

DATED 19 day of March 2019

Pha Nga Bay Limited
(the “Existing Shareholder”)

and

O-Net Communications Holdings Limited
(the “Subscriber”)

and

Advance Photonics Investments Limited
(the “Company”)

**SUPPLEMENTAL AGREEMENT FOR THE
SALE AND PURCHASE OF
SOLD SHARES OF
ADVANCE PHOTONICS INVESTMENT LIMITED**

THIS SUPPLEMENTAL AGREEMENT is made on the 19 day of March 2019

BETWEEN:

- (1) **Pha Nga Bay Limited**, a company incorporated in the British Virgin Islands with limited liability and having its registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands (“**Existing Shareholder**”);
- (2) **O-Net Communications Holdings Limited**, a company incorporated in the British Virgin Islands with limited liability and having its registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands (“**Subscriber**”); and
- (3) **Advance Photonics Investments Limited**, a company incorporated in Hong Kong with limited liability and having its registered office at 1/F., Xiu Ping Commercial Building, 104 Jervois Street, Sheung Wan, Hong Kong (“**Company**”);

Each a “Party” and collectively, the “Parties”.

WHEREAS:

- (A) The Subscriber and the Company has entered into an Agreement for the Sale and Purchase of Sold Shares of 3SP Technologies (“**3SP**”) on 21st April 2017 (the “**2017 SPA**”) and a Supplementary Agreement for the Sale and Purchase of Sold Shares of 3SP on 18th July 2017 (the “**2017 Supplementary**”, together with the 2017 SPA, the “**SPA**”). The parties to the SPA agreed to waive the condition 2.01(ii) as set out in the 2017 Supplementary, therefore, all conditions have been fulfilled or waived.
- (B) The Company is the sole shareholder of the 3SP and holds, as legal and beneficial owner the entire issued share capital of the 3SP.
- (C) The Existing Shareholder is the sole shareholder of the Company and holds, as legal and beneficial owner of one ordinary share (being the entire issued share capital) (the “**Existing Share**”) of the Company.
- (D) The Subscriber has paid US\$19,884,000 to the Company as required under the SPA (“**Paid Consideration**”).
- (E) The Subscriber, the Existing Shareholder and the Company agree to restructure the transaction for the sale and purchase of 3SP through the subscription of new shares in the Company by the Subscriber and the Existing Shareholder shall agree to convert the Existing Share into non-voting deferred share (the “**Restructure**”). In relation to this, the Parties agree to enter into this Supplemental Agreement to modify the transaction in the SPA.

NOW IT IS HEREBY AGREED as follows:

1. **DEFINITIONS**

In this Supplemental Agreement, unless the context otherwise requires or unless this Supplemental Agreement expressly otherwise provides, all words and expressions as defined in the SPA shall have the same meanings when used or referred to herein.

AMENDMENT AND VARIATION TO THE AGREEMENT

The Parties hereby agree to the following amendments and variations to the SPA:

1. In this Supplemental Agreement, unless the context requires otherwise:

“Completion” means completion of the subscription of new Shares;

“Non-Voting Deferred Share” means the non-voting deferred share of the Company with such rights and restrictions as set out herein;

“Existing Shareholder’s Indebtedness” means the amount of US\$6,384,000 owing by the Existing Shareholder to the Company;

“Shareholder’s Loan” means the shareholder’s loan in the principal amount of US\$13,500,000 to be advanced by the Subscriber to the Company;

“Shares” means ordinary shares in the capital of the Company;

“Subscription Shares” means 9,999 ordinary shares of the Company

2. **ISSUE AND SUBSCRIPTION OF THE SUBSCRIPTION SHARES**

2.1 Subject to the terms of this Supplemental Agreement, the Company shall allot and issue to the Subscriber, and the Subscriber shall subscribe for the Subscription Shares representing all the ordinary Shares of the Company in issue immediately following the Completion.

2.2 The consideration for the Subscription is HK\$9,999 which shall be satisfied by the Paid Consideration to the extent of HK\$9,999.

2.3 The Subscriber shall advance to the Company the Shareholder’s Loan in the principal amount of US\$13,500,000 which shall be satisfied by the Paid Consideration to the extent of US\$13,500,000.

- 2.4 The Company shall apply the Shareholder's Loan to repay the amount due to the Existing Shareholder in full.

3. DEFERRED SHARES CONVERSION

- 3.1 Subject to the terms of this Supplemental Agreement, the Existing Shareholder shall convert its Existing Share into Non-Voting Deferred Share (the "Deferred Shares Conversion").
- 3.2 The Existing Shareholder, the Company and the Subscriber have agreed that the consideration for the Deferred Shares Conversion shall be USD6,382,718.08 which shall be satisfied by the Paid Consideration to the extent of US\$6,382,718.08, which shall be off-set against the Existing Shareholder's Indebtedness.

4. RIGHTS AND RESTRICTION OF THE NON-VOTING DEFERRED SHARE

The Existing Shareholder shall procure the Company to amend its memorandum and articles of association of the Company to the following effect:-

- 4.1 The Company shall be authorized to issue shares comprising ordinary share(s) and such non-voting deferred share(s) as may be issued or converted or redesignated from ordinary share(s) from time to time.
- 4.2 Ordinary shareholder(s) may from time to time convert or redesignate ordinary shares into non-voting deferred shares by passing an ordinary resolution of with a majority of more than 50% votes.
- 4.3 the dividends which the Company may determine to distribute in respect of any financial year be distributed among the holder of ordinary shares only and no part of the said dividends shall be distributed