "Registration Date"). The Shares issued upon conversion of the Convertible Note will be fully paid, with full legal title and beneficial ownership, free and clear of all Encumbrances and will 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 Convertible Note shall not be entitled to any rights on the record date which precedes the relevant Registration Date.

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 the Convertible Note, but before the Registration Date (disregarding any retroactive adjustment of the Conversion Price referred to in this sub-paragraph (iii) prior to the time such retroactive adjustment shall have become effective), the Company will pay to the converting Convertible Noteholder or his designee an amount (the "Equivalent Amount") equal to any 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 seven (7) days thereafter. The Equivalent Amount shall be paid by means of a HK\$ cheque drawn on a bank in Hong Kong and sent to the address specified in the relevant Conversion Notice.

8.3 Adjustments to Conversion Price

The Conversion Price will be subject to adjustment in the following events:

- (a) *Consolidation or Subdivision*: If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation or subdivision, 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.

(b) *Capitalisation of Profits or Reserves:*

- (i) If and whenever the Company shall issue any Shares credited as fully paid to the shareholders of the Company 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 (except any Scrip Dividend) and which would not have constituted a Distribution, 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 (if appropriate, retrospectively) from the commencement of the day following the record date for such issue.

- (ii) In the case of an issue of Shares by way of a Scrip Dividend where the Current Market Price of such Shares on the date of announcement of the terms of the Scrip Dividend exceeds the amount of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

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

Where:

- A is the aggregate nominal amount of the issued Shares immediately before such issue;
- B is the aggregate nominal amount of the Shares issued by way of such Scrip Dividend multiplied by a fraction of which (a) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash Dividend and (b) the denominator is the Current Market Price of the Shares issued by way of Scrip Dividend in respect of each existing Share in lieu of the whole, or the relevant part, of the Relevant Cash Dividend on the date of announcement of the terms of the Scrip Dividend; and
- C is the aggregate nominal amount of the Shares issued by way of such Scrip Dividend; Such adjustment shall become effective on the date of issue of such Shares.

(c) *Distributions:*

- (i) Subject to Condition 8.4(c)(ii), if and whenever the Company shall pay or make any Distribution to the shareholders of the Company (except to the extent that the Conversion Price falls to be adjusted under Condition 8.4(b) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Distribution by the following fraction:

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

Where:

- A is the Current Market Price of one Share on the last Trading Day preceding the date on which the Distribution is publicly announced; and
- B is the Fair Market Value of the portion of the Distribution attributable to one Share on the date of such announcement.

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

- (ii) If and whenever the Company shall pay or make any Distribution in cash only to the shareholders of the Company, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Distribution by the following fraction:

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

Where:

- A is the Current Market Price of one Share on the record date for the determination of shareholders of the Company entitled to receive such Distribution in cash; and
- B is the amount of cash so distributed attributable to one Share.

Such adjustment shall become effective on the record date for the determination of shareholders of the Company entitled to receive such Distribution in cash.

- (d) *Rights Issues of Shares or Options over Shares:* If and whenever the Company shall issue Shares to all or substantially all of the shareholders of the Company as a class by way of rights, or (b) issue or grant to all or substantially all of the shareholders of the Company as a class by way of rights, options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than the Current Market Price per Share on the last Trading Day preceding the date of the announcement of the terms of the 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 by way of rights and for the total number of Shares comprised therein would purchase at such Current Market Price per Share; and
- C is the aggregate number of Shares issued or, as the case may be, comprised in the grant.

Such adjustment shall become effective on (x) with respect to the situation envisaged in sub-paragraph (a) above, the date of issue of such Shares or (y) with respect to the situation envisaged in sub-paragraph (b) above, on the date when the said issue or grant of such options, warrants or other rights occurs.

- (e) *Rights Issues of Other Securities:* If and whenever the Company shall issue any securities (other than Shares or options, warrants or other rights to subscribe or purchase Shares) to all or substantially all of the shareholders of the Company as a class by way of rights or grant to all or substantially all of the shareholders of the Company as a class by way of rights, of options, warrants or other rights to subscribe for or purchase any securities (other than Shares or options, warrants or other rights to subscribe or purchase Shares), 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 of one Share on the last Trading Day preceding the date on which such issue or grant is publicly announced; and
- B is the Fair Market Value of the portion of the rights attributable to one Share on the date of such announcement.

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

- (f) *Issues at Less than the Current Market Price:* If and whenever the Company shall issue (otherwise than as mentioned in Condition 8.3(d) above) wholly for cash any Shares (other than Shares issued on the exercise of a Conversion Right or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or the issue or grant (otherwise than as mentioned in Condition 8.3(d) above) any options, warrants or other rights to subscribe for or purchase Shares in each case at a price per Share which is less than the Current Market Price on the last Trading Day preceding the date of announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

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

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 Company for the issue of such additional Shares or the Shares to be issued upon the exercise of rights of subscription attached to such options, warrants or other rights would purchase at such Current Market Price per Share; and
- C is the number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue by the Company of options, warrants or other rights to subscribe or purchase Shares, mean such Shares to be issued, or otherwise made available, assuming that such options, warrants or other rights are exercised in full at the initial exercise price (if applicable) on the date of issue of such options, warrants or other rights.

