

DATE: 8 October 2018

CHINA HEALTHWISE HOLDINGS LIMITED
(as the Company)

AND

HENG TAI FINANCE LIMITED
(as the Subscriber)

SUBSCRIPTION AGREEMENT
relating to the subscription and issue of
an unsecured bond with conditional convertible right
in an aggregate principal amount of HK\$120,000,000 of
CHINA HEALTHWISE HOLDINGS LIMITED due 2020

THIS SUBSCRIPTION AGREEMENT is dated

BETWEEN:

1. **CHINA HEALTHWISE HOLDINGS LIMITED**, a company incorporated in the Cayman Islands with limited liability and having its principal place of business at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong (the “**Company**”).
2. **HENG TAI FINANCE LIMITED**, a company incorporated in Hong Kong with limited liability and having its principal place of business at 31/F., Guangdong Finance Building, 88 Connaught Road West, Sheung Wan, Hong Kong (the “**Subscriber**”).

WHEREAS:

- (A) As at the date hereof, the Company has an authorised share capital of HK\$1,500,000,000 divided into 15,000,000,000 Shares and US\$4,000,000 divided into 40 preference shares of US\$100,000 each, of which 8,521,308,360 Shares are issued and are fully paid or credited as fully-paid. The issued Shares are listed on the Main Board of the Stock Exchange.
- (B) The Company has conditionally agreed to issue the Bond and the Subscriber has conditionally agreed to subscribe or procure subscription for the Bond upon and subject to the terms and conditions set out in this Agreement and the Conditions.

NOW IT IS HEREBY AGREED:

1. **INTERPRETATION**

- 1.1 In this Agreement, including the Recitals and the Schedules, the following expressions shall, unless the context otherwise requires, have the following meanings:

“Accounts”	the audited consolidated financial statements of the Group for the year ended the Accounts Date (including the notes thereto and together with the reports and other documents required by law or relevant accounting standards or practice to be annexed or attached to them), a copy of which is attached hereto and marked “A”;
“Accounts Date”	31 March 2018;
“associate”	has the meaning as ascribed to it under the Listing Rules;
“Bond”	initially a straight bond, but subject to the satisfaction of the CB Conditions Precedent on or before the CB Long Stop Date to automatically become a convertible bond, in an aggregate principal amount of HK\$120,000,000 to be issued by the Company pursuant to this Agreement with the benefit and subject to the provisions of the Conditions;

“Bond Conditions Precedent”	the conditions precedent set out in Clause 3.1;
“Business Day”	any day (excluding a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours;
“CB Conditions Precedent”	the conditions precedent set out in Clause 4A.1;
“CB Long Stop Date”	60 days following the date of this Agreement, or such other date to be agreed between the Company and the Subscriber in writing
“Certificate”	a certificate in or substantially in the form set out in Schedule 1 of the Instrument to be issued in the name of the holder of the Bond;
“Conditions”	the terms and conditions to be attached to or form part of the Bond (with such amendments thereto as the parties hereto may agree) and the Instrument, and “Condition” refers to the relative numbered paragraph of the Conditions;
“Conditions Precedent”	the Bond Conditions Precedent and the CB Conditions Precedent;
“Conversion Period”	subject to the satisfaction of the CB Conditions Precedent, the period commencing 60 days following the date of issue of the Instrument constituting the Bond up to 4:00 pm (Hong Kong time) immediately prior to and exclusive of the Maturity Date;
“Conversion Price”	the conversion price at which the Bond is to be converted into a Conversion Share, which shall be HK\$0.1 per Conversion Share, subject to the adjustments as set out in clause 7 of the Instrument;
“Conversion Rights”	subject to the satisfaction of the CB Conditions Precedent, the conditional rights attached to the Bond to convert the principal amount (or any part(s) thereof) of the Bond into Conversion Shares at the Conversion Price during the Conversion Period, subject to the Conditions;
“Conversion Shares”	the new Shares to be allotted and issued by the Company under the Bond upon exercise of the Conversion Rights,

subject to the Conditions, or otherwise pursuant to the Conditions;

“Director”	director of the Company;
“Disclosed”	disclosed in a fair and accurate manner (i) elsewhere in this Agreement (including the Schedules); (ii) in the Accounts or any previously published audited or unaudited accounts of the Company; (iii) in the announcements of the Company issued between the date of the publication of the Accounts and the date of this Agreement, in the event of the documents in (ii) and (iii), to the extent that copies of the documents referred to have been supplied to the Subscriber prior to the date of this Agreement; or (iv) in the published interim or annual report of the Company;
“Encumbrances”	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation, equities, adverse claims, or other encumbrances, priority or security interest, deferred purchase, title retention, leasing, sale-and-purchase, sale-and-leaseback arrangement over or in any property, assets or rights of whatsoever nature or interest or any agreement for any of same;
“Event of Default”	each of the events listed in Clause 8B of the Instrument as set out in Schedule 1
“Group”	the Company and its Subsidiaries and “Group Company” , “members of the Group” and cognate expressions shall be construed accordingly;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Instrument”	the instrument to be executed by the Company by way of a deed poll constituting the Bond to be issued upon completion of the Subscription substantially in the form set out in Schedule 1 (subject to such amendments as the Subscriber and the Company may reasonably agree), together with the schedules (as from time to time altered in accordance with the instrument) and any other documents executed in accordance with the instrument (as from time to time so altered) and expressed to be supplemental to the instrument;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“PRC”	the People’s Republic of China;
“EGM”	the extraordinary general meeting of the Company to be convened and held at which resolutions will be proposed to consider and, if thought fit, to approve the granting of the Specific Mandate and the Conversion Rights attached to the Bond;
“Shares”	the ordinary shares of HK\$0.10 each in the share capital of the Company existing on the date of this Agreement and all other (if any) stock or shares from time to time and for the time being ranking pari passu therewith and all other (if any) shares or stock in the share capital of the Company resulting from any sub-division, consolidation or re-classification thereof;
“Shareholders”	the holders of the issued Shares;
"Specific Mandate"	the specific mandate for the allotment and issuance of the Conversion Shares to be granted to the Directors by the Shareholders at the EGM;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription of the Bond by the Subscriber to subscribe for the Bond in the principal amount of HK\$120,000,000 pursuant to the terms and conditions of this Agreement;
“Subsidiary”	any company or other business entity of which the Company owns or controls or proposes to own or control (either directly or through one or more other Subsidiaries) 50 per cent. or more of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers, trustees or other governing body of such company or other business entity or any company or other business entity which at any time has its accounts consolidated with those of the Company (where appropriate) or which, under Hong Kong law, regulations in Hong Kong or Hong Kong Financial Reporting Standards from time to time, should have its accounts consolidated with those of the Company (where appropriate) or would be so required on completion of the relevant acquisition or subscription;
“Taxation”	all forms of taxation, including taxation in Hong Kong or elsewhere and all forms of profits tax (income tax), interest tax, value added tax, stamp duty and all levies, imposts, duties, charges, fees, deductions and

withholdings whatsoever charged or imposed by any statutory, governmental, state, federal, provincial, local or municipal authority whatsoever whether on or in respect of profits, income, revenue, sales, trading, the use, ownership or licensing to or from any person of tangible or intangible assets and the carrying on of other activities, including any fines, interests or other payments relating to taxes, the loss of relief and exemption from and the loss of right of repayment or credit of any tax already paid, and the expression “Tax” shall be construed accordingly;

“Warranties” the representations, warranties and undertakings of the Company contained in Clause 5 and Schedule 3 and otherwise set out in this Agreement and the Schedules; and

“HK\$” and “cents” Hong Kong dollars and cents, respectively.

- 1.2 In this Agreement, unless the context otherwise requires, any reference to a **“Clause”** or a **“Schedule”** is a reference to a clause of and a schedule to this Agreement and, unless otherwise indicated, includes all the sub-clauses of that clause.
- 1.3 In this Agreement, words importing the singular include the plural and vice versa, words importing gender include both genders and the neuter and references to persons include bodies corporate or unincorporate.
- 1.4 The headings in this Agreement are for convenience only and shall not affect its interpretation.
- 1.5 References to statutory provisions shall be construed as references to those provisions as respectively amended or re-enacted (whether before or after the date hereof) from time to time and shall include any provision of which they are re-enactments (whether with or without modification) and any subordinate legislation made under provisions.
- 1.6 A reference to a statute or statutory provision includes a reference:
 - 1.6.1 to the statute or provision as from time to time modified or re-enacted;
 - 1.6.2 to any repealed statute or statutory provision which it re-enacts (with or without modification); and
 - 1.6.3 to any orders, regulations, instruments or other subordinate legislation made under the relevant statute or statutory provision.
- 1.7 The definitions adopted in the recitals and introductory statements preceding this Clause apply throughout this Agreement and Schedules.

2. SUBSCRIPTION FOR THE BOND

- 2.1 Subject to the terms and conditions of this Agreement and the Instrument, the Company shall issue and the Subscriber shall subscribe or procure the subscription by its nominee(s) of the Bond in an aggregate principal amount of HK\$120,000,000 at its face value.

3. **BOND CONDITIONS PRECEDENT**

- 3.1 The obligations of the parties hereto to effect the Subscription shall be conditional upon:
- (a) the publication of an announcement by each of the Company and the Subscriber (or its parent company if it is a subsidiary of a company listed on a stock exchange) in relation to this Agreement and the subscription of the Bond;
 - (b) the Warranties remaining true, accurate and complete in all material respects and not misleading in any material respect; and
 - (c) all necessary consents and approvals required to be obtained on the part of the Company and the Subscriber (including approval by the shareholders of the Company and/or the Subscriber, if necessary) in respect of this Agreement and the transactions contemplated hereby having been obtained other than the CB Conditions Precedent.
- 3.2 Each of the Subscriber and the Company shall use its best endeavours to procure the fulfillment of all the Bond Conditions Precedent as soon as practicable and in any event on or before 16 October 2018 (or such other date as may be agreed by the Company and the Subscriber in writing). The Company shall forthwith notify the Subscriber by notice in writing upon the fulfillment of any of the Bond Conditions Precedent and shall produce evidence in relation thereto to the Subscriber's absolute satisfaction. Each of the Subscriber and the Company hereby undertakes to the other of that it shall procure that all information and documents required pursuant to the Listing Rules and other applicable rules, codes and regulations whether in connection with the preparation of all circulars, reports, documents, independent advice or otherwise are duly given promptly to the other of them, the Stock Exchange and other relevant regulatory authorities.
- 3.3 If the Conditions Precedent are not fulfilled on or before 16 October 2018 (or such other date as may be agreed by the Company and the Subscriber in writing), this Agreement (save and except Clauses 8, 9, 16 and 18) shall lapse and become null and void and the parties shall be released from all obligations hereunder (save and except Clauses 8, 9, 16 and 18), save for any liability arising out of any antecedent breaches hereof.

4. **COMPLETION**

- 4.1 Completion of the Subscription shall take place at the office of the Company at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong on the date falling on or before the second Business Day (or such other date as may be agreed by the Company and the Subscriber in writing) after the fulfillment of the Bond Conditions Precedent at which each party shall perform its obligations in Schedule 2.

4A. **CB CONDITIONS PRECEDENT**

4A.1 Upon signing of this Agreement, the Company has undertaken to use its best endeavour to fulfil the following conditions:

- (a) the passing by the Shareholders at the EGM of the necessary resolutions to approve the Specific Mandate and the Conversion Rights;
- (b) the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, the Conversion Shares; and
- (c) all other necessary consents and approvals required to be obtained on the part of the Company in respect of the Specific Mandate and the Conversion Rights having been obtained.

4A.2 The Company shall use its best endeavours to procure the fulfillment of all the CB Conditions Precedent as soon as practicable and in any event on or before the CB Long Stop Date. The Company shall forthwith notify the Subscriber by notice in writing upon the fulfillment of any of the CB Conditions Precedent and shall produce evidence in relation thereto to the Subscriber's absolute satisfaction, including but not limited to:

- (a) a copy minutes of the EGM certified by a Director containing necessary resolutions approving the Specific Mandate and the Conversion Rights;
- (b) a copy letter from the Stock Exchange granting the listing approval of the Conversion Shares; and
- (c) a copy minutes of the board of directors of the Company confirming and approving automatic conversion of the Bond from a straight bond into a convertible bond.

The Company hereby undertakes to the Subscriber that it shall procure that all information and documents required pursuant to the Listing Rules and other applicable rules, codes and regulations whether in connection with the preparation of all circulars, reports, documents, independent advice or otherwise are duly given promptly to the Stock Exchange and other relevant regulatory authorities and that all such information and documents shall contain no misleading or incomplete information relating to the Bond, the Subscriber and the terms of this Agreement.

4A.3 Upon the Company having used its best endeavours to procure the fulfillment of all the CB Conditions Precedent but the CB Conditions Precedent are not fulfilled by the CB Long Stop Date, the Company shall on the Business Day immediately following the CB Long Stop Date notify the Subscriber by notice in writing that the CB Conditions Precedent has not been fulfilled and shall produce evidence in relation thereto to the Subscriber's absolute satisfaction, including but not limited to:

- (a) a copy minutes of the EGM certified by a Director containing necessary resolutions approving the Specific Mandate and the Conversion Rights have not been passed; and/or
- (b) a copy letter from the Stock Exchange refusing the grant of the listing approval of the Conversion Shares with reasons and/or conditions and evidence that the

Company has used its best endeavours to procure, but was unable to fulfil any of such reasons and/or conditions.

- 4A.4 For the avoidance of doubt, if any of the CB Conditions Precedent are not satisfied by the CB Long Stop Date, the Bond shall unconditionally become a straight bond and all terms and conditions under the Instrument constituting the Bond relating to any Conversion Rights shall be deemed never have become operational.
- 4A.5 Further for the avoidance of doubt, if the CB Conditions Precedent are satisfied on or before the CB Long Stop Date, the Conversion Rights attached to the Bond shall become unconditional and irrevocable, and any failure by the Company to produce evidence to the Subscriber under Clause 4A.2 above shall not affect the Conversion Rights.