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

- (g) *Other Issues at Less than the Current Market Price:* Except in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this Condition 8.3(g), if and whenever any Group Company (otherwise than as mentioned in Condition 8.3(d), 8.3(e) or 8.3(f)), or (at the direction or request of or pursuant to any arrangements with the Company or any of its Subsidiaries) any other company, Person or entity shall issue any securities (other than the Convertible Note) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company on conversion, exchange or subscription at a consideration per Share which is less than the Current Market Price on the last Trading Day preceding the date of announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

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

Where:

- A is the number of Shares in issue immediately before such issue;
- B is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Share; and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

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

- (h) *Modification of Rights of Conversion, etc.:* If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in Condition 8.3(g) (other than in accordance with the terms of such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than the Current Market Price on the last Trading Day preceding the date of announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

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

Where:

- A is the number of Shares in issue immediately before such modification;
- B is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities, in each case so modified, would purchase at such Current Market Price per Share or, if lower, the existing conversion, exchange or subscription price of such securities; and
- C is the maximum number of Shares to be issued, or otherwise made available, on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as the Experts consider appropriate (if at all) for any previous adjustment under this Condition 8.3(h) or Condition 8.3(g) above.

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

- (i) *Other Offers to Shareholders of the Company:* If and whenever the Company or any of its Subsidiaries or (at the direction or request of or pursuant to any arrangements with the Company or any of its Subsidiaries) any other company, Person or entity issues, sells or distributes any securities in connection with an offer pursuant to which the shareholders of the Company are generally entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under Condition 8.3(d), Condition 8.3(e), Condition 8.3(f) or Condition 8.3(g)), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

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

Where:

- A is the Current Market Price of one Share on the last Trading Day preceding the date on which such issue is publicly announced; and
- B is the Fair Market Value of the portion of the rights attributable to one Share on the date of such announcement.

Such adjustment shall become effective on the date of issue, sale or delivery of the securities.

- (j) *Issues at less than Conversion Price:* If and whenever the Company or any of its Subsidiary or (at the direction or request of or pursuant to any arrangements with the Company or any of its Subsidiaries) any other company, Person or entity issues any Shares, or issues or grants any options, warrants, convertible notes or other rights to subscribe or purchase Shares, in each case at a price per Share, or issues other securities which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company on conversion, exchange or subscription at a consideration per Share, (such price per Share and consideration per Share are collectively referred to as the “**Issue Price**”) which is less than the Conversion Price then in force (if the holder of such Shares or options, warrants, convertible notes, rights or other securities (together, the “**Common Stock Equivalent**”) so issued shall at any time (the “**Subsequent Time**”), whether by operation of purchase price adjustments, reset provisions, floating conversion, exercise or exchange prices, modifications, amendments or otherwise, or due to warrants, options or rights issued in connection with such issuance, be entitled to receive Shares at a price less than the Issue Price (such price per Share and consideration per Share are collectively referred to as the “**Adjusted Issue Price**”), such issuance of Shares or Common Stock Equivalent shall be deemed to have occurred at the relevant Subsequent Time price at a price per Share or consideration per Share for the Adjusted Issue Price) and if the Conversion Price in force is greater than the Issue Price or the Adjusted Issue Price (as the case may be), the Conversion Price shall be adjusted to such lower Issue Price or Adjusted Issue Price (as the case may be), provided that in the event the adjusted Conversion Price resulting from the other provisions of Condition 8.3 shall be less than the Issue Price or Adjusted Issue Price (as the case may be), the provisions in this Condition 8.3(j) shall be inapplicable. The Company shall notify the Convertible Noteholder(s) in writing no later than the Trading Day following the issuance of any Shares or Common Stock Equivalent or the occurrence of any Adjusted Issue Price that is subject to this Condition 8.3(j), indicating therein the applicable issuance price, or if applicable reset price, exchange price, conversion price and other pricing terms.

For the purposes of calculating the Issue Price and the Adjusted Issue Price, the Common Stock Equivalents are assumed to be exercised in full at the then applicable Issue Price or Adjusted Issue Price (as the case may be).

Such adjustment shall become effective on the date of issue of such Shares or, as the case may be, the issue of such Common Stock Equivalent.

For the purposes of this Condition 8.3:

“**Business Day**” means a day other than a Saturday or Sunday on which commercial banks are open for business in Hong Kong.

“Current Market Price” means, in respect of a Share at a particular date, the average closing price as stated on the Hong Kong Stock Exchange’s daily quotation sheets for one Share (being a Share carrying full entitlement to dividend) for the five (5) consecutive Trading Days ending on the Trading Day immediately preceding such date, provided that if at any time during the said five (5) Trading Day period, the Shares shall have been quoted ex-dividend and, during some other part of that period, the Shares shall have been quoted cum-dividend then:

- (a) if the Shares to be issued in such circumstances do not rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Share; or
- (b) if the Shares to be issued in such circumstances rank for the dividend in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount;

and provided further that, if the Shares on each of the said five (5) Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the amount of that dividend per Share.

“Distribution” means any dividend or distribution (whether of cash or assets in specie) by the Company for any financial period (whenever paid or made and however described) (and for these purposes a distribution of assets in specie includes, without limitation, an issue of Shares or other securities credited as fully or partly paid.

“Fair Market Value” means, with respect to any assets, securities, options, warrants or other rights on any date, the fair market value of that individual asset, security, option, warrant or other right as determined by the Experts, 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; (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by the Experts) the fair market value of such options, warrants or other rights shall equal to the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five (5) Trading Days on the relevant market commencing on the first such Trading Day such options, warrants or other rights are publicly traded.

“Relevant Cash Dividend” means the aggregate cash dividend or distribution declared by the Company, including any cash dividend in respect of which there is any Scrip Dividend.

“Scrip Dividend” means any Shares issued in lieu of the whole or any part of any Relevant Cash Dividend, being a dividend which the shareholders of the Company concerned would or could otherwise have received and which would not have constituted a Distribution (and for the avoidance of doubt, no adjustment is to be

made under Condition 8.4(c) in respect of the amount by which the Current Market Price of the Shares exceeds the Relevant Cash Dividend or the relevant part thereof).

8.4 Other Provisions Relating to Adjustment to the Conversion Price

- (a) On any adjustment, the relevant Conversion Price, if not an integral multiple of one Hong Kong cent, shall be rounded down to the nearest Hong Kong cent. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than 1% of the Conversion Price then in effect. Any adjustment not required to be made, and any amount by which the Conversion Price has not been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustment shall be given to the Convertible Noteholder in accordance with Condition 15 as soon as practicable after the determination thereof.
- (b) The Conversion Price may not be reduced so that, on conversion of any Convertible Note, Shares would fall to be issued at a discount to their par value. If, but for this Condition 8.4(b), an adjustment to the Conversion Price pursuant to Condition 8.4 will result in an issue of Shares at a discount to their par value, the Conversion Price shall instead be reduced to an amount equal to the nominal value of a Share.
- (c) Where more than one event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that in the opinion of the Experts, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by the Experts to be in their opinion appropriate in order to give such intended result.
- (d) No adjustment shall be made in respect of (a) any issue or grant of Share or option pursuant to any Share Option Scheme of the Company prior to the Issue Date or (b) any issue of Shares pursuant to any exercise of any option granted (whether prior to, on or after the Issue Date) under any existing Share Option Scheme of the Company.
- (e) No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation of the Shares as referred to in Condition 8.3(a) above or to correct an error in the calculation of the Conversion Price.
- (f) If any doubt shall arise as to the appropriate adjustment to the Conversion Price, a certificate of the Expert shall be conclusive and binding on all concerned except in the case of manifest or proven error.

8.5 Notice of Change in Conversion Price

The Company shall give notice to the Convertible Noteholder of any change in the Conversion Price. Any such notice relating to a change in the Conversion Price shall be signed by a director of the Company and set forth the event giving rise to the adjustment,

the Conversion Price prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.

The Convertible Noteholder may also give notice to the Company of any event likely giving rise to an adjustment of the Conversion Price pursuant to Condition 8.3 seeking

the Company's confirmation to such adjustment of Conversion Price (which shall not be unreasonably withheld). Such notice may set forth the event giving rise to the adjustment, the Conversion Price prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.

8.6 Expenses

The Company will pay the expenses (for the avoidance of doubt, other than those tax and duties set out in Condition 8.2(b)) incurred in connection with the allotment and issue of Shares and listing of Shares upon conversion of the Convertible Note pursuant to Condition 8 and (unless otherwise stated herein) the appointment of the Experts (if required).

8.7 Payment of Conversion Shortfall

Without prejudice to any other provision in this Instrument and the Subscription Agreement, if the Company fails or is unable to deliver Shares upon the exercise of a Conversion Right due to any restriction on the allotment or issuance of Shares imposed by the Specific Mandate, the Company shall, on or before the Conversion Date, satisfy the Conversion Right in accordance with these Conditions by (i) delivery of the Shortfall Shares to the Convertible Noteholder, and (ii) payment to the Convertible Noteholder of an amount, in cash, equal to the Shortfall Equity Value.

For the purposes of this Condition 8.7:

"**Shortfall Shares**" means the maximum number of Shares permitted to be issued or allotted by the Company.

"**Shortfall Equity Value**" means the product of (x) (i) the number of Shares that are required to be delivered by the Company to satisfy the Conversion Right minus (ii) the Shortfall Shares, and (y) the then Current Market Price as of the date of the Conversion Notice (if on such date, any event shall occur which gives rise (including any event announced by the Company which may give rise, or would but for the other provisions of these Conditions, give rise) to an adjustment to the Conversion Price under the provisions of these Conditions, then the Current Market Price described above shall be adjusted in such manner and to the extent as the Experts shall in their absolute discretion deem appropriate and fair to compensate for the effect thereof, provided that no adjustment involves a decrease in the then Current Market Price, except in the case of a subdivision of the Shares).

9. Payments

9.1 Principal and Interest

Payment of principal and interests payable on a redemption of the Convertible Note will be made by transfer of immediately available funds to the registered account of the Convertible Noteholder or by HK\$ cheque drawn on a bank in Hong Kong mailed to the address of the Convertible Noteholder in accordance with Condition 15 if it does not have a registered account.

References in these Conditions to principal and/or interests in respect of the Convertible Note shall, where the context so permits, be deemed to include a reference to any premium payable thereon.

9.2 Registered Accounts

For the purposes of this Condition, the Convertible Noteholder's registered account (the "**Convertible Noteholder's Bank Account**") means the HK\$ account maintained by or on behalf of it, details of which appear on the Register at the close of business on the second Business Day before the due date for payment, and the Convertible Noteholder's registered address means its address appearing on the Register at that time.

9.3 Fiscal Laws

All payments to be made to the Convertible Noteholder by or on behalf of the Company are subject in all cases to any Applicable Law and regulation in the place of payment, but without prejudice to the provisions of Condition 10. No commissions or expenses shall be charged to the Convertible Noteholder in respect of such payments.

9.4 Payment Initiation

Where payment is to be made by transfer to a registered account, payment instructions (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 and, where payment is to be made by cheque, the cheque will be mailed (at the risk and, if mailed at the request of the Convertible Noteholder otherwise than by ordinary mail, expense of the Convertible Noteholder) on the due date for payment (or, if it is not a Business Day, the immediately following Business Day) or, in the case of a payment of principal, if later, on the Business Day on which the relevant Convertible Note Certificate(s) is surrendered at the specified office. Upon the full payment by the Company of the outstanding principal, all accrued and unpaid interests and all other outstanding amounts payable by the Company to the Convertible Noteholder under the Transaction Documents, the relevant Convertible Note Certificate(s) will become null and void notwithstanding the relevant Convertible Note Certificate(s) have not been received by the Company.