5. **REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS BY THE COMPANY**

- 5.1 The Company hereby represents, warrants and undertakes to the Subscriber that the Warranties are true and correct in all material respects and not misleading in any material respects as at the date of this Agreement and will continue to be so up to and including the time of the completion of the Subscription.
- 5.2 Subject to clause 6.2, the Company undertakes to notify the Subscriber as soon as reasonably practicable on any matter or event coming to its attention prior to the completion of the Subscription which shows or could reasonably be expected to cause any of the Warranties to be or to have been untrue or misleading in any material respect or which may have any material adverse effect on the assets or liabilities of the Company.
- 5.3 The Company hereby agrees and acknowledges that the Subscriber is entering into this Agreement in reliance on the Warranties notwithstanding any enquiries or investigations which the Subscriber may have conducted and notwithstanding anything of which the Subscriber may or ought to have knowledge or notice, and the Subscriber is entitled to treat such representations and warranties as conditions of the Agreement.
- 5.4 Each of the Warranties shall be construed as an independent and separate warranty and shall not be limited or restricted by reference to or inference from the terms of this Agreement or any matter Disclosed. Each of the Warranties is without prejudice to any other Warranty and, except where expressly or otherwise stated, no provision in any Warranty shall govern or limit the extent or application of any other provision in any Warranty.
- 5.5 The Warranties shall survive at the completion of the Subscription and the rights and remedies of the Subscriber in respect of any breach of the Warranties shall not be affected by the completion of the Subscription or by the Subscriber rescinding, or failing to rescind this Agreement, or failing to exercise or delaying the exercise of any right or remedy, or by any other event or matter whatsoever, except a specific and duly authorised written waiver or release and no single or partial exercise of any right or remedy shall preclude any further or other exercise.

5.6 The Subscriber shall be entitled to take action both before and after the completion of the Subscription in respect of any breach or non-fulfillment of any of the Warranties and the completion of the Subscription shall not in any way constitute a waiver of any right of the Subscriber.

5.7 The Company undertakes in relation to any Warranty which refers to the knowledge, information or belief of the Company that it, with its best endeavours, has made enquiry into the subject matter of that Warranty and that it does not have the knowledge, information or belief that the subject matter of that Warranty may not be correct, complete or accurate in any material respect.

6. **REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS BY THE SUBSCRIBER**

6.1 The Subscriber hereby represents, warrants and undertakes that as at the date hereof and as at the completion of the Subscription:

(a) it is duly incorporated and validly existing under the laws of its place of incorporation and has the authority to enter into and perform this Agreement and that in entering into this Agreement and in performing its obligations hereunder (including the holding of the Bond and the exercising of its rights thereunder) it does not and shall not do so in breach of any applicable legislation; and

(b) this Agreement constitutes valid, binding and enforceable obligations of the Subscriber.

6.2 The Subscriber hereby agrees and acknowledges that the Company is entering into this Agreement in reliance on the representations and warranties made by it under Clause 5. However, save and except as expressly stipulated in Clause 6.1, the Company hereby expressly acknowledges and agrees that the Subscriber has not, and shall not be deemed to have, given any representations, warranties or undertakings in relation to any and all of the transactions contemplated in this Agreement and any and all such representations, warranties and undertakings are hereby expressly excluded.

6A. **TERMINATION**

6A.1 Without prejudice to the generality of this Clause 6A, the Subscriber may, by notice to the Company given at any time prior to the completion of the Subscription, terminate this Agreement in any of the following circumstances:

(a) in the reasonable opinion of the Subscriber, the success of the Subscription would be materially and adversely affected by:

(i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Subscriber materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Subscription; or

- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Subscriber materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and makes it inexpedient or inadvisable to proceed with the Subscription; or
- (iii) any material breach of any of the representations, warranties or undertakings contained in Clause 5 above comes to the knowledge of the Subscriber.

6A.2 If at any time prior to the completion of the Subscription any such notice as is referred to above is given by the Subscriber, the obligations of all parties under this Agreement (save and except Clauses 8, 9, 16 and 18 which shall remain in full force and effect) shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

6A.3 Termination of this Agreement under this Clause 6A shall be without prejudice to any rights of any party in respect of any breach by the other prior to such termination.

7. ACCESS TO INFORMATION

The Company shall procure that, pending the completion of the Subscription, the Subscriber, their agents, representatives and professional advisers are given promptly on reasonably advance request (subject to execution by them of a non-disclosure agreement in the agreed form) access to material facilities and information regarding the business, assets, liabilities, contracts and affairs of the Group and other evidence of ownership of the assets owned by the Group as the Subscriber may require.

8. NOTICES

8.1 Each notice, demand or other communication given, made or serve under this Agreement shall be in writing and delivered or sent to the relevant party by prepaid postage (by airmail if to another country), facsimile transmission or personal delivery to its address or fax number as set out below (or such other address or fax number as the addresses has by five (5) days' prior written notice specified to the other parties):

To the Company: China Healthwise Holdings Limited
Address: Unit 1209
Shun Tak Centre, West Tower
168-200 Connaught Road Central, Hong Kong
Fax Number: (852) 2548-5575
Attention: Mr. Tse Chi Keung

To the Subscriber: Heng Tai Finance Limited
Address: 31/F., Guangdong Finance Building,
88 Connaught Road West, Sheung Wan, HK
Fax Number: (852) 2628 0090
Attention: Mr. Lam Kwok Hing, Director

- 8.2 Each notice, demand or other communication given, made or serve under this Agreement shall be deemed to have been given and received by the relevant parties (i) within two (2) days after the date of posting, if sent by local mail; four (4) days after the date of posting, if sent by airmail; (ii) when delivered, if delivered by hand; and (iii) on despatch, if sent by facsimile transmission.

9. **COSTS AND EXPENSES**

Each party shall bear its own costs and expenses (if any) incurred by it in connection with the preparation, negotiation and settlement of this Agreement. Capital fees, stamp duty and all other fees and duties (if any) relating to the issue and delivery of the Bond, fulfillment of the Conditions Precedent, allotment and issue of the Conversion Shares and fulfillment of all obligations under the Bond shall be borne by the Company.

10. **FURTHER ASSURANCE**

The Company shall, at its own cost and expenses, execute, do and perform or procure to be executed, done and performed by other necessary parties all such further acts, agreements, assignments, assurances, deeds and documents as the Subscriber may reasonably require to give effect to the provisions of this Agreement.

11. **TIME AND NO WAIVER**

Time shall in every respect be of the essence of this Agreement but no failure on the part of any party hereto to exercise, and no delay on its part in exercising any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise of it or the exercise of any other right(s) or prejudice or affect any right(s) against any other parties hereto under the same liability, whether joint, several or otherwise. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

12. **INVALIDITY**

If at any time any one or more of the provisions of this Agreement is/are or become(s) illegal, invalid or unenforceable in any respect under laws of any jurisdiction, the legality, validity or enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

13. **AMENDMENTS**

This Agreement shall not be amended, supplemented or modified except by instrument in writing signed by each of the parties hereto.

14. **ASSIGNMENT**

This Agreement shall be binding on and enure to the benefit of each party hereto and its respective successors and permitted assigns provided that none of the parties hereto shall assign or transfer or purport to assign or transfer any of its rights or obligations hereunder without the prior written consent of the other parties.

15. **ENTIRE AGREEMENT**

This Agreement constitutes an entire agreement between the parties hereto with respect to the matters dealt with herein and supersedes any previous agreements, arrangements, statements or transactions between the parties hereto in relation to the subject matters hereof.

16. **RESTRICTION ON ANNOUNCEMENTS AND NON DISCLOSURE**

- 16.1 Each of the parties undertakes to the other that it will not, at any time after the date of this Agreement, divulge or communicate to any person other than to its professional advisers, or when required by law or any rule of any relevant stock exchange body, or to its respective officers or employees whose province it is to know the same any confidential information concerning the business, accounts, finance or contractual arrangements or other dealings, transactions or affairs of the other which may be within or may come to its knowledge and it shall use its best endeavours to prevent the publication or disclosure of any such confidential information concerning such matters.
- 16.2 No public announcement or communication of any kind shall be made in respect of the subject matter of this Agreement unless specifically agreed between the parties or unless an announcement is required pursuant to the applicable law and the regulations or the requirements of the Stock Exchange or any other regulatory body or authority. Any announcement by any party required to be made pursuant to any relevant law or regulation or the requirements of the Stock Exchange or any other regulatory body or authority shall be issued only after such prior consultation with the other party as is reasonably practicable in the circumstances.
- 16.3 The Subscriber acknowledges that it may be provided with certain information concerning the Group. The Subscriber undertakes to treat any information of whatsoever nature (whether oral or written) concerning the Group (whether prepared by the Group, its existing or past advisors or otherwise) which is furnished to the Subscriber by the Group or on behalf of the Group by any third parties with the consent of the Group or to which the Subscriber is allowed access or any study or report produced on the basis of, or referring to, such information (herein collectively referred to as the "Confidential Information") with confidentiality. Without prejudice to the generality of the foregoing provisions, the term "Confidential Information" does not include information which (i) was within your possession or was known to you, prior to it being furnished to you by or on behalf of the Group pursuant here to, provided that such information is not known to the Subscriber to be subject to another

confidentiality agreement with the Group, or (ii) becomes generally available to the public other than as a result of a disclosure by the Subscriber or its directors, officers, employees, agents or advisors; or (iii) is disclosed in order to comply with laws or legal process.

The Subscriber agrees that the Confidential Information is and shall remain proprietary to the Group and that, without prejudice to the generality of the foregoing, it shall not use any of the Confidential Information, either alone or together with any other person, in any other furtherance of the Subscriber's business or the business of anyone else or for any other purpose, whether or not in competition with the Group. The Subscriber further agrees that such information will be kept strictly confidential by it and its agents.

17. **COUNTERPARTS**

This Agreement may be executed by the parties hereto in any number of counterparts and on separate counterparts, each of which when so executed shall be deemed an original but all of which shall constitute one and the same instrument and be binding on all parties.

18. **GOVERNING LAW AND JURISDICTION**

This Agreement is governed by and shall be construed in accordance with Hong Kong law and each party hereby submits to the non-exclusive jurisdiction of the courts of Hong Kong as regards any claim or matter arising under this Agreement.

19. **THIRD PARTY RIGHTS**

- 19.1 Unless expressly provided to the contrary in this Agreement, a person who is not a party to this Agreement (or a permitted assignee) has no right under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce or to enjoy the benefit of any term of this Agreement. Further, unless expressly provided to the contrary in this Agreement, a person who is not a party may not assign or otherwise transfer any of its rights under this Agreement to any other person without the prior written consent of the parties to this Agreement.
- 19.2 Notwithstanding any term of this Agreement, the consent of any third person who is not a party is not required to rescind or vary this Agreement at any time unless otherwise required by law.

SCHEDULE 1

The Instrument

Dated [] 2018

CHINA HEALTHWISE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

INSTRUMENT

relating to

An Unsecured Bond with conditional Convertible Right in an aggregate principal amount of
HK\$120,000,000

in registered form and, subject to satisfaction of certain conditions, may become convertible
into ordinary shares in the capital of

CHINA HEALTHWISE HOLDINGS LIMITED

due 2020

THIS INSTRUMENT is executed by way of Deed Poll on [] 2018 by **CHINA HEALTHWISE HOLDINGS LIMITED** (“**Company**”), a company incorporated in the Cayman Islands with limited liability and having its principal place of business is at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong.

WHEREAS:

- (A) By a subscription agreement (the “**Agreement**”) dated 8 October 2018 entered into between Heng Tai Finance Limited (the “**Subscriber**”) and the Company, the Subscriber shall subscribe and the Company shall create and issue, initially a straight bond, but subject to the satisfaction of the CB Conditions Precedent, to automatically become a convertible bond in an aggregate principal amount of HK\$120,000,000 to the Subscriber.
- (B) The Company is entering into this Instrument by way of deed poll in order to define the rights and interests of the Bondholder.

NOW THIS INSTRUMENT WITNESSES and the Company hereby declares as follows:

1. **DEFINITIONS**

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

“Bondholder”	the holder in whose name the Bond is registered in the Register, and “ holder ” in relation to the Bond shall have the corresponding meaning
“Bond”	initially a straight bond, but subject to the satisfaction of certain conditions, to automatically become a convertible bond in registered form comprising an aggregate principal amount of HK\$120,000,000 constituted by this Instrument and for the time being outstanding or, as the context may require, any amount of them
“Business Day”	any day (excluding a Saturday, Sunday and public holiday) on which banks in Hong Kong are open for business throughout their normal business hours
“CB Conditions Precedent”	the conditions precedent set out in clause 4A.1 of the Agreement
“CB Long Stop Date”	has the meaning as defined in the Agreement
“Certificate”	a certificate in or substantially in the form set out in <u>the Schedule</u> issued in the name of the Bondholder in respect of its registered holdings of the Bond
“Code”	the Code on Takeovers and Mergers

“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Conditions”	terms and conditions endorsed on the Bond in definitive form as they may from time to time be modified in accordance with their provisions and/or of this Instrument, and reference in this Instrument to a particular numbered Condition shall be construed accordingly
“Conversion Date”	has the meaning assigned in <u>Condition 5(D)</u>
“Conversion Period”	subject to the satisfaction of the CB Conditions Precedent, the period commencing 60 days following the date of the issue of this Instrument constituting the Bond up to 4:00 pm (Hong Kong time) immediately prior to and exclusive of the Maturity Date
“Conversion Price”	the conversion price per Share determined in accordance with <u>Clause 6.3</u> , subject to adjustments in accordance with <u>Clause 7</u>
“Conversion Rights”	Subject to the satisfaction of the CB Conditions Precedent, the rights of the Bondholder to convert the principal amount outstanding under the Bond registered in its names into Shares during the Conversion Period, subject to the Conditions
“Conversion Share(s)”	new Share(s) to be allotted and issued upon an exercise of the Conversion Rights, subject to the Conditions
“Default Redemption Amount”	has the meaning as defined in Clause 9.5
“HK\$” and “Hong Kong dollars”	the lawful currency for the time being of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of The People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Listing Rules”	Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Material Adverse Effect”	<p>means a material adverse effect on:</p> <ul style="list-style-type: none"> (a) the business, operations, prospect, property or condition (financial or otherwise) of the Company and/or the Group taken as a whole; (b) the ability of the Company to perform its obligations under the Agreement or the Bond; or (c) the validity or enforceability of the Agreement or the Instrument or the rights or remedies of any holder of the Bond.
“Maturity Date”	the second anniversary of the date of issue of the Bond
“outstanding”	<p>the amount of the Bond issued other than:</p> <ul style="list-style-type: none"> (a) those which have been redeemed or in respect of which Conversion Rights have been exercised or which have been cancelled in accordance with the Conditions; (b) those in respect of which the redemption moneys have been duly paid to the Bondholder or on its behalf; (c) those mutilated or defaced Bond which have been surrendered in exchange for replacement Bond pursuant to <u>Condition 10</u>; (d) (for the purpose only of determining the amount of the Bond that is outstanding and without prejudice to their status for any other purpose) the Bond alleged to have been lost, stolen or destroyed and in respect of which replacement Bond have been issued pursuant to <u>Condition 10</u>; (e) those which have been cancelled as provided in <u>Condition 7</u>
“Register”	the register of the Bondholders required to be maintained pursuant to <u>Clause 10</u>
“Registrar”	until a professional registrar is appointed by the Company pursuant to the terms of this Instrument,

the Company and any successor registrar appointed by the Company

“EGM” the extraordinary general meeting of the Company to be convened and held at which resolutions will be proposed to consider and, if thought fit, to approve the granting of the Specific Mandate and the Conversion Rights attached to the Bond;

“Shareholders” holders of the issued Shares

“Shares” ordinary shares of par value HK\$0.10 each in the capital of the Company as at the date of this Instrument, or shares of any class or classes resulting from any sub-division, consolidation or re-classification of such shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or distribution of the Company

“Specific Mandate” the specific mandate for the allotment and issuance of the Conversion Shares to be granted to the Directors by the Shareholders at the EGM;

“Specified Office” the principal office of the Company in Hong Kong specified at the back of the Certificate or any other office notified to the Bondholder pursuant to Condition 11

“this Instrument” this instrument, the schedule (as from time to time may be altered in accordance with this Instrument) and any other document executed in accordance with this instrument (as from time to time may be so altered) and expressed to be supplemental to this Instrument

1.2 In this Instrument, and unless the context otherwise requires:

- (a) references to Recitals, Clauses, Sub-clauses and Schedule are to the recitals, clauses and sub-clauses of and the schedule to this Instrument;
- (b) reference to a Sub-clause is, unless otherwise stated, to the sub-clause of the Clause in which the reference appears;
- (c) reference to a paragraph is to the paragraph of the Schedule in which the reference appears;
- (d) the Schedule forms part of this Instrument;

- (e) reference to any Ordinance, legislation, regulation or other statutory provision in this Instrument includes reference to such Ordinance or legislation or regulation or provision as modified, consolidated or re-enacted from time to time (except to the extent where any such modification, consolidation or re-enactment increases the liability of any party to this Instrument);
- (f) words denoting the singular include the plural and vice versa, words denoting one gender include both genders and the neuter and words denoting persons include corporations and, in each case, vice versa; and
- (g) headings, the index page and underlining are for ease of reference only and do not form part of this Instrument.

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

1.4 In case of inconsistency between the Clauses of this Instrument and the Conditions, the Clauses of this Instrument shall prevail.

2. ISSUE OF THE BOND

2.1 Subject to the conditions in clause 3 of the Agreement having been fulfilled on or before the time specified therein (or such other time and/or date as the Company and the Subscriber may agree), the Company shall, on the date fixed for completion of subscription and issue of Bond, create and issue the Bond to the Subscriber in accordance with the terms of the Agreement and this Instrument.

2.2 The Company hereby covenants in favour of each Bondholder that it will duly perform and comply with the obligations expressed to be undertaken by it in each Certificate, in this Instrument and in the Conditions (and for this purpose any reference in the Conditions to any obligation or payment under or in respect of the Bond shall be construed to include a reference to any obligation or payment under or pursuant to this Instrument).

2.3 The Company hereby acknowledges the right of every Bondholder to the production of this Instrument and the Conditions and shall ensure that copies of this Instrument and the Conditions are available for inspection by any Bondholder during office hours at the Specified Office.

3. AMOUNT OF THE BOND

The principal amount of the Bond shall be HK\$120,000,000.

4. INTEREST

4.1.1 The Bond shall bear interest from and including the date of its issue at the following

rate of interests on the outstanding principal amount thereof:

- (a) 6% per annum if the CB Conditions Precedent are fulfilled; or
- (b) 8% per annum if the CB Conditions Precedent are not fulfilled.

- 4.1.2 Interest shall be accrued daily on a 365 days basis and is payable annually or with respect to the last payment, on the Maturity Date ("Interest Payment Date"). If an Interest Payment Date would otherwise fall on a day which is not a Business Day it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding Business Day. In the event that the Bond be redeemed on or before the Maturity Date, the Interest Payment Date shall be the Business Day falling on the next day of the date of redemption of the Bond.
- 4.2 The Bond will, in respect of the Conversion Rights attached thereto which are exercised, cease to bear interest on the earliest of (a) its Conversion Date subject to conversion of the Bond in accordance with this Instrument and the Conditions; (b) the date of redemption of the Bond and (c) the Maturity Date. For the avoidance of doubt, the Bondholder shall be entitled to the payment of all accrued interests up to the date the Bond ceases to bear interests as mentioned above.
- 4.3 Without prejudice to any other right or remedy of the Bondholder, in the event of default in the payment on the due date of any sum payable hereunder, the Company shall pay interest on the overdue sum from the due date to the date of actual payment at the rate of 10% per annum and at the judgment rate after judgment. Such interest shall be calculated on the basis of actual days elapsed and a 365-day year.

5. **BOND CERTIFICATES**

- 5.1 On issue of the Bond, the Bondholder will be entitled to a definitive Certificate with Conditions in or substantially in the form set out in the Schedule.
- 5.2 The definitive Certificates will be signed manually or in facsimile by two Directors or by a director and the secretary of the Company.
- 5.3 Issue and delivery of the Bond shall be completed on the issue and delivery of the Certificate to the Bondholder (or its representative) by, or by the order of, the Company and completion of the Register by or on behalf of the Company. The Company will pay any stamp, issue, registration, documentary or other similar taxes and duties, including interest and penalties, payable in Hong Kong in respect of the creation and original issue of the Bond and the execution or delivery of this Instrument.
- 5.4 The Company hereby covenants to and with the Bondholder that it will comply with and perform and observe all the provisions of this Instrument and the Conditions which are expressed to be binding on it. The Conditions shall be binding on the Company and the Bondholder.

6. **CONVERSION**

- 6.1 The Conversion Right attached to the Bond is subject to the fulfilment of the CB Conditions Precedent on or before the CB Long Stop Date. For the avoidance of doubt, if the CB Conditions Precedent are not satisfied by the CB Long Stop Date, the Bond shall unconditionally become a straight bond and all the Conversion Rights under this Clause 6 shall be deemed never have become operational. Further and for the avoidance of doubt, if the CB Conditions Precedent are satisfied on or before the CB Long Stop Date, the Conversion Rights attached to the Bond shall become unconditional and irrevocable.
- 6.2 Provided that any conversion of the Bond (i) does not trigger a mandatory offer obligation under Rule 26 of the Code on the part of the Bondholder which exercised the conversion right and its party(ies) acting in concert as defined under the Code; and (ii) will not cause the public float of the Company unable to meet the requirement under Rule 8.08 of the Listing Rules, the Bondholder shall, subject to compliance with the procedures set out in the Conditions, have the right at any time during the Conversion Period to convert the whole or part of the outstanding principal amount of the Bond registered in its name into Shares provided further that any conversion shall be made in amounts of not less than a whole multiple of HK\$5,000,000 on each conversion save that if at any time the aggregate outstanding principal amount of the Bond is less than HK\$5,000,000, the whole (but not part only) of the outstanding principal amount of the Bond may be converted. If a conversion notice is served on the same date as a redemption notice is served by the Company, the Bondholder's conversion notice will deem to take priority.
- 6.3 The number of Conversion Shares to be issued on each conversion will be determined by dividing the principal amount specified in the Conversion Notice by the Conversion Price applicable on the Conversion Date. Fractions of Shares will not be issued on conversion and the amount representing such fraction will be retained by the Company and no payment will be made to the Bondholder in respect of such fraction, provided always that for the purpose of determining whether any (and if so what) fraction of a share arises, if the Conversion Right represented by a Certificate and any one or more other Certificates are exercised on the same Conversion Date by the Bondholder, then the Conversion Rights represented by the Bond shall be aggregated.
- 6.4 The Conversion Price for the Bond shall be HK\$0.1 per Conversion Share, subject to adjustments as hereafter described in Clause 7.
- 6.5 Any calculation by the Company of the number of Conversion Shares falling to be issued on a conversion shall, in the absence of manifest error, be conclusive and binding on the Bondholder.

7. **ADJUSTMENTS**

- (a) Subject as hereinafter provided, the Conversion Price shall from time to time be adjusted in accordance with the following relevant provisions and so that if the event giving rise to any such adjustment shall be such as would be capable of falling within more than one of sub-paragraphs (i) to (vii) inclusive of this

Sub-clause (a) it shall fall within the first of the applicable paragraphs to the exclusion of the remaining paragraphs:

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

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

where:

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

B = the fair market value on the day of such announcement or (as the case may require) the next preceding day, as determined in good faith by an approved merchant bank (as defined in Sub-clause (b)) or the auditors of the Company for the time being, of the portion of the Capital Distribution or of such rights which is attributable to one Share,

Provided that:

- (aa) if in the opinion of the relevant approved merchant bank or the auditors of the Company for the time being, the use of the fair market value as aforesaid produces a result which is significantly inequitable, it may instead determine (and in such event the above formula shall be construed as if B meant) the amount of the said market price which should properly be attributed to the value of the Capital Distribution or rights; and
- (bb) the provisions of this sub-paragraph (iii) shall not apply in relation to the issue of Shares paid out of profits or reserves and issued in lieu of a cash dividend.

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

- (iv) If and whenever the Company shall offer to holders of Shares new Shares for subscription by way of rights, or shall grant to holders of Shares any options or warrants to subscribe for new Shares, at a price which is less than 90 per cent. of the market price at the date of the announcement (as defined in Sub-clause (b)) of the terms of the offer or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of the announcement of such offer or grant by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate of the amount (if any) payable for the rights, options or warrants and of the amount payable for the total number of new Shares comprised therein would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the aggregate number of Shares offered for subscription or comprised in the options or warrants (such adjustment to become effective (if appropriate retroactively) from the commencement of the day next following the record date for the offer or grant). Provided however that no such adjustment shall be made if the Company shall make a like offer or grant (as the case may be) at the same time to the Bondholder (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong) as if it had exercised the Conversion Rights under the Bond registered in its name in full on the day immediately preceding the record date for such offer or grant.
- (v) (aa) If and whenever the Company shall issue wholly for cash any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares, and the total Effective Consideration per Share (as defined

below) initially receivable for such securities is less than 90 per cent. of the market price at the date of the announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the issue by a fraction of which the numerator is the number of Shares in issue immediately before the date of the issue plus the number of Shares which the total Effective Consideration receivable for the securities issued would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of the issue plus the number of Shares to be issued upon conversion or exchange of, or the exercise of the subscription rights conferred by, such securities at the initial conversion or exchange rate or subscription price. Such adjustment shall become effective (if appropriate retrospectively) from the close of business in Hong Kong on the Business Day next preceding whichever is the earlier of the date on which the issue is announced and the date on which the Company determines the conversion or exchange rate or subscription price.

- (bb) If and whenever the rights of conversion or exchange or subscription attached to any such securities as are mentioned in section (aa) of this sub-paragraph (v) are modified so that the total Effective Consideration per Share initially receivable for such securities shall be less than 90 per cent. of the market price at the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to such modification by a fraction of which the numerator is the number of Shares in issue immediately before the date of such modification plus the number of Shares which the total Effective Consideration receivable for the securities issued at the modified conversion or exchange price would purchase at such market price and of which the denominator is the number of Shares in issue immediately before such date of modification plus the number of Shares to be issued upon conversion or exchange of or the exercise of the subscription rights conferred by such securities at the modified conversion or exchange rate or subscription price. Such adjustment shall become effective as at the date upon which such modification shall take effect. A right of conversion or exchange or subscription shall not be treated as modified for the foregoing purposes where it is adjusted to take account of rights or capitalisation issues and other events normally giving rise to adjustment of conversion or exchange terms.

For the purposes of this sub-paragraph (v), the “**total Effective Consideration**” receivable for the securities issued shall be deemed to be the consideration receivable by the Company for any such securities

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

- (vi) If and whenever the Company shall issue wholly for cash any Shares at a price per Share which is less than 90 per cent. of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the date of such announcement by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate amount payable for the issue would purchase at such market price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares so issued. Such adjustment shall become effective on the date of the issue.
- (vii) If and whenever the Company shall issue Shares for the acquisition of asset at a total Effective Consideration per Share (as defined below) which is less than 90 per cent. of the market price at the date of the announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying it by a fraction of which the numerator shall be the total Effective Consideration per Share and the denominator shall be such market price. Each such adjustment shall be effective (if appropriate retroactively) from the close of business in Hong Kong on the Business Day next preceding the date on which the Company determines the issue price for such Shares. For the purpose of this subparagraph (vii) **“total Effective Consideration”** shall be the aggregate consideration credited as being paid for such Shares by the Company on acquisition of the relevant asset without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the **“total Effective Consideration per Share”** shall be the total Effective Consideration divided by the number of Shares issued as aforesaid.