9.5 Default Interests

Upon the occurrence of an Event of Default, an additional interest shall accrue on the outstanding principal amount of the Convertible Note at the rate of eighteen percent (18%) per annum from the date of occurrence of the Event of Default up to (and including) the date such Event of Default has been fully remedied by the Company to the satisfaction of the Convertible Noteholder. Such default interest shall accrue on the basis of the actual number of days elapsed and a 365-day year. Such default interest shall be payable by the Company within five (5) days following the due date or the date of occurrence of the Event of Default (as the case may be).

10. Taxation

All payments in respect of the Convertible Note shall 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 Cayman Islands or Hong Kong or any political subdivision thereof or by any authority thereof or therein having power to impose or levy such taxes, duties, assessments or governmental charges, unless such deduction or withholding is required by law. In the event that any such deduction or withholding in respect of principal or premium on interest is required by law, the Company will pay such additional amounts by way of principal, premium (if any) and interest as will result in the receipt by the Convertible Noteholder of the amounts which would have been receivable in the absence of any such deduction or withholding.

References in these Conditions to principal and/or interests shall be deemed also to refer

to any additional amounts which may be payable under this Condition or any undertaking or covenant given in addition thereto or in substitution therefor.

11. Redemption

11.1 Maturity

Unless previously redeemed, converted, purchased or cancelled as provided herein, the Company shall pay to the Convertible Noteholder on the Maturity Date an aggregate price (the "**Maturity Price**") of (i) the outstanding principal amount of the Convertible Note on the Maturity Date, (ii) all accrued and unpaid interest from the Issue Date up to (and including) the Maturity Date and unpaid default interests (if any) accrued pursuant to Condition 9.5, and (iii) all other outstanding amounts (if any) payable by the Company to the Convertible Noteholder under the Transaction Documents.

11.2 Company's Early Redemption Rights

- (a) In accordance with Condition 4.2, the Company shall have the right to redeem in full or in part of the outstanding principal amount from the Convertible Noteholders upon receipt of the Company Transfer Notice (the "**Company Early Redemption Rights**") at the Company Early Redemption Price.
- (b) The redemption price payable by the Company for the Company's early redemption (the "**Company Early Redemption Price**") for the Convertible Note shall be the amount equivalent to the sum of (i) the outstanding principal amount of the Convertible Note to be redeemed, (ii) all accrued and unpaid interest from the Issue Date up to (and including) the date of full payment of the Company Early Redemption Price by the Company into such Convertible Noteholder's Bank Account and unpaid default interests (if any) accrued pursuant to Condition 9.5, and (iii) all other outstanding amounts payable by the Company to the Convertible Noteholder under the Transaction Documents.
- (c) The Company Early Redemption Price shall be payable on the date of redemption. The Convertible Noteholder(s) shall return the Convertible Note Certificate(s) to the Company after the full payment by the Company of the Company Early Redemption Price. Upon the full payment of the Company Early Redemption Price, the relevant Convertible Note Certificate(s) will become null and void notwithstanding the relevant Convertible Note Certificate(s) have not been received by the Company.

11.3 Convertible Noteholder's Redemption Rights for Events of Default

A Convertible Noteholder may give a notice of redemption (the "**Convertible Noteholder Redemption Notice**"), the form of which is set out in Exhibit 7, to the Company that the Convertible Note held by the Convertible Noteholder is, and it shall accordingly thereby become, immediately due and repayable at the redemption price in accordance with Condition 11.3 (subject as provided below and without prejudice to the right of the Convertible Noteholder to exercise the Conversion Rights in respect of the Convertible Note in accordance with Condition 8) (the "**Convertible Noteholder Redemption Rights**"), if any of the following events (each an "**Event of Default**") occurs and is continuing:

- (a) the Company fails to deliver the required number of Conversion Shares as and when the Conversion Shares are required to be delivered following conversion of any Convertible Note;

- (b) the Company fails to pay any amount which becomes due in accordance with this Instrument (including, but not limited to, the interest payment);
- (c) any representation or warranty given by the Company in any of the Transaction Documents is inaccurate, misleading or untrue in any respect;
- (d) the Company fails to perform or complies with any provision under any Transaction Document (which non-compliance does not relate to an event set out in any other provisions of this Condition 11.3);
- (e) a distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any part of the property, assets or turnover of the Group;
- (f) an order is made, petition is filed or an effective resolution passed for the winding-up or dissolution or administration of any Group Company (except for a members' voluntary solvent winding-up), except for the purpose of, and followed by, a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Convertible Noteholder, or (ii) in the case of such Group Company, whereby the undertaking and assets of such Group Company are transferred to or otherwise vested in any of the Group Company;
- (g) an encumbrancer takes possession of, or a receiver, manager, administrator, liquidator or other similar officer is appointed for, the whole or any material part of the Property, assets or turnover of the Company or any of its Subsidiaries (as the case may be);
- (h) any step is taken by any Governmental Authority which is likely to result in the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of any Group Company; or any Group Company is prevented from exercising normal control over all or any substantial part of its property, assets and turnover;
- (i) any action, condition or thing (including the obtaining or effecting of any necessary consent, Approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Company lawfully to enter into, exercise its rights and perform and comply with its obligations under, the Convertible Note, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Convertible Note admissible in evidence in the courts of Cayman Islands or Hong Kong is not taken, fulfilled or done;
- (j) it is unlawful for the Company to perform or comply with any one or more of its/his/her obligations under the Transaction Documents;
- (k) the Group fails to comply with or pay any sum due from it under any final judgment or any final order made or given by any court or arbitration institute of competent jurisdiction;
- (l) any occurrence of events which may have a Material Adverse Effect in the opinion of the Noteholders;
- (m) if the trading of the Shares on the Main Board is suspended as a result of any reason, including, without limitation, material adverse market disclosure by the

Company or any disciplinary actions taken by a regulatory body against the Company, and such suspension continues for five (5) consecutive Trading Days or more;

- (n) the Shares cease to be listed or admitted to trading on the Main Board;
- (o) there is, or is agreed to be, any transfer of all or substantially all of the assets of the Group as a whole;
- (p) the Auditors are unable to prepare the audited accounts of the Company or issue an opinion other than an unqualified opinion in respect of such audited accounts which will affect the operation of the Group as a whole;
- (q) save and except with the prior written consent of the Convertible Noteholder(s), any Group Company ceases to carry on the Principal Business; and
- (r) any event occurs which under the laws of any Relevant Jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

11.4 Convertible Noteholder Redemption Price for Event of Default

In the event that a Convertible Noteholder exercises the Convertible Noteholder Redemption Rights, it is entitled to serve the Convertible Noteholder Redemption Notice on the Company and demand the Convertible Note held by the Convertible Noteholder to become due and payable immediately in whole or in part. The redemption price (the "**Convertible Noteholder Redemption Price**") payable by the Company upon the Convertible Noteholder's exercise of its Convertible Noteholder Redemption Rights shall be the amount equivalent to the sum of (i) the outstanding principal amount of its Convertible Note, and (ii) all accrued and unpaid interest from the Issue Date up to (and including) the date of full payment of the Convertible Noteholder Redemption Price by the Company to the Convertible Noteholder's Bank Account calculated in accordance with Condition 5 and unpaid default interests (if any) accrued pursuant to Condition 9.5; and (iii) all other outstanding amounts (if any) payable by the Company to the Convertible Noteholder under the Transaction Documents. The Convertible Noteholder Redemption Price shall be payable within five (5) Business Days after the date of delivery of the Convertible Noteholder Redemption Notice. The Company may collect the Convertible Note Certificate(s) from the Convertible Noteholder after the full payment by the Company of the Convertible Noteholder Redemption Price.

11.5 Binding Effect

A notice of redemption once served by the Convertible Noteholder shall not be revocable and shall constitute binding obligations on the Company and the Convertible Noteholder to complete such redemption in accordance with the terms of this Instrument.

11.6 Proportional Entitlements

Where there is more than one Convertible Noteholder, all amounts payable to the Convertible Noteholders pursuant to any redemption shall be paid to the Convertible Noteholders in proportion to their registered holdings in principal amount of the Convertible Note outstanding in the Register as at the date on which such amounts are paid by the Company.

11.7 Cancellation

The Convertible Note which is redeemed or repurchased by the Company shall forthwith be cancelled by the Company and accordingly may not be re-issued or re-sold.

12. Enforcement

At any time after the Convertible Note has become due and repayable, the Convertible Noteholder may, at its sole discretion, severally and without further notice, take such proceedings against the Company as it may think fit to enforce repayment of the Convertible Note and to enforce the provisions of these Conditions.

13. Modification

13.1 Any modification to this Instrument may be effected only by deed poll, executed by the Company and the Convertible Noteholder, and expressed to be supplemental hereto, and only if it shall first have been sanctioned by a resolution of the Convertible Noteholder.

13.2 A memorandum of every such supplemental deed poll shall be endorsed on this Instrument.

13.3 Notice of every modification to this Instrument shall promptly be given to the Convertible Noteholder.

14. Replacement of Convertible Note Certificate(s)

If any Convertible Note Certificate(s) is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Company and Company's share registrar in Hong Kong may require. Mutilated or defaced Convertible Note Certificates must be surrendered before replacements will be issued.

15. Notices

15.1 Any notice, claim or demand in connection with this Instrument shall be in writing, in English language, and marked "IMPORTANT LEGAL NOTICE" (each a "Notice"), and shall be delivered or sent to the recipient at its/his/her email or address listed below, or address notified to the sender by the recipient for the purposes of this Instrument:

(a) in the case of a Notice to the Company, shall be sent to:

China Parenting Network Holdings Limited 中國育兒網絡控股有限公司

Address: Room 1304, 13/F, Building J, Cloud Security City,
No. 19 Ningshuang Road,
Yu Huatai District,
Nanjing, Jiangsu Province,
the People's Republic of China

Email: ir@corp-ci.com

For the attention of Directors of the Company

(b) in the case of a Notice to the Convertible Noteholder, shall be sent to its address, email address and facsimile number as recorded in the Register.