- (b) For the purposes of this Clause 7:

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

“approved merchant bank” means a merchant bank of repute in Hong Kong selected by the Company for the purpose of providing a specific opinion or calculation or determination hereunder;

“Capital Distribution” shall (without prejudice to the generality of that phrase) include distributions in cash or specie. Any dividend charged or provided for in the accounts for any financial period shall (whenever paid and however described) be deemed to be a Capital Distribution Provided that any such dividend shall not automatically be so deemed if:

- (i) it is paid out of the aggregate of the net profits (less losses) attributable to the holders of Shares for all financial periods after that ended 31 March 2018 as shown in the audited consolidated profit and loss account of the Company and its subsidiaries for each such financial period; or
- (ii) to the extent that (i) above does not apply, the rate of that dividend, together with all other dividends on the class of capital in question charged or provided for in the accounts for the financial period in question, does not exceed the aggregate rate of dividend on such class of capital charged or provided for in the accounts for the last preceding financial period. In computing such rates, such adjustments may be made as are in the opinion of the auditors of the Company for the time being appropriate to the circumstances and shall be made in the event that the lengths of such periods differ materially;

“issue” shall include allot;

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

“reserves” includes unappropriated profits;

“rights” includes rights in whatsoever form issued;

“Shares” includes, for the purposes of Shares comprised in any issue, distribution or grant pursuant to sub-paragraph (iii), (iv), (v), (vi) or (vii) of Sub-clause (a), any such ordinary shares of the Company as, when fully paid, will be Shares.

- (c) The provisions of sub-paragraphs (ii), (iii), (iv), (v), (vi) and (vii) of Sub-clause (a) shall not apply to:
 - (i) an issue of fully paid Shares upon the exercise of any conversion rights attached to securities convertible into Shares or upon exercise of any rights (including any conversion of the Bond) to acquire Shares provided that an adjustment has been made under this Clause 7 in

respect of the issue of such securities or granting of such rights (as the case may be);

- (ii) an issue of Shares or other securities of the Company or any subsidiary of the Company wholly or partly convertible into, or carrying rights to acquire, Shares to officers or employees of the Company or any of its subsidiaries pursuant to any employee or executive share scheme;
 - (iii) an issue by the Company of Shares or by the Company or any subsidiary of the Company of securities wholly or partly convertible into or carrying rights to acquire Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business provided that an adjustment has been made (if appropriate) under this Clause 7 in respect of the issue of such securities or granting of such rights (as the case may be);
 - (iv) an issue of fully paid Shares by way of capitalisation of all or part of any subscription right reserve, or any similar reserve which has been or may be established pursuant to the terms of any securities wholly or partly convertible into or carrying rights to acquire Shares; or
 - (v) an issue of Shares pursuant to a scrip dividend scheme where an amount not less than the nominal amount of the Shares so issued is capitalised and the market value of such Shares is not more than 120 per cent. of the amount of dividend which holders of the Shares could elect to or would otherwise receive in cash, for which purpose the “market value” of one Share shall mean the average of the closing prices for such Hong Kong Stock Exchange dealing days on which dealings in the Shares took place (being not less than five such days) as are selected by the directors of the Company in connection with determining the basis of allotment in respect of the relevant scrip dividend and which fall within the period of one month ending on the last day on which holders of Shares may elect to receive or (as the case may be) not to receive the relevant dividend in cash.
- (d) Any adjustment to the Conversion Price shall be made to the nearest one-tenth of a cent so that any amount under half of one-tenth of a cent shall be rounded down and any amount of half of one-tenth of a cent or more shall be rounded up. In addition to any determination which may be made by the directors of the Company every adjustment to the Conversion Price shall be certified (at the option of the Company) either by the auditors of the Company for the time being or by an approved merchant bank.
- (e) Notwithstanding anything contained herein, no adjustment shall be made to the Conversion Price in any case in which the amount by which the same would be reduced in accordance with the foregoing provisions of this Clause 7 would be less than one-tenth of a cent. If any adjustment to be made will render the total number of the Conversion Shares exceeding the Specific Mandate, the Bondholder shall be entitled to convert up to the maximum number of the Conversion Shares and the remaining portion of the principal

amount shall be redeemed on the Maturity Date on a dollar-to-dollar basis together with accrued interests..

- (f) If the Company or any subsidiary of the Company shall in any way modify the rights attached to any share or loan capital so as wholly or partly to convert or make convertible such share or loan capital into, or attach thereto any rights to acquire, Shares, the Company shall appoint an approved merchant bank or the auditors of the Company for the time being to consider whether any adjustment to the Conversion Price is appropriate (and if such approved merchant bank or auditors of the Company for the time being (as the case may be) shall certify that any such adjustment is appropriate the Conversion Price shall be adjusted accordingly and the provisions of Sub-clauses (d), (e) and (h) shall apply).
- (g) Notwithstanding the provisions of Sub-clause (a), in any circumstances where the directors of the Company shall consider that an adjustment to the Conversion Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Conversion Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or with a different time from that provided for under the provisions, the Company may appoint an approved merchant bank or the auditors of the Company for the time being to consider whether for any reason whatever the adjustment to be made (or the absence of adjustment) would or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if such approved merchant bank or auditors of the Company for the time being (as the case may be) shall consider this to be the case, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner (including without limitation, making an adjustment calculated on a different basis and/or the adjustment shall take effect from such other date and/or time) as shall be certified by such approved merchant bank or auditors of the Company for the time being to be in its opinion appropriate.
- (h) Whenever the Conversion Price is adjusted as herein provided the Company shall give notice to the Bondholder that the Conversion Price has been adjusted (setting forth the event giving rise to the adjustment, the Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date thereof) and shall at all times thereafter so long as any amount of the Bond remains outstanding make available for inspection at the Specified Office a signed copy of the said certificate of the auditors of the Company or (as the case may be) of the relevant approved merchant bank and a certificate signed by a director of the Company setting forth brief particulars of the event giving rise to the adjustment, the Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date thereof and shall, on request, send a copy thereof to the Bondholder.
- (i) The Company shall take all necessary action prior to carrying out any action that may render the Conversion Price being adjusted so that on conversion the Conversion Price shall fall to be issued at a discount to their nominal value,

failing which the Company shall compensate the Bondholder all losses as a result thereto including but not limited to such amount that the Bondholder would be entitled under the adjustment but was being prevented and all costs and expenses.

8. **COVENANTS RELATING TO CONVERSION**

The Company hereby undertakes to and covenants with the Bondholder that so long as any Conversion Right remains exercisable, it will:

- (a) keep available for issue, free from pre-emptive rights, out of its authorised but unissued share capital sufficient Shares to satisfy the Conversion Rights attaching to the Bond;
- (b) maintain a listing on the Hong Kong Stock Exchange for all the issued Shares for the time being and, immediately after their issue subject, nevertheless, to the provisions of Condition 5(D)(iv), for all Shares issued on exercise of the Conversion Rights and give notice to the Bondholder of any de-listing of the Shares by the Hong Kong Stock Exchange;
- (c) unless so required by applicable law or regulation or for the purpose of establishing any dividend or other rights attaching to the Shares, not close its register of Shareholders or take any other action which would prevent the transfer of its Shares generally and ensure that the Bond may be converted legally at all times during the period of such closure or while such other action is effective, nor take any action which would prevent the conversion of the Bond or the issue of Shares in respect of them;
- (d) to pay the expenses of the issue of, and all expenses of obtaining listing on the Hong Kong Stock Exchange for, Shares arising on conversion of the Bond; and
- (e) to maintain its registration as an overseas company registered under the Companies Ordinance.

8A. **COVENANTS**

8A.1 For so long as any Bond remains outstanding, the Company undertakes that:

- (a) it shall ensure itself, and shall procure each other Group Company, that the memorandum of association (where applicable) and articles of association or equivalent constitutional documents of it or such other Group Company are not amended, repealed or altered (other than those amendments or alterations that are required in compliance with the Listing Rules or any applicable Laws);
- (b) it shall, and shall procure each of its directors, the other members of the Group to, at all times comply with the applicable Laws and the filing requirements with any Governmental Authority;
- (c) it shall, in a timely manner, obtain all such consents and approvals, and take

any such other action, as may be necessary for the Company to perform its obligations under this Instrument and shall comply with these Conditions;

- (d) it shall obtain and/or maintain all applicable consents and approvals which are required for the performance of its obligations under the Bond and the Instrument and shall not take any action for the purpose of avoiding or seeking to avoid the performance of any of the terms to be observed or performed under these Conditions;
- (e) subject to the requirements of applicable Laws, it shall, at all times, promptly provide to the Bondholders all material information provided to its shareholders (including but not limited to financial accounts, details of material contracts, acquisitions or disposals of assets and project progress updates);
- (f) it shall not, and shall procure each other Group Company not to, take any steps or actions to effect a winding up, liquidation, dissolution, striking off, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of it or such other Group Company, or any solvent liquidation, amalgamation, merger or reorganisation of it or such other Group Company, or to enter into a composition, assignment or arrangement with any creditor of it or such other Group Company;
- (g) it shall ensure and procure that the Agreement (in whole or in part) and this Instrument is not breached, revoked or terminated, and remains in full force and effect.

8A.2 The Bondholder may at its sole discretion waive Clause 8A.1 above at any time by written notice to the Company.

8B. Events of Default

8B.1 Unless waived by the Bondholder pursuant to Clause 8B.1A below, each of the following events is an event of default (an Event of Default):

- (a) Non-payment: the Company fails to pay any amount of principal in respect of the Bond and any other bond issued by the Company on the due date for payment thereof or fails to pay any amount of interest, any fees or any other amount in respect of or in connection with the Bond and any other bond issued by the Company on the due date for payment thereof;
- (b) Breach of covenants: any requirement of Clauses 4, 8 and 8A (unless waived by the Bondholder pursuant to Clause 8A.2) is not satisfied;
- (c) Breach of terms or obligations: the Company defaults in the performance or observance of any term or warranties of the Agreement and the Instrument, or of its other obligations under or in respect of the Bond and any other bond issued by the Company;
- (d) Misrepresentation: any representation or statement made or deemed to be

made by the Company in the Agreement or the Instrument under or in connection with the Agreement or the Instrument proves to have been incorrect or misleading when made or deemed to be made;

- (e) Cross-default:
 - (i) the occurrence of an Event of Default in relation to any other bond, options or securities issued by the Company;
 - (ii) any or the aggregated financial indebtedness of any member of the Group exceeding HK\$500,000 which is not paid when due or (as the case may be) within any originally applicable grace period; or
 - (iii) the Company fails to pay when due any amount payable by it under any guarantee, option, indemnity, arrangement or agreement of any or the financial indebtedness (or its equivalent in any other currency or currencies) exceeding HK\$500,000;
- (f) Unsatisfied judgment: one or more judgment(s) or order(s) for the payment of an amount is rendered against the Company or any other member of the Group and continue(s) unsatisfied and unstayed which the aggregated amount exceeds HK\$500,000;
- (g) Litigation: any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened against the Company, any other member of the Group or any of their respective assets (or against the directors of the Company, or any other member of the Group arising from their carrying out of duties as directors of the Company, or any other member of the Group) which are reasonably likely to adversely determined and, if so determined, could reasonably be expected to have a Material Adverse Effect;
- (h) Insolvency, bankruptcy or winding-up etc: an event has occurred which is, or which may with the taking of any step or the passage of time become, would render the Company or any other member of the Group that resolutions would be passed or proceedings would be initiated for the dissolution, winding up, liquidation, striking-off, bankruptcy, reorganisation or other arrangement under applicable insolvency and bankruptcy laws; or that an order is made or an effective resolution is passed for any of the above matter;
- (i) Failure to take action, etc.: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Company to lawfully enter into, exercise its rights and perform and comply with its obligations under and in respect of the Bond; (ii) to ensure that those obligations are legal, valid, binding and enforceable; and (iii) to make the Bond admissible in evidence in the courts of the Cayman Islands or Hong Kong is not taken, fulfilled or done;
- (j) Unlawfulness: it is or will become unlawful for the Company to perform or comply with any of its obligations under or in respect of the Agreement or the

Instrument;

- (k) Breach of Law: there is a material breach of any applicable Law (including the Listing Rules) by the Company or any of its directors or senior officers when acting for and on its behalf;
- (l) Government intervention: (i) all or any substantial part of the undertaking, assets and revenues of the Company or any other member of the Group is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government or (ii) the Company or any other member of the Group is prevented by any such person from exercising normal control over all or any substantial part of its undertaking, assets and revenues;
- (m) Delisting: any Shares in the Company shall cease to be listed on the Stock Exchange or steps are taken by or on behalf of the Company to effect such cessation (including but not limited to, the shareholders of the Company having passed a resolution to delist the Shares from the Main Board of the Stock Exchange); or
- (n) Material Adverse Event: in the sole opinion of the Bondholder(s), a Material Adverse Event has occurred.

8B.1A The Bondholder may at its sole discretion waive Clause 8B.1 above at any time by written notice to the Company.