- 15.2 If any Party that is a natural Person dies, until the Party giving a Notice has received notice in writing of the grant of probate of his/her will or letters of administration of his estate (or equivalent), any Notice so given shall be effectual as if he/she was still living.
- 15.3 Any notice shall be deemed to have been served: (a) if served by hand, when delivered and proof of delivery is obtained by the delivery party, (b) if served by overnight courier, on the next Business Day, or (c) if sent by facsimile, when despatched subject to confirmation of uninterrupted transmission by a transmission report, provided that any notice despatched by facsimile after 5:00 p.m. on any day shall be deemed to have been received at 9:00 a.m. on the next Business Day. Any notice received on a Sunday or public holiday shall be deemed to be received on the next Business Day.
- 16. Governing Law and Jurisdiction**
- 16.1 This Instrument is governed by and is to be construed in accordance with the laws of Hong Kong.
- 16.2 With respect to any dispute, controversy or claim arising out of or relating to this Instrument, including the existence, validity, performance, interpretation, construction, breach or termination thereof or the consequences of its nullity, the Parties hereby irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts.
- 16.3 The Company agrees that any such legal process shall be sufficiently served on it if delivered to the address of its principal place of business in Hong Kong as set out in Condition 15.1.
- 16.4 The Convertible Noteholder irrevocably appoints Titan Capital Asia (HK) Limited of Room 1801, 18/F, Malaysia Building, No. 50 Gloucester Road, Wanchai, Hong Kong as a process agent to receive, for it and on its behalf, service of process in any question, dispute, suit, action or proceedings arising out of or in connection with this Instrument.
- 16.5 If for any reason the Convertible Noteholder's process agent is unable to act as such, the Convertible Noteholder shall promptly notify the Company and forthwith appoint a substitute process agent acceptable to the Company. Without affecting the rights of the Parties or the Company to serve process in any other way permitted by law, the Convertible Noteholder irrevocably consents to service of process given in the manner provided for notices in this Condition.
- 17. General**
- 17.1 In the event that any Governmental Authority challenges the Conditions or the terms of the Transaction Documents and/or any transactions contemplated thereunder, the Parties and the Convertible Noteholder shall work promptly and diligently in good faith to agree on the changes to the terms of such Transaction Documents to the satisfaction of the relevant Governmental Authority so as to effect the original intent and business objectives of the Parties and the Convertible Noteholder to the Transaction Documents as closely as possible in an acceptable manner such that the return to the Convertible Noteholder following the consummation of the transactions contemplated hereunder shall be the same (or as close as possible) as it would have been if the Transaction Documents had been duly implemented.
- 17.2 Each Party shall be responsible for its/his/her respective fees, costs and expenses (including Tax) incurred by it/him/her in connection with the negotiation, execution, delivery and performance of this Instrument and other Transaction Documents and the transactions contemplated hereby and thereby, including its/his/her respective counsel's

fees.

- 17.3 This Instrument and the documents referred to in this Instrument constitute the whole instrument between the Company and the Convertible Noteholder in relation to the subject matter covered and supersede any previous agreement between the Company and the Investor in relation to such matters, which shall cease to have any further effect.
- 17.4 Where under this Instrument any matter is expressed to require the consent, decision, direction, determination, resolution, approval, notice or waiver of the Majority Noteholders, the Company shall serve a written notice to all Convertible Noteholders to request for such consent, decision, direction, determination, resolution, approval, notice or waiver in accordance with the provisions of Condition 15. Such consent, decision, direction, determination, resolution, approval, notice or waiver shall be deemed to be given when a written instrument stating such consent, decision, direction, determination, resolution, approval, notice or waiver and signed by Convertible Noteholders constituting the Majority Noteholders has been submitted to the Company in accordance with the provisions of Condition 15 and such consent, decision, direction, determination, resolution, approval, notice or waiver shall be binding on all Convertible Noteholders.
- 17.5 If any Convertible Noteholder fails to accept or reject a request for a consent, waiver or amendment of or in relation to any of the terms of any Transaction Documents or other vote of the Convertible Noteholder under the terms of this Instrument within ten (10) Business Days (unless the Company agrees to a longer time period in relation to any request) of that request being made (such the Convertible Noteholder being a “Non-Responding Noteholder”), the Non-Responding Noteholder’s outstanding principal amount of its Convertible Note shall not be included for the purpose of calculating the total outstanding principal amount under the Convertible Notes, and the Non-Responding Noteholder will not be treated as a Convertible Noteholder when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of the total outstanding principal amount under the Convertible Notes has been obtained to approve that request.
- 17.6 No waiver of any provision of this Instrument shall be effective unless set forth in a written instrument signed by the party waiving such provision. No failure or delay by a party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Without limiting the foregoing, no waiver by a party of any breach by any other party of any provision hereof shall be deemed to be a waiver of any subsequent breach of that or any other provision hereof. A waiver, express or implied, by any party under this Instrument or any failure to perform or breach by any party shall not constitute or be deemed a waiver of any other rights under this Instrument. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.
- 17.7 No amendment, change or addition hereto shall be effective or binding on the Company or the Convertible Noteholder unless reduced to writing and executed by the Company and the Convertible Noteholder for the time being.
- 17.8 Subject to Condition 4.2, any Convertible Noteholder may assign the rights or obligations under this Instrument and other Transaction Documents to any third party with the consent of the Company. The Company may assign or transfer any of its rights or delegate any of its obligations under this Instrument with the express prior written consent of the Convertible Noteholder. Any purported transfer by any of the Parties in contravention of this Condition shall be null and void ab initio.

- 17.9 Any of the rights, powers, discretions and consents of the Convertible Noteholder under this Instrument may be exercised by its authorised representative appointed from time to time to act on its behalf or by some other party or parties nominated by the Convertible Noteholder for the time being and such authorised representative or Person may enforce such rights directly as if it were a party to this Instrument.
- 17.10 This Instrument may be executed in several counterparts (whether original or facsimile counterparts) and, upon due execution of all such counterparts by one or more Parties, each counterpart shall be deemed to be an original hereof, and all such counterparts shall together constitute one and the same instrument.
- 17.11 If at any time any provision of this Instrument is or becomes invalid, illegal or unenforceable, (a) such provision will be fully severable, (b) this Instrument will be construed and enforced as if such illegal, invalid or unenforceable provision will be severed from this Instrument, and (c) the remaining provisions of this Instrument will remain in full force and effect and will not be affected by the illegal, invalid and unenforceable provision or by its severance herefrom, it being intended that the rights of the Parties and the Convertible Noteholder hereunder shall be enforceable to the fullest extent permitted by Applicable Laws and the economic or legal substance of the transactions contemplated hereby shall be preserved to the fullest extent permitted by Applicable Laws. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties and the Convertible Noteholder shall negotiate in good faith to modify this Instrument so as to effect the original intent of the Parties and the Convertible Noteholder as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.
- 17.12 This Instrument shall inure to the benefit of and be binding upon the Company and the Convertible Noteholder and their respective heirs, successors, legal representatives and permitted assigns. Nothing in this Instrument, expressed or implied, is intended to confer on any Person other than the Company and the Convertible Noteholder, and their respective heirs, successors, legal representatives and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Instrument.
- 17.13 The Company shall give such further assurance, provide such further information, take such further actions and execute and deliver such further documents and instruments as are, in each case, within its power to give, provide and take so as to give full effect to the provisions of this Instrument.
- 17.14 Unless expressly provided to the contrary in this Instrument, other than Convertible Noteholder(s), a Person who is not a Party has no right under the Contracts (Rights of Third Parties) Ordinance (Cap 623 of the laws of Hong Kong) to enforce or to enjoy the benefit of any term of this Instrument.
- 17.15 Notwithstanding any term of this Instrument, the consent of any person who is not a Party is not required to rescind or vary this Instrument at any time.
- 17.16 All payments payable by the Company under this Instrument shall be made inclusive of any Taxation. If any deduction or withholding for or on account of Taxation is required to be made from any payment to the Convertible Noteholder(s), then the Company shall deduct such withholding, deduction, assessment or levy so that each Convertible Noteholder receives the amount of the payments net of such withholding, deduction, assessment or levy.
- 17.17 The Company declares that it is impossible to measure in monetary terms the damages

that would be suffered by the Convertible Noteholder(s) by reason of the failure by it to perform any of the obligations hereunder. Therefore, if the Convertible Noteholder(s) shall institute any action or proceeding to enforce the provisions hereof, the Company hereby waives any claim or defense therein that the Convertible Noteholder(s) has/have an adequate remedy at law. The existence of this right will not preclude the Convertible Noteholder(s) from pursuing any other rights or remedies that they may have at law or in equity.

EXHIBIT 1
Convertible Note Certificate

serial no.: _____

China Parenting Network Holdings Limited 中國育兒網絡控股有限公司
(incorporated in Cayman Islands with limited liability)

HK\$[●] at 8.0 % Redeemable Fixed Coupon Convertible Note forming part of an issue of Convertible Note in the aggregate amount of HK\$[●] constituted by an instrument dated _____ 2023

ISSUED pursuant and subject to and with the benefit of an instrument by way of deed poll (the "Instrument") dated _____ 2023 and executed by China Parenting Network Holdings Limited 中國育兒網絡控股有限公司 (the "Company").

THIS IS TO CERTIFY that [●] is the registered holder(s) of this Convertible Note (this "Convertible Note") represented by this Convertible Note certificate (this "Convertible Note Certificate") and is, at the date hereof, entered in the register of Convertible Noteholders of the Company kept at [●] as the holder of this Convertible Note in the principal amount of HK\$[●]

For value received, the Company promises to pay to the person who appears at the relevant time on the register of Convertible Noteholders of the Company as the holder of this Convertible Note (the "Convertible Noteholder") in respect of which this Convertible Note Certificate is issued, such amount as shall become due in respect of this Convertible Note Certificate and otherwise to comply with the terms under the Instrument.

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

No transfer of the whole or part of this Convertible Note shall be registered unless accompanied by this Convertible Note Certificate.

This Convertible Note Certificate and this Convertible Note are governed by and shall be construed in accordance with the laws of Hong Kong without giving effect to any conflict of the rules governing the substantive laws of any other jurisdictions.

Executed and delivered as a deed poll and given under the common seal of China Parenting Network Holdings Limited 中國育兒網絡控股有限公司.

Dated this day of 2023.

Director

Secretary

Note: This Convertible Note cannot be transferred to bearer on delivery and is only transferable to the extent permitted by the terms and conditions thereof. This Certificate must be delivered to the secretary of the Company for cancellation and reissuance of an appropriate certificate in the event of any such transfer.

EXHIBIT 2
Company Transfer Notice

The undersigned hereby irrevocably notify the Company that it wishes to transfer a principal amount of HK\$[●] of the Convertible Note, and all rights and obligations in respect thereof to in accordance with Condition 4.2 of the Instrument and the terms below.

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

Outstanding Principal Amount of the Convertible Note to be transferred: HK\$[●]

Proposed Transfer Price: [●]

Name of the Proposed Transferee: [●]

Address of the Proposed Transferee: [●]

Dated:

Certifying Signature Name:

Title:

For and on behalf of

[Name of Convertible Noteholder]

Notes:

- (1) *Defined terms used in this notice have the same meanings given to them in the Convertible Note instrument dated _____ 2023 by China Parenting Network Holdings Limited 中國育兒網絡控股有限公司.*
- (2) *The Company shall have the right but not the obligation to redeem the principal amount proposed to be transferred which is exercisable within 10 Business Days from the date of the Company Transfer Notice.*

EXHIBIT 3
Noteholder Transfer Notice

The undersigned hereby irrevocably notify the Convertible Noteholders that it wishes to transfer a principal amount of HK\$[●] of the Convertible Note, and all rights and obligations in respect thereof to in accordance with Condition 4.2 of the Instrument and the terms below.

Outstanding Principal Amount of the Convertible Note to be transferred: HK\$[●]

Proposed Transfer Price: [●]

Name of the Proposed Transferee: [●]

Address of the Proposed Transferee: [●]

Dated:

Certifying Signature Name:

Title:

For and on behalf of

[Name of Convertible Noteholder]

Notes:

(3) Defined terms used in this notice have the same meanings given to them in the Convertible Note instrument dated _____ 2023 by China Parenting Network Holdings Limited 中國育兒網絡控股有限公司.

(4) The Convertible Noteholders shall have the right but not the obligation to redeem the principal amount proposed to be transferred on a pro rata basis in proportion to their respective outstanding principal amount which is exercisable within 10 Business Days from the date of the Noteholder Transfer Notice.

EXHIBIT 4
Transfer Form

(Being the Convertible Note of an aggregate principal amount of not more than HK\$[●] (the “Convertible Note”) issued pursuant to the Constitutional Documents of China Parenting Network Holdings Limited 中國育兒網絡控股有限公司 (the “Company”) as authorised by a resolution of the board of directors of the Company passed on [●] 2023).

FOR VALUE RECEIVED the undersigned hereby transfers a principal amount of HK\$[●] of the Convertible Note in respect of which this Convertible Note Certificate is issued, and all rights and obligations in respect thereof to

.....

.....

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE)

All payments in respect of the Convertible Note hereby transferred are to be made (unless otherwise instructed by the transferor) to the following account:

Name of bank:

[HK\$] account number:

For the account of:

The Transferee hereby requests the Company to despatch the new certificate(s) for the outstanding principal amount of the Convertible Note transferred pursuant to this Transfer Form by uninsured mail (at my/our risk) to the following person and address:

Name:

Address:

The Transferee hereby acknowledges having notice of all the provisions contained in the Terms and Conditions of the Convertible Note (and any instruments supplemental thereto).

Dated:

Certifying Signature

Transferor's Name:

Transferee's Name:

Transferor's authorized signature:

Transferee's authorized signature:

Witness to Transferor's signature:

Witness to Transferee's signature:

Notes:

- (a) *A representative of the holder of this Convertible Note should state the capacity in which he signs, e.g. executor.*
- (b) *In the case of joint holders, all joint holders must sign this Transfer Form.*
- (c) *The signature of the person effecting a transfer shall conform to any list of duly authorised specimen signatures supplied by the registered holder or be certified by a notary public or in such other manner as the Company may require.*
- (d) *This Transfer Form should be dated as of the date it is deposited with the Company.*
- (e) *In the case where the Transferee is an individual, the Transferee consents to the use of any personal data thereof (as the same is defined under the Personal Data (Privacy) Ordinance, Chapter 486 of the Laws of Hong Kong (the "**Ordinance**") collected by the Company to the extent such use is compliant with the Ordinance.*

EXHIBIT 5
Conversion Notice

(Being the Convertible Note of aggregate principal amount of not more than HK\$[●] (the “Convertible Note”) issued pursuant to the Constitutional Documents of China Parenting Network Holdings Limited 中國育兒網絡控股有限公司 (the “Company”) as authorised by a resolution of the board of directors of the Company passed on [●] 2023)

This is a Conversion Notice.

The undersigned hereby irrevocably requires the Company to convert the entire outstanding principal amount of the Convertible Note specified below into the Shares in accordance with the Conditions and the terms below.

Outstanding principal amount of the Convertible Note to be converted:

Conversion Price in Effect:

Number of Conversion Shares:

Name in which Shares to be registered:

Address of registered shareholder:

[Delivery instructions: Name:

Address:

Other:

I/We hereby request the Company to:

despatch the new certificate(s) of the new Shares required to be delivered upon conversion, be despatched by uninsured mail (at my/our risk) to the following person and address:

Name:

Address:

I/We irrevocably and unconditionally agree to accept all the fully paid ordinary Shares in the capital of the Company to be issued pursuant hereto subject to the Constitutional Documents of the Company.

Dated:

Certifying Signature Name:
or

[Delivery instructions:

I/We hereby request that Company effectuate book entry settlement of the Conversion Shares in accordance with Condition 8.2 of the Instrument to the credit of the following CCASS stock account:

Account Bank:
Account Number:
Account Holder:
Notes:

- (1) *The Conversion Date shall be any day during the Conversion Period.*
- (2) *Defined terms used in this Notice have the same meanings given to them in the instrument constituting the Convertible Note executed by the Company dated _____ 2023.*
- (3) *To exercise the Conversion Rights attached to any Convertible Note, the converting Convertible Noteholder must complete, execute and deposit at his own expense during normal business hours at the principal place of business of the Company the Conversion Notice, together with (a) the relevant Certificate, and (b) a cashier's order drawn on a licensed bank in Hong Kong or wire transfer. Upon the giving of this notice to the Company, you are deemed to represent and warrant that you have or will promptly pay all of the taxes on terms set out in Condition 8.2(b).*
- (4) *Where applicable, despatch of share certificates will be made at the risk and expense of the converting Convertible Noteholder and the converting Convertible Noteholder will be required to submit any necessary documents required in order to effect despatch in the manner specified.*
- (5) *In the case where the converting Convertible Noteholder is an individual, the converting Convertible Noteholder consents to the use of any personal data thereof (as the same is defined under the Personal Data (Privacy) Ordinance, Chapter 486 of the Laws of Hong Kong (the "Ordinance")) collected by the Company as specified in the data collection policy on its website and to the extent such use is compliant with the Ordinance.*

EXHIBIT 6
Convertible Noteholder Redemption Notice

The undersigned hereby irrevocably requires the Company to redeem the entire outstanding principal amount of the Convertible Note specified below in accordance with Condition 11.3 of the Instrument and the terms below.

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

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

Noteholder Redemption Price: [●]

Name of Convertible Noteholder:

Address of Convertible Noteholder:

Payment instructions:

Dated:

Certifying Signature Name:

Title:

For and on behalf of

[Name of Convertible Noteholder]

Notes:

- (1) *Defined terms used in this notice have the same meanings given to them in the Convertible Note instrument dated _____ 2023 by China Parenting Network Holdings Limited 中國育兒網絡控股有限公司.*
- (2) *The Convertible Noteholder Redemption Price specified above is calculated based on the assumption that payment of the Convertible Noteholder Redemption Price will be made on the date of the Convertible Noteholder Redemption Notice.*