8B.2 If an Event of Default has occurred:

- (a) each Bondholder may require the Company to redeem all or a portion of its Bond at the Default Redemption Amount; and
- (b) the Company shall, in addition to and without prejudice to any of its other payment obligations under these Conditions, pay to such Bondholder an additional amount of interest as default interest (the Default Interest), which shall be payable monthly in cash, such that:
 - (i) in the case of an Event of Default as referred to in Clause 8B.1(a) (Non-payment), a total interest rate (including the Rate of Interest) of 10% per annum shall accrue on the aggregate unpaid principal, interest and/or other amounts owed by the Company to such Bondholder as referred to in Clause 8B.1(a) (Non-payment) from the relevant due date of such unpaid amount until:
 - (A) in the case of the Bondholder electing to require the Company to redeem its Bond (in whole or in part) pursuant to Clause 8B.2(a), the date on which the Default Redemption Amount has been fully paid by the Company to such Bondholder; and/or
 - (B) in the case of the Bondholder electing not to require the Company to redeem its Bond (in whole or in part) pursuant to

Clause 8B.2(a), the date on which such unpaid amount is settled in full by the Company; and/or

- (ii) in the case of any other Event of Default, a total interest rate (including the Rate of Interest) of 10% per annum shall accrue on the total outstanding principal amount of the Bond from the date on which such Event of Default occurs until:
 - (A) in the case of the Bondholder electing to require the Company to redeem its Bond (in whole or in part) pursuant to Clause 8B.2(a), the date on which the Default Redemption Amount has been fully paid by the Company to such Bondholder; and/or
 - (B) in the case of the Bondholder electing not to require the Company to redeem its Bond (in whole or in part) pursuant to Clause 8B.2(a), the date on which such Event of Default has been fully remedied (in the sole opinion of the Bondholder(s)).

8B.3 The Company shall give notice to the Bondholders in writing of any matter or thing which might constitute an Event of Default immediately when it becomes aware of the occurrence of an Event of Default, which notice shall give reasonable details of the Event of Default.

9. REDEMPTION AND CANCELLATION

- 9.1 Subject to Clause 9.5 below, the Bond may not be redeemed prior to the Maturity Date by the Bondholder whatsoever and any amount of the Bond outstanding as at the Maturity Date shall be redeemed automatically on the Maturity Date at its then outstanding principal amount together with accrued interests.
- 9.2 The Company may at any time before the Maturity date by serving at least seven (7) days' prior written notice to the Bondholder with the total amount proposed to be redeemed from the Bondholder specified therein, redeem the Bond (in whole or in part) at par together with accrued interests provided always that no conversion notice has been served by the Bondholder on or prior to the date the redemption notice is served by the Company to the Bondholder(s).
- 9.3 Any amount of the Bond which is redeemed or converted will forthwith be cancelled. Certificate in respect of the Bond cancelled will be forwarded to or to the order of the Company and such Bond may not be reissued or resold.
- 9.4 Any amount of the Bond which remains outstanding on the Maturity Date shall be redeemed at its then outstanding principal amount together with outstanding interest.
- 9.5 If the Bondholder elects to require the Company to redeem the Bond (in whole or in part) pursuant to Clause 8B.2(a), the Company shall redeem such Note held by the Bondholder at an amount (the "**Default Redemption Amount**") equal to the aggregate of:

- (i) the relevant aggregate principal amount of such Bond held by such Bondholder;
- (ii) any accrued but unpaid interest (including default interest, if any) on such Bond; and
- (iii) any outstanding amount relating to such Bond under the Agreement and/or the Instrument,

immediately on the same date (the "Default Redemption Date") as the Bondholder giving a redemption notice to the Company.

9.6 To exercise a redemption right pursuant to Clause 9.5, the Bondholder shall deliver at the office of the Company:

- (i) the Default Redemption Notice (and upon the receipt of any such notice, the Company shall immediately give a copy of such notice to all other Bondholders), declaring the relevant Bond to be immediately due and payable, whereupon they shall become due and payable at the Default Redemption Amount in accordance with Clause 9.7; and
- (ii) the relevant Certificate to the Company as soon as practicable after payment by the Company of the full Default Redemption Amount in accordance with Clause 9.7.

9.7 The Company shall pay to the Bondholders the relevant Default Redemption Amount on the relevant Redemption Date by transfer of funds for same day value. The Company shall bear all the costs and expenses for the redemption pursuant to this Clause 9 which shall be in addition to the redemption amount or the Default Redemption Amount.

9.8 Without prejudice to any rights of the Bondholder under this Instrument and the Conditions, nothing shall preclude the Bondholder to serve a conversion notice to the Company under Clause 6 after an Event of Default has happened but before the serving of a Default Redemption Notice to the Company.

10. **TRANSFER AND REGISTER**

10.1 Subject to Clause 10.2, the Bondholder may only assign or transfer the Bond to the transferee subject to the consent of the Company. The Company will, promptly notify the Hong Kong Stock Exchange upon becoming aware of any dealings in the Bond by any connected person (as defined in the Listing Rules) of the Company. The Bond may be assigned or transferred in whole or in part (in whole multiples of HK\$5,000,000) of its outstanding principal amount and the Company shall facilitate any such assignment or transfer of the Bond, including making any necessary applications to the Hong Kong Stock Exchange for the said approval (if required).

10.2 Notwithstanding Clause 10.1, the Bondholder shall be permitted at any time to transfer the Bond to a transferee who is a wholly-owned subsidiary of the Bondholder

or a holding company of the Bondholder who owns the entire issued share capital of the Bondholder provided that the Bond will be re-transferred to the Bondholder immediately upon the transferee ceasing to be a wholly-owned subsidiary of the Bondholder or a holding company of the Bondholder who owns the entire issued share capital of the Bondholder.

- 10.3 A transfer of the Bond shall be effected by completing and signing, by both the transferor and the transferee under the hand of one of their officers duly authorised in writing or otherwise by a duly authorised person thereof, of a form of transfer set out in Annexure I to the Conditions.
- 10.4 The Certificate must be delivered for registration during normal business hours (Monday to Friday, 9:00 a.m. to 4:30 p.m.) at the office of the Company at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong accompanied by (i) a duly executed transfer form (which is available at the office of the Company); (ii) in case of the execution of the transfer form on behalf of a corporation by its officers, the authority of that person or those persons to do so; and (iii) such other evidence (including legal opinions) as the Company may reasonably require if the transfer form is executed by some other person on behalf of the Bondholder. The Company shall, within ten (10) Business Days of receipt of such documents by the Company from the Bondholder and, if necessary, the consent of the Hong Kong Stock Exchange, cancel the existing Certificate and issue a new Certificate, in favour of the transferee or assignee as applicable.
- 10.5 The Company shall maintain and keep a full and complete register and transfer office outside Hong Kong (with a complete and up-to-date copy of the register kept at its principal office in Hong Kong) as it shall from time to time determine of the Bond and the Bondholder from time to time, such register shall contain details of conversion and/or cancellation and the destruction of the Bond and the issue of any replacement Bond issued in substitution for any mutilated, defaced, lost, stolen or destroyed Bond and of sufficient identification details of the Bondholder from time to time. The Company shall further procure that a certified true copy of such register shall be made available to the Bondholder for inspection at all reasonable times.

11. **CONSOLIDATION, AMALGAMATION, MERGER AND FURTHER ISSUES**

- 11.1 In the case of any consolidation, amalgamation or merger of the Company with any other corporation (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation), or in the case of any sale or transfer of all, or substantially all, of the assets of the Company, the Company will forthwith notify the Bondholder of such event in accordance with Condition 11 and (subject to any restriction prescribed by law) cause the corporation resulting from such consolidation, amalgamation or merger or the corporation which shall have acquired such assets, as the case may be, to execute an Instrument supplemental to this Instrument to ensure that the holder of the Bond will have the right (during the period in which such Bond shall be convertible) to convert the Bond then outstanding into the class and amount of shares and other securities and property receivable upon such consolidation, amalgamation, merger, sale or transfer by a holder of the number of Shares which would have become liable to be issued upon conversion of the Bond immediately prior to such consolidation, amalgamation, merger, sale or transfer. The above

provisions of this Clause 11 will apply in the same way to any subsequent consolidations, amalgamations, mergers, sales or transfers.

- 11.2 The Company shall, subject to the Listing Rules, from time to time be at liberty to issue further convertible bond and other securities, including convertible bond ranking *pari passu* with the Bond.

12. **CURRENCY INDEMNITY**

- 12.1 Hong Kong dollars (the “**Contractual Currency**”) is the sole currency of account and payment for all sums payable by the Company under or in connection with this Instrument and the Bond.
- 12.2 Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Company or otherwise), by the Bondholder in respect of any sum expressed to be due to it from the Company will only discharge the Company to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).
- 12.3 If that Contractual Currency amount received or recovered under Clause 12.2 is less than the Contractual Currency amount expressed to be due to the recipient under this Instrument or the Bond, the Company will indemnify it against any loss sustained by it as a result. In any event, the Company will indemnify the recipient against the cost of making any such purchase. The indemnity in this Clause 12.3 constitutes separate and independent obligations from the other obligations in this Instrument, will give rise to separate and independent causes of action, will apply irrespective of any indulgence granted by the Bondholder.

13. **MODIFICATIONS/WAIVERS/SEVERABILITY**

- 13.1 Any modification to this Instrument may be effected only by deed poll, executed by the Company and expressed to be supplemental hereto, and (save for minor amendments by the Company which shall not adversely affect the rights of the Bondholder under this Instrument) only if it shall first have been approved by the Bondholder.
- 13.2 A memorandum of every such supplemental deed shall be endorsed on this Instrument.
- 13.3 Notice of every modification to this Instrument shall be given to the Bondholder as soon as reasonably practicable.
- 13.4 No failure or delay by the parties in exercising any right, power or remedy under this Instrument shall operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any further exercise thereof or the exercise of any other right, power or remedy. Without limiting the foregoing, no waiver by one party of any breach by the other party of any provision hereof shall be deemed to be a waiver of any subsequent breach of that or any other provision hereof and any forbearance or

delay by the party in exercising any of its rights hereunder shall not be construed as a waiver thereof. If at any time any provision of this Instrument is or becomes illegal, invalid or unenforceable in any respect, the legality, validity and enforceability of the remaining provisions of this Instrument shall not be affected or impaired thereby.

14. **GOVERNING LAW**

14.1 This Instrument shall be governed by and construed in accordance with Hong Kong law.

14.2 The courts of Hong Kong shall have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Instrument or the Bond and accordingly any legal action or proceedings arising out of or in connection with this Instrument or the Bond ("**Proceedings**") may be brought in such courts. The Company and the Bondholder irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

IN WITNESS whereof this Instrument has been executed as a deed poll on the day and year first above written.

SCHEDULE TO THE CONVERTIBLE BOND

Form of Certificate

Certificate no.:

Amount

CHINA HEALTHWISE HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

Unsecured Bond with conditional Convertible Right in the principal amount of
HK\$120,000,000 due on the date falling on the second anniversary from the issue date

The Bond in respect of which this Certificate is issued, the identifying number of which is noted below, is in registered form in the principal amount of HK\$120,000,000 (the **Bond**) issued by China Healthwise Holdings Limited (the **Company**) and constituted by the Instrument referred to attached hereof. The Bond is subject to, and has the benefit of, the Instrument, which, subject to the terms of the Instrument, is enforceable by the Bondholder against the Company insofar as each Bondholder's Bond is concerned. Such Instrument (together with any instruments supplemental thereto) and copies of the memorandum and articles of association of the Company will be available for inspection by the Bondholder at the principal office of the Company for the time being in Hong Kong.

The Bondholder will be deemed to have notice of all the provisions contained in the said Instrument (and any instruments supplemental thereto) and may obtain copies thereof upon written request to the Company.

The Company hereby certifies that the person whose name and address is specified below is, at the date hereof, entered in the register of Bondholder as the holder of the Bond in the principal amount indicated below:

Folio	Bondholder and address	Principal amount of the Bond	Identifying no.	Date of issue

GIVEN UNDER THE COMMON SEAL OF THE COMPANY ON THE DATE OF ISSUE
AS STATED ABOVE

The Bond in respect of which this Certificate is issued is, subject to the satisfaction of the CB Conditions Precedent (as defined in the Instrument) convertible into fully paid ordinary shares of the Company with a par value of HK\$0.10 each for the time being subject to and in

accordance with the Conditions and the Instrument.

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

The Bond in respect of which this Certificate is issued are subject to restrictions on transfer and may be transferred only if the terms and conditions specified in Clause 10 of the Instrument and Condition 3 of the Conditions have been complied with.

This Certificate shall not be valid for any purpose until signed by two directors or by one director and the Secretary of the Company.

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

CHINA HEALTHWISE HOLDINGS LIMITED

by:

Director

Director/Secretary

NO TRANSFER OF THE WHOLE OR ANY PORTION OF THE ABOVE BOND CAN BE REGISTERED UNLESS ACCOMPANIED BY THIS BOND CERTIFICATE.

TERMS AND CONDITIONS OF THE BOND

The issue of the bond (initially a straight bond and, subject to satisfaction of the CB Conditions Precedent, may become convertible bond) in the principal amount of HK\$120,000,000 due on the date falling on the second anniversary from the issue date (the “**Bond**”) of China Healthwise Holdings Limited (“**Company**”) was authorised by resolutions of the Board of Directors of the Company passed on [] 2018. The Bond is constituted by a deed poll (“**Instrument**”, such expression shall include amendments and modifications from time to time made thereto) dated [] 2018 executed by the Company. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Instrument. Copies of the Instrument are available for inspection by the Bondholder at the principal office for the time being of the Company in Hong Kong being at the date hereof at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong. The Bondholder is entitled to the benefit of the Instrument and is bound by, and are deemed to have notice of, all the provisions of the Instrument.

Unless otherwise stated or where the context otherwise requires, terms defined in the Instrument have the same meanings when used in these Conditions.

1. STATUS AND VOTING RIGHTS

(A) Status

The Bond constitutes direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Company under the Bond shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations. No application will be made for a listing of the Bond on the Hong Kong Stock Exchange or any other stock exchange.

(B) Voting Rights

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

2. FORM AND TITLE

(A) Form

The Bond is issued in registered form. A Certificate will be issued to each Bondholder in respect of its registered holding of the Bond. The Bond and the Certificate will be numbered with an identifying number which will be recorded on the relevant Certificate and in the Register

kept by or on behalf of the Company.

(B) Title

The holder of the Bond whose name is entered in the Register will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Certificate issued in respect of it or any entry on the Register) and no person will be liable for so treating the holder.

3. TRANSFERS OF BOND AND ISSUE OF CERTIFICATES

(A) Transfer

The Bondholder may only assign or transfer the Bond to the transferee subject to the consent of the Company. The Company will promptly notify the Hong Kong Stock Exchange upon becoming aware of any dealings in the Bond by any connected person of the Company.

The Bond may be assigned or transferred in whole or in part (in whole multiples of HK\$5,000,000) of its outstanding principal amount and the Company shall facilitate any such assignment or transfer of the Bond, including making any necessary applications to the Hong Kong Stock Exchange for the said approval (if required).

Notwithstanding the condition provided in this Condition 3(A), the Bondholder shall be permitted at any time to transfer the Bond to a transferee who is a wholly-owned subsidiary of the Bondholder or a holding company of the Bondholder who owns the entire issued share capital of the Bondholder provided that the Bond will be re-transferred to the Bondholder immediately upon the transferee ceasing to be a wholly-owned subsidiary of the Bondholder or a holding company of the Bondholder who owns the entire issued share capital of the Bondholder.

(B) Transfer form

A transfer of the Bond shall be effected by completing and signing, by both the transferor and the transferee under the hand of one of their officers duly authorised in writing or otherwise by a duly authorised person thereof, a form of transfer set out as Annexure I at the end of the Conditions which is available to be obtained at the office of the Company at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong (or such other place being the registered office of the Registrar for the time being).

(C) Registration

The Certificate must be delivered for registration during normal business hours (Monday to Friday, 9:00 a.m. to 4:30 p.m.) at the office of the

Company at the office of the Company at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong accompanied by (i) a duly executed transfer form (which is available at the office of the Company); (ii) in case of the execution of the transfer form on behalf of a corporation by its officers, the authority of that person or those persons to do so; and (iii) such other evidence (including legal opinions) as the Company may reasonably require if the transfer form is executed by some other person on behalf of the Bondholder whereas the Company shall deliver such documents to the registrar and transfer office located outside Hong Kong to effect the registration of the transfer. The Company shall, within ten (10) Business Days of receipt of such documents from the Bondholder and, if necessary, the consent of the Hong Kong Stock Exchange, cancel the existing Certificate and issue a new Certificate in favour of the transferee or assignee as applicable.

(D) Delivery of new Certificates

The Certificate to be issued upon a transfer of Bond will, within ten (10) Business Days of receipt by the Company of the form of transfer accompanied by the documents referred to in Condition 3(C), be made available for personal collection by the holder entitled to the Bond during normal business hours (Monday to Friday, 9:00 a.m. to 4:30 p.m.) at the office of the Company at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong and upon production of such identification papers as may be reasonably requested by the Company.

Where some but not all the amount of the Bond in respect of which a Certificate is issued are to be transferred or converted, a new Certificate in respect of the Bond not so transferred or converted will, within ten (10) Business Days of delivery of the original Certificate to the Company, be made available for collection by such holder during normal business hours (Monday to Friday, 9:00 a.m. to 4:30 p.m.) at the office of the Company at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong upon production of such identification papers as may be reasonably requested by the Company.

(E) Formalities free of charge

Registration of transfer of the Bond will be effected upon (a) payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Hong Kong Stock Exchange) for each Certificate cancelled or each new Certificate issued, whichever number of the Certificates cancelled/issued is higher; and (b) payment (or the giving of such indemnity as the Company may require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

(F) Closure of Register

The Bondholder may not require the transfer of the Bond to be registered

during the period of seven days ending on the due date for any payment of any interest on the Bond.

4. INTEREST

- (A) The Bond shall bear interest from and including the date of its issue at the following rate of interest on the outstanding principal amount thereof:
- (a) 6% per annum if the CB Conditions Precedent are fulfilled; or
 - (b) 8% per annum if the CB Conditions Precedent are not fulfilled

Interest shall be accrued daily on a 365 days basis and is payable annually with the final amount on the Maturity Date ("Interest Payment Date"). If an Interest Payment Date would otherwise fall on a day which is not a Business Day it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding Business Day. In the event that the Bond be redeemed on or before the Maturity Date, the Interest Payment Date shall be the Business Day falling on the next day of the date of redemption of the Bond.

- (B) The Bond will, in respect of the Conversion Rights attached thereto which are exercised, cease to bear interest on the earliest of (a) its Conversion Date subject to conversion of the Bond in accordance with this Instrument and the Conditions; (b) the date of redemption of the Bond and (c) the Maturity Date.
- (C) Without prejudice to any other right or remedy of the Bondholder, in the event of default in the payment on the due date of any sum payable hereunder, the Company shall pay interest on the overdue sum from the due date to the date of actual payment at the rate of 10% per annum and at the judgment rate after judgment. Such interest shall be calculated on the basis of actual days elapsed and a 365-day year.

5. CONVERSION

(A) **Conditions**

The Conversion Right attached to the Bond is subject to the fulfilment of the CB Conditions Precedent on or before the CB Long Stop Date. For the avoidance of doubt, if the CB Conditions Precedent are not satisfied by the CB Long Stop Date, the Bond shall unconditionally become a straight bond and all the Conversion Rights under this Clause 6 shall be deemed never have become operational. Further and for the avoidance of doubt, if the CB Conditions Precedent are satisfied on or before the CB Long Stop Date, the Conversion Rights attached to the Bond shall become unconditional and irrevocable.

Provided that any conversion of the Bond (i) does not trigger a mandatory offer obligation under Rule 26 of the Code on the part of the

Bondholder which exercised the conversion right and its party(ies) acting in concert as defined under the Code; and (ii) will not cause the public float of the Company unable to meet the requirement under Rule 8.08 of the Listing Rules, the Bondholder shall, subject to compliance with the procedures set out in the Conditions, have the right at any time during the Conversion Period to convert the whole or part of the outstanding principal amount of the Bond registered in its name into Shares provided further that any conversion shall be made in amounts of not less than a whole multiple of HK\$5,000,000 on each conversion save that if at any time the aggregate outstanding principal amount of the Bond is less than HK\$5,000,000, the whole (but not part only) of the outstanding principal amount of the Bond may be converted. If a conversion notice is served on the same date as a redemption notice is served by the Company, the Bondholder's conversion notice will deem to take priority.

(B) Number of Conversion Shares

The number of Conversion Shares to be issued on each conversion will be determined by dividing the principal amount specified in the Conversion Notice by the Conversion Price applicable on the Conversion Date. Fractions of Shares will not be issued on conversion and the amount representing such fraction will be retained by the Company and no payment will be made to the Bondholder in respect of such fraction, provided always that for the purpose of determining whether any (and if so what) fraction of a share arises, if the Conversion Right represented by a Certificate and any one or more other Certificates are exercised on the same Conversion Date by the Bondholder, then the Conversion Rights represented by the Bond shall be aggregated.

(C) Conversion Price

The Conversion Price for the Bond shall be HK\$0.1 per Conversion Share, subject to adjustments as hereafter described.

The Instrument contains detailed provisions relating to the adjustment of the Conversion Price. The following is a summary of, and is subject to, the provisions of Clause 7 of the Instrument:

- (a) The Conversion Price shall (except as otherwise mentioned in the following paragraphs of this Condition 5(C)) be adjusted as provided in the Instrument in each of the following cases:
 - (i) an alteration of the nominal amount of the Shares by reason of any consolidation or subdivision;
 - (ii) an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account, contributed surplus account or capital redemption reserve fund);

- (iii) a Capital Distribution (as defined in the Instrument) being made by the Company, whether on a reduction of capital or otherwise, to holders of the Shares in their capacity as such;
 - (iv) an offer or grant being made by the Company to holders of Shares by way of rights or of options or warrants to subscribe for new Shares at a price which is less than 90 per cent. of the market price (calculation as provided in the Instrument);
 - (v) an issue wholly for cash being made by the Company of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total Effective Consideration per Share (as defined in the Instrument) initially receivable for such securities is less than 90 per cent. of the market price (calculation as provided in the Instrument), or the terms of any such rights of conversion or exchange or subscription attached to any such securities being modified so that the said total Effective Consideration per Share initially receivable for such securities is less than 90 per cent. of the market price;
 - (vi) an issue being made by the Company wholly for cash of Shares at a price per Share less than 90 per cent. of the market price (calculation as provided in the Instrument); and
 - (vii) an issue being made by the Company of Shares for the acquisition of asset at a total Effective Consideration per Share (as defined in the Instrument) less than 90 per cent. of the market price (calculation as provided in the Instrument).
- (b) Except as mentioned in the following paragraphs of this Condition 5(C), no such adjustment as referred to in paragraph (a) of this Condition 5(C) shall be made in respect of:
- (i) an issue of fully paid Shares upon the exercise of any conversion rights attached to securities convertible into Shares or upon the exercise of any rights (including any conversion of the Bond) to acquire Shares;
 - (ii) an issue of Shares or other securities of the Company or any subsidiary of the Company wholly or partly convertible into, or carrying rights to acquire, Shares to officers or employees of the Company or any of its subsidiaries pursuant to any employee or executive share scheme;

- (iii) an issue by the Company of Shares or by the Company or any subsidiary of the Company of securities wholly or partly convertible into or carrying rights to acquire Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business;
 - (iv) an issue of fully paid Shares by way of capitalisation of all or part of any subscription right reserve, or any similar reserve which has been or may be established pursuant to the terms of any securities wholly or partly convertible into or carrying rights to acquire Shares; or
 - (v) an issue of Shares pursuant to a scrip dividend scheme where an amount not less than the nominal amount of the Shares so issued is capitalised and the market value (calculation as provided in the Instrument) of such Shares is not more than 120 per cent. of the amount of dividend which holders of the Shares could elect to or would otherwise receive in cash.
- (c) Notwithstanding the provisions referred to in paragraphs (a) and (b) of this Condition 5(C), in any circumstances where the directors of the Company shall consider that an adjustment to the Conversion Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Conversion Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or with a different time from that provided for under the said provisions, the Company may appoint an approved merchant bank or the auditors of the Company for the time being to consider whether for any reason whatever the adjustment to be made (or the absence of adjustment) would or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if such approved merchant bank or auditors of the Company for the time being (as the case may be) shall consider this to be the case, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner (including, without limitation, making an adjustment calculated on a different basis and/or the adjustment shall take effect from such other date and/or time) as shall be certified by such approved merchant bank or auditors of the Company for the time being (as the case may be) to be in its opinion appropriate.
- (d) If the Company or any subsidiary of the Company shall in any way modify the rights attached to any share or loan capital so as wholly or partly to convert or make convertible such share or loan capital into, or attach thereto any rights to acquire, Shares, the Company shall appoint an approved merchant bank or the

auditors of the Company for the time being to consider whether any adjustment to the Conversion Price is appropriate (and if such approved merchant bank or auditors of the Company for the time being (as the case may be) shall certify that any such adjustment is appropriate the Conversion Price shall be adjusted accordingly).

- (e) Any adjustment to the Conversion Price shall be made to the nearest one-tenth of a cent so that any amount under half of one-tenth of a cent shall be rounded down and any amount of half of one-tenth of a cent or more shall be rounded up. No adjustment shall be made to the Conversion Price in any case in which the amount by which the same would be reduced would be less than one-tenth of cent and any adjustment which would otherwise then be required shall not be carried forward.
- (f) Every adjustment to the Conversion Price will be certified by the auditors of the Company for the time being or an approved merchant bank and notice of each adjustment (giving the relevant particulars) will be given to the Bondholder. Any such certificate(s) of the auditors of the Company for the time being or (as the case may be) of the relevant approved merchant bank will be available for inspection at the Specified Office.
- (g) The Company shall take all necessary action prior to carrying out any action that may render the Conversion Price being adjusted so that on conversion the Conversion Price shall fall to be issued at a discount to their nominal value, failing which the Company shall compensate the Bondholder all losses as a result thereto including but not limited to such amount that the Bondholder would be entitled under the adjustment but was being prevented and all costs and expenses.
- (h) If any adjustment to be made will render the total number of the Conversion Shares exceeding the Specific Mandate, the Bondholder shall be entitled to convert up to the maximum number of the Conversion Shares and the remaining portion of the principal amount shall be redeemed on the Maturity Date on a dollar-to-dollar basis together with accrued interests.

(D) Conversion Procedure

- (i) **Conversion Notice:** To exercise the Conversion Right attaching to the Bond, the holder thereof must complete, execute and deposit either by personal delivery or by facsimile at its own expense during normal business hours (Monday to Friday, 9:00 a.m. to 4:30 p.m.) at the office of the Company at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong a notice of conversion (a “**Conversion Notice**”) in the form of Annexure II set out at the end of the Conditions

(which is available at the Specified Office) together with the Certificate. The Conversion Notice once given shall not be revocable. In each case, compliance must be made by the Bondholder of all applicable exchange control, fiscal and other laws and regulations relating to the exercise of the Conversion Rights and the allotment and issue to it and the holding by it of the Conversion Shares.

Any calculation by the Company of the number of Conversion Shares falling to be issued on a conversion shall, in the absence of manifest error, be conclusive and binding on the Bondholder.

- (ii) **Conversion Date:** in respect of an exercise of a Conversion Right, the conversion date (the “**Conversion Date**”) in respect of the Bond will be deemed to be the Business Day immediately following the date of the surrender of the relevant Certificate and delivery of Conversion Notice therefor and, if applicable, any payment to be made or indemnity given under these Conditions in connection with the exercise of such Conversion Right provided that if such rights are exercised during a period when the register of holders of Shares is closed, the Conversion Date shall be the next following Business Day on which the register of holders of Shares is open.
- (iii) **Stamp Duty etc.:** The Company shall pay any capital, stamp and registration duties arising on the allotment and issue of the Conversion Shares.
- (iv) **Delivery of share certificates:** As soon as practicable, and in any event not later than ten (10) Business Days after the Conversion Date, the Company shall register the Bondholder (or such other person(s) as it may direct in the Conversion Notice) as holder(s) of the relevant number of Shares in the Company’s share register and will be made available for personal collection by the holder of such Bond during normal business hours (Monday to Friday, 9:00 a.m. to 4:30 p.m.) at the office of the Company at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong or, if requested by the Bondholder, be sent by post at the risk of the Bondholder to the address of the Bondholder in the Register a certificate (or certificates) for the relevant Shares in the name of the Bondholder or such other person(s) as it may direct in the Conversion Notice. In addition, the Company shall pay the accrued interests in relation to the principal amount calculated up to the Conversion Date which have been converted into Conversion Shares to the Bondholder by way of a cheque issued by a bank registered in Hong Kong in accordance with the terms of the Instrument.

If the number of Shares falling to be allotted and issued upon the exercise of any Conversion Rights shall exceed the number of

unissued Shares in respect of which approval for listing has been granted by the Listing Committee of the Hong Kong Stock Exchange, the performance of the obligations of the Company under this Condition 5(D)(iv) regarding the issue, deposit and delivery of Shares shall, in respect of the principal amount comprising only of such excess number of Shares, be redeemed on the Maturity Date together with accrued interests in accordance with the terms of the Instrument.

- (v) **Ranking of Shares:** The Shares issued upon conversion of the Bond will in all respects rank *pari passu* with the Shares in issue on the date of allotment and issue of such Shares and accordingly shall entitle the holders to participate in all dividends or other distributions declared, paid or made on or after the relevant Conversion Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the relevant Conversion Date. A holder of Shares issued on conversion of the Bond shall not be entitled to any rights the record date for which precedes the relevant Conversion Date.

(E) Company's Undertakings

The Company has given certain undertakings and covenants in the Instrument that, among other matters, so long as any amount of the Bond remain outstanding it will (a) maintain a listing for all the issued Shares on the Hong Kong Stock Exchange, and (b) subject to the provisions of Condition 5(D)(iv), obtain and maintain a listing for all the Shares issued on the exercise of the Conversion Rights on the Hong Kong Stock Exchange and will forthwith give notice to the Bondholder of the delisting of the Shares by the Hong Kong Stock Exchange.

(F) Consolidation, Amalgamation or Merger

In the case of any consolidation, amalgamation or merger of the Company with any other corporation (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation), or in the case of any sale or transfer of all, or substantially all, of the assets of the Company, the Company will forthwith notify the Bondholder of such event in accordance with Condition 11 and (subject to any restriction prescribed by law) cause the corporation resulting from such consolidation, amalgamation or merger or the corporation which shall have acquired such assets, as the case may be, to execute an instrument supplemental to the Instrument to ensure that the Bondholder will have the right (during the period in which such Bond shall be convertible) to convert such Bond into the class and amount of shares and other securities and property receivable upon such consolidation, amalgamation, merger, sale or transfer by a holder of the number of Shares which would have become liable to be issued upon conversion of such Bond immediately prior to such consolidation, amalgamation,

merger, sale or transfer. The above provisions of this Condition 5(F) will apply in the same way to any subsequent consolidations, amalgamations, mergers, sales or transfers.

6. PAYMENTS

(A) Method of payment

Any payment payable under the Bond which would otherwise be due on a non-Business Day shall instead be due and payable on the immediately succeeding Business Day. All payments due under these Conditions will be paid to the Bondholder as shown on the Register at the close of business on the due date for payment. Payments will be made net of any applicable bank charges by transfer in Hong Kong dollars to the registered account of the Bondholder or by Hong Kong dollar cheque drawn on a bank in Hong Kong mailed at the risk of the Bondholder to the registered address of the Bondholder if it does not have a registered account.

(B) Registered Accounts and Addresses

For the purposes of this Condition, the Bondholder's registered account means the Hong Kong dollar account maintained by or on behalf of it with a bank in Hong Kong, or as the Bondholder may direct, the registered account of its fellow subsidiaries under its parent company, (in relation to the initial bondholder, its parent company being Heng Tai Consumables Group Limited), details of which appear on the Register at the close of business on the Business Day before the due date for payment, and the Bondholder's registered address means its address appearing on the Register at that time.

(C) Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws and regulations. No commissions or (save as provided in Condition 6(A)) expenses shall be charged to the Bondholder in respect of such payments.

(D) Payment Initiation

Where payment is to be made by transfer to a registered account, payment instructions will be given and, where payment is to be made by cheque, the cheque will be mailed, on the due date for payment.

7. REDEMPTION, CANCELLATION

(A) Redemption

Subject to clause 9.5 under the Instrument where an Event of Default (as defined in the Instrument) has occurred, the Bondholder may not before

the Maturity Date redeem the Bond (in whole or in part). The Company may at any time before the Maturity Date by serving at least seven (7) days' prior written notice to the Bondholder with the total amount proposed to be redeemed from the Bondholder specified therein, redeem the Bond (in whole or in part) at par together with accrued interests provided always that no conversion notice has been served by the Bondholder on or prior to the date the redemption notice is served by the Company to the Bondholder(s).

Any amount of the Bond which remains outstanding on the Maturity Date shall be redeemed at its then outstanding principal amount together with interest accrued.

(B) Cancellation

Any amount of the Bond which is redeemed or converted will forthwith be cancelled. Certificate in respect of the Bond cancelled will be forwarded to or to the order of the Company and such Bond may not be reissued or resold.

8. TAXATION

The Company shall be entitled to withhold from all payments of principal by the Company any amounts required to be withheld under the applicable law, rule and regulations for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature, including without limitation, deduction or withholding on account of taxation on the overall turnover, income, taxation income or capital gain of the Bondholder imposed or levied by or on behalf of Hong Kong or other jurisdiction or any authority thereof or therein having the power to tax. If the Company is so required to make such withholdings or deductions, payment of the net amount after such deduction or withholdings to the Bondholder will constitute full discharge of the Company's obligations to make such payments.

9. RESTRICTED HOLDERS

No Conversion Rights represented by the Bond may be exercised by any person who is a Restricted Holder (as hereinafter defined), and the exercise of any Conversion Rights by the Bondholder shall constitute a confirmation, representation and warranty by the Bondholder to the Company that the Bondholder is not a Restricted Holder and that all necessary governmental, regulatory or other consents or approvals and all formalities have been obtained and observed by the Bondholder to enable it to exercise legally and validly the relevant Conversion Rights, to hold (or, if applicable, to have such person(s) as it may nominate in the Conversion Notice hold) the Conversion Shares allotted and issued upon exercise of the Conversion Rights and the Company to legally and validly allot the Conversion Shares. For the purposes of this Condition, a "Restricted Holder" means a Bondholder (or, if applicable, such person(s) as it may nominate in the Conversion Notice to whom the Shares arising on conversion are to be issued) who is a resident or national of any jurisdiction

other than Hong Kong under the laws and regulations of which an exercise of Conversion Rights by such Bondholder in the manner provided in the Conversion Notice and the Conditions or the performance by the Company of the obligations expressed to be assumed by it under the Instrument or these Conditions or the allotment and issue and holding of the Conversion Shares cannot be carried out lawfully or cannot be carried out lawfully without the Company first having to take certain actions in such jurisdiction.

10. REPLACEMENT OF CERTIFICATES

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the Company upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Company may reasonably require and on payment of such fee not exceeding HK\$50 as the Company may determine. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

11. NOTICES

- (A) The Bondholder shall register with the Company an address either in Hong Kong or elsewhere to which notices can be sent and if the Bondholder shall fail to do so, notice may be given to the Bondholder by sending the same in any of the manners hereinafter mentioned to his last known place of business or residence or, if there be none, by posting up the same for three days at the Specified Office for the time being of the Company.
- (B) A notice shall be given by personal delivery, prepaid registered mail (registered airmail in the case of an overseas address to where airmail service is available).
- (C) Notices sent by personal delivery or prepaid registered mail or the posting of the same at the Specified Office as provided by paragraph (A) of this Condition shall be deemed to have been served on the first day after such delivery or the deposit of the letter with postal authorities or in a postbox or, as the case may be, the first day after the first posting up of such notice.
- (D) All notices to the Bondholder shall be validly given if mailed to them at its address in the Register.
- (E) Any communication to the Company shall be by letter delivered personally or by facsimile transmission to it at Unit 1209, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong or (if different) its registered office for the time being in Hong Kong, fax no. (+852) 2548-5575, Attention: Company Secretary (or such other number as shall be notified in writing by the Company to the Bondholder). Any such communication will take effect, in the case of delivery, at the time of delivery or, in the case of facsimile transmission, at the time of despatch.

12. GOVERNING LAW AND JURISDICTION

The Bond and the Instrument are governed by, and shall be construed in accordance with the laws of Hong Kong. In relation to any legal action or proceedings arising out of or in connection with the Instrument and/or the Bond, the Company has in the Instrument and the Bondholder shall irrevocably submit to the non-exclusive jurisdiction of courts of Hong Kong.

ANNEXURE I

FORM OF TRANSFER

The undersigned hereby transfers to:

.....
.....

(Please print or typewrite name and address of transferee)

HK\$..... principal amount of the Bond in respect of which this Certificate is issued, and all rights in respect thereof.

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

Name of bank :

HK\$ account number :

For the account of :

Date: _____

Transferor's name : _____

Transferor's signature: _____

Transferor's witness : _____

Transferee's name : _____

Transferee's signature: _____

Transferee's witness : _____

Name and title of the
Company representative: _____

Signature of Company
representative: _____

Company's witness: _____

Notes:

- (i) The Bond is transferable at any time subject to Condition 3(A). Any transfer shall be made in compliance with the requirements of Condition 3 as stated in the overleaf of the Certificate.
- (ii) A representative of the Bondholder should state the capacity in which he/she/it signs, e.g. director.
- (iii) The signature of the person effecting a transfer shall conform to any list of authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Company may require.

ANNEXURE II

CONVERSION NOTICE

(To be executed and lodged with the Company to exercise the
Conversion Rights represented by this Certificate)

To: **China Healthwise Holdings Limited ("Company")**

The undersigned, being the duly registered holder of the Bond represented by
this Certificate:

(A) hereby irrevocably elect(s) to exercise the Conversion Rights
on (*Note (i)*) (being the Conversion Date) to the
extent of HK\$..... / all of the principal amount represented by this
Certificate (*Note (ii)*) and to convert such amount for the relevant number of
Shares in the capital of the Company at the Conversion Price, and agree(s) to
accept such Shares on the terms of the memorandum and articles of association
of the Company;

(B) agree(s) that the Conversion Price applicable on the Conversion Date shall be
determined by the Company in accordance with the Instrument and the
Conditions;

(C) request(s) that:

(i) certificate(s) for such Shares be issued in the name(s) of the person(s)
stated below or, if no name and address are stated below, the person(s)
whose name(s) stand(s) on the Register as the Bondholder represented by
this Certificate (*Note (iii)*);

Name : (in block capitals)

Address:

(ii) such certificate be sent by post at the risk of the Bondholder to the
address stated above or, if no such address is stated, to the address of the
Bondholder (*Note (iv)*).

Dated

Signature(s) (*Notes (v)*)

(1) (2)

(3) (4)

NOTES:

(i) The Conversion Date shall be the Business Day immediately following the date
of the surrender of the relevant Certificate and delivery of the Conversion Notice.

- (ii) If the Bond represented by this Certificate is only exercised in part, the amount inserted in paragraph (A) of this Conversion Notice must be a whole multiple of HK\$5,000,000, unless the outstanding principal amount of the Bond is less than HK\$5,000,000. If no amount is inserted, the relevant Conversion Rights will be deemed to have been exercised in respect of the entire principal amount represented by this Certificate.
- (iii) Bondholder who wishes to collect from the Specified Office their Share certificate may only do so by prior arrangement with the Company.
- (iv) An exercise of any Conversion Rights represented by this Certificate constitutes under the Conditions a representation to and warranty in favour of the Company by the Bondholder that it (or, if applicable, such person(s) as it may nominate in the Conversion Notice to whom the relevant Shares are to be issued) is not a Restricted Holder, which for this purpose means the Bondholder (or, if applicable, any such nominee(s) of the Bondholder as aforesaid) who is a resident or national of any jurisdiction (other than Hong Kong) under the laws and regulations of which it may not lawfully exercise the Conversion Rights represented by this Certificate in the manner provided in the Conversion Notice and the Conditions or the Company cannot lawfully perform the obligations expressed to be assumed by it under the Instrument or the Conditions or the allotment and issue and holding of the Conversion Shares cannot be carried out lawfully or cannot be carried out lawfully without the Company first having to take certain actions in such jurisdiction. In exercising the Conversion Rights represented by this Certificate, compliance must be made by the Bondholder with all applicable exchange control, fiscal and other laws and regulations relating to such exercise and the allotment and issue to it and the holding by it of the Conversion Shares.

EXECUTION

THE COMMON SEAL of
CHINA HEALTHWISE
HOLDINGS LIMITED
is affixed in accordance with its
memorandum and articles of association
in the presence of:

)
)
)
)
)
)
)
)
) Signature of authorised person
)
)
) Office held
)
)
) Name of authorised person (block letters)

SCHEDULE 2

Completion Requirements

1. Obligations of the Company

At completion of the Subscription, the Company shall deliver to the Subscriber:

- (a) a certified copy of the board resolution of the Company approving and authorising the execution and completion of this Agreement, the issue of the Bond in respect of the Subscription and the issue and delivery to the Subscriber or its nominee(s) of the Certificate(s) in respect of the Bond for the aggregate principal amount of HK\$120,000,000 upon the terms and subject to the Conditions contained therein;
- (b) evidence reasonably satisfactory to the Subscriber that the Clause 3.1(a), (b) and (c) (in respect of the part relating to the Company) under the Bond Conditions Precedent have been fulfilled;
- (c) one or more Certificates for the Bond for the aggregate principal amount of HK\$120,000,000 under the Subscription duly issued in favour of the Subscriber or its nominee in such denomination and manner as the Subscriber may direct but in any event not less than HK\$5,000,000 each; and
- (d) a certified copy of the Instrument in respect of the Subscription duly executed by the Company.

2. Obligations of the Subscriber

- (a) At completion of the Subscription, the Subscriber shall deliver to the Company a cheque or banker's draft drawn on a licenced bank in Hong Kong and made payable to the Company in the sum of HK\$120,000,000, being the subscription price for the subscription of the Bond of HK\$120,000,000.
- (b) The Subscriber shall complete the letter of confirmation in the form set out in Schedule 4.

SCHEDULE 3

Warranties

1. General

- 1.1 There are no material facts or circumstances, in relation to the assets, business, prospects or financial conditions of any Group Company, which have not been disclosed to the Subscriber and which, if disclosed, might have affected the willingness of the Subscriber to enter into this Agreement.
- 1.2 The Company and its agents have not given any information to the Subscriber or its agents or advisers which is untrue or misleading and there is no other facts the omission of which would make any information so disclosed to the Subscriber misleading.
- 1.3 All information that is deemed Disclosed is true and accurate in all material respects and not misleading.
- 1.4 All statements in the Recitals are true and correct in all material respects.

2. The Agreement and the Bond

- 2.1 The Company is duly incorporated, validly existing and in good standing under the law of the Cayman Islands, and registered under Part XVI of the Companies Ordinance as a non-Hong Kong company. The Company has full power to enter into and perform this Agreement and this Agreement will, when executed, constitute binding obligations on the Company in accordance with its terms.
- 2.2 Subject to the satisfaction of the Conditions Precedent, the creation and issue of the Bond and the allotment and issue of the Conversion Shares have been duly authorised by the Company and, when duly executed, authenticated, issued and delivered in accordance with this Agreement, the Bond will constitute valid and legally binding obligations of the Company against the Company enforceable in accordance with their own terms.
- 2.3 The Company has available for issue free from pre-emption rights sufficient authorised but unissued Shares to enable the Conversion Rights and all other rights of subscription and exchange for and conversion into Shares to be satisfied in full and any Conversion Shares allotted and issued on the relevant date of conversion.
- 2.4 Subject to the satisfaction of the Conditions Precedent, all consents, approvals, authorisations, orders, registrations and qualifications of or with any court or governmental agency or body and any other action or thing required to be obtained, taken, fulfilled or done in Hong Kong and the Cayman Islands by the Company for or in connection with the issue of the Bond and the allotment and issue of the Conversion Shares and the consummation of the other transactions contemplated by this Agreement have been obtained, taken, fulfilled or done and are in full force and effect.

2.5 The execution and delivery of this Agreement, the issue of the Bond and the issue of the Conversion Shares and the consummation of the transactions herein and therein contemplated and compliance with the terms hereof and thereof by the Company do not, and will not, at the time of execution and delivery or issue (as the case may be), (i) contravene the memorandum and articles of association of the Company in any way; or (ii) conflict with or result in breach of any of the terms or provisions of, or constitute a default under any indenture, trust deed, mortgage or other agreement of instrument to which the Company or any of its Subsidiaries is a party or by which any of them or any of their respective properties are bound; or (iii) infringe any existing applicable law, rule, regulation, judgment, order or decree of any government, governmental body or court, domestic or foreign, having jurisdiction over the Company, any such Subsidiary or any of their respective properties.

2.6 The Conversion Shares will be issued under the Specific Mandate.

3. The Company and members of the Group

3.1 The Company is the sole beneficial owner of the equity capitals of all Subsidiaries and associated companies listed in the Accounts in the percentages stated therein.

3.2 Each of the Group Companies is validly constituted and incorporated and has the requisite corporate power and is carrying on its business in the manner and in Hong Kong or the respective territories within the scope of its business licence and all relevant approval certificates and there is no suspension or cancellation of any such approvals, permits, authorities, licences or consents, the result of which may have a material adverse effect on the Group as a whole.

3.3 The business licence and approval certificates issued by governmental or regulatory authorities or agencies to each of the Group Companies or in relation its business and all other necessary approvals, licences, permits and consents are valid and subsisting.

3.4 Except for those terms and conditions the non-performance or non-observance of which do not and will not have any material adverse effect on the Group (taken as a whole), each Group Company which is a party to the joint venture contracts, articles of association, shareholders' agreements and all supplemental agreements thereto in relation to the subsidiaries or associated companies of the Group have observed and performed all the terms and conditions therein contained and have full power and authority to enter into and perform such contracts, articles and agreements. There are no disputes or outstanding or expected claims in these contracts, articles or agreements giving rise to such disputes or claims, the result of which may have a material adverse effect on the Group as a whole.

4. Financial and taxation

4.1 The Accounts have been prepared in accordance with the requirements of all relevant statutes and Hong Kong Financial Reporting Standards applicable in Hong

Kong and on a consistent basis and give a true and fair view of the state of affairs of the Group for the year ended on the Accounts Date and of its consolidated financial performance for the year ended on the Accounts Date, and make adequate provision for all actual liabilities, bad or doubtful debts, Taxation and adequate provision for or a note of all contingent unqualified or disputed liabilities and all capital commitments and have consistently applied the bases and policies of accounting in the audited balance sheet and profit and loss account for the three financial years ended on the Accounts Date and except where specified are not affected by any extraordinary exceptional or non-recurring item.

- 4.2 The provision for Taxation in the Accounts is sufficient to cover all Taxation assessed or liable to be assessed on the Group or for which the Group is then or may then be or become accountable in respect of profits, income earnings, receipts, transfers, events and transactions up to the Accounts Date.
- 4.3 Except for those obligations the non-performance or non-observance of which do not and will not have any material adverse effect on the Group (taken as a whole), each member of the Group has duly complied with its obligations to account to the Tax and other regulatory authorities of Hong Kong or otherwise for all amounts for which it is or may become accountable in respect of Taxation.
- 4.4 All returns in connection with Taxation that should have been made by a member of the Group have been made in accordance with statutory requirements and on a proper basis and will until Completion continue to be so made.
- 4.5 No member of the Group has any off balance sheet transactions, arrangements and obligations, and no member of the Group has relationships with unconsolidated entities that are contractually limited to narrow activities that facilitate the transfer of or access to assets by the relevant member of the Group, such as structured finance or special purpose entities, that may have an adverse effect on the liquidity of the relevant member of the Group or the requirements of the relevant member of the Group for capital resources.

5. Assets

- 5.1 Save as Disclosed and save those assets which have been disposed of in the ordinary course of business of the Group, the assets of the Group included in the Accounts and all assets acquired since the Accounts Date are solely the property of the Group and are not subject to any Encumbrance or any agreement to give or create any Encumbrance otherwise than in the ordinary course of the business of the Group.
- 5.2 Since the Accounts Date, save for disposals in the ordinary course of its business, the assets of the Company and its Subsidiaries which have been included in the Accounts or acquired since the Accounts Date have been in the possession of, or under the control of, the Group.

6. Litigation

- 6.1 No Group Company is engaged in (nor is any director of any Group Company in relation to the affairs of any Group Company is engaged in) any legal proceedings

(including litigation, arbitration and prosecution) which is of material importance and so far the Company is aware no such proceedings are pending or threatened, nor are there any facts likely to give rise to such proceedings known or which would on reasonable enquiry be known to the Company or its directors.

- 6.2 No order has been made, or petition presented, or resolution passed or analogous proceedings instituted for the winding up of any member of the Group; nor has any distress, execution or other process been levied in respect of a member of the Group which remains undischarged; nor is there any unfulfilled or unsatisfied judgment or court order outstanding against any member of the Group, nor has any receiver or receiver manager been appointed over all or any part of the undertaking and assets of any member of the Group.
- 6.3 No member of the Group has proposed or agreed to a composition, compromise, assignment or arrangement with any of its/his creditors.
- 6.4 No member of the Group is subject to or threatened by any other procedures or steps which are analogous to those set out above.
- 6.5 The Company is solvent and will not become insolvent or bankrupt as a result of it entering into and performing this Agreement or the Instrument to which it is a party.

7. Company records

- 7.1 Each Group Company has kept and duly made up all requisite books of account (reflecting in accordance with all applicable legal requirement, 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 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).
- 7.2 All accounts, books, ledgers, and other financial records of each Group Company:
 - (a) have been properly maintained, are in the possession of the relevant Group Company and contain proper records of all matters required by law to be entered therein;
 - (b) do not contain or reflect any material inaccuracies or discrepancies; and
 - (c) give and reflect a true and fair view of the matters which ought to appear therein and no notice or allegation that any of the same is incorrect has been received, or if the Company has received such notice or allegation, the incorrectness or errors have been rectified.

8. The Company and the law

- 8.1 Save as Disclosed, each of the Group Companies has conducted its business in all material respects in accordance with all applicable laws and regulations of Hong

Kong and any relevant jurisdiction and there is no order, decree or judgement of any court or any governmental agency of Hong Kong or of any foreign country or jurisdiction outstanding against the Company or any Group Company or which may have a material adverse effect upon the assets or business of the Group taken as a whole.

- 8.2 Save as Disclosed, all necessary licences, consents, permits and authorities (public and private) have been obtained by each member of the Group to enable such member to carry on its business in the places and in the manner in which such business is now carried on and all such licences, consents, permits and authorities are valid and subsisting and the Company and its directors know of no reason why any of them should be suspended, cancelled or revoked or should not be renewed or reissued upon or prior to their expiry.

9. No Event of Default

- 9.1 No event has occurred and is subsisting which, were the Instrument outstanding, is or would constitute an Event of Default or any event or circumstance specified as an Event of Default which would be an Event of Default.

10. Others

- 10.1 The Shares are listed on the Stock Exchange and the trading of the Shares on the Stock Exchange is not suspended for more than two (2) consecutive Trading Days, other than for reasons of pending the issue of an announcement of the Company pursuant to chapter 14 or chapter 14A of the Listing Rules, in which case, the trading of the Shares on the Stock Exchange is not suspended for more than five (5) consecutive Trading Days.

SCHEDULE 4

LETTER OF CONFIRMATION

To: China Healthwise Holdings Limited
(the "Company")

Dear Sir,

We refer to the subscription agreement (the "Agreement") of even date signed between us in relation to the issue of Bond (as defined under the Agreement) issued by China Healthwise Holdings Limited.

We further represent and agree to and with you that:-

- (1) We are the ultimate beneficial owner of the Bond to be taken up by us, and that
- (2) We are independent of, and am/are not acting in concert with, the directors, chief executives or substantial shareholders of the Company or its subsidiaries or their respective associates (as defined in the Listing Rules) in respect of the control of the Company.
- (3) We are a company and attach the following information relating to our company:
 - (i) its address
 - (ii) contact telephone number, and
 - (iii) the number of a contact person

and the

- (i) full name
- (ii) identity card number/Company number
- (iii) address, and
- (iv) contact telephone number

of each ultimate beneficial owner of our company (traced to a natural person or the corporation which is a listed company).

- (4) We are not connected persons (as that term is defined in the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules")) of the Company;
- (5) We are not directly or indirectly funded or backed by the Company, its directors, its substantial shareholder(s), its chief executives or any of their respective associates (as such terms are defined in the Listing Rules);
- (6) We are not persons who are accustomed to take instructions from a connected person (as that term is defined in the Listing Rules) of the Company in relation to

the acquisition, disposal, voting or any other disposition of securities in the Company;

- (7) We are independent of any promoter, director, chief executive or substantial shareholder of the Company and the controlling shareholder of the Company or any of their subsidiaries or any associate of any of them (within the meaning of the Listing Rules) and that we are not acting in concert with the controlling shareholder of the Company in relation to the control of the Company (within the meaning of the Hong Kong Code on Takeovers and Mergers);

REGISTRATION FORM/DELIVERY INSTRUCTIONS

All sections must be completed in full.

(PLEASE USE BLOCK LETTERS)

Name of subscriber (in full):

Address:

Business Registration Certificate No.: _____

OR

Passport No./Hong Kong I.D. Card No.: _____

Delivery Instructions:

Contact Name:

CCASS No.:

Address:

Telephone No.:

Facsimile No.:

Specimen signature of registered holder with company chop (if applicable).

Signature

For _____

by _____
(Authorised Signatory)

Name in capitals _____

I/We also undertake to provide to you upon request such other information as may be required to be provided to the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited.

Yours faithfully,
For and on behalf of

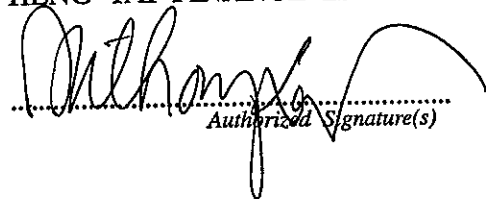
EXECUTION PAGE

SIGNED by)
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)
for and on behalf of)
CHINA HEALTHWISE HOLDINGS LIMITED)
in the presence of:)

SIGNED by)
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)
for and on behalf of)
HENG TAI FINANCE LIMITED)
)
in the presence of: *Wong Sin Hong*)



For and on behalf of
HENG TAI FINANCE LIMITED


.....
Authorized Signature(s)

EXECUTION PAGE

SIGNED by LEI HONG WAI

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)
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)
)

for and on behalf of

CHINA HEALTHWISE HOLDINGS LIMITED

in the presence of:

LO MING WAN



SIGNED by

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for and on behalf of

HENG TAI FINANCE LIMITED

in the presence of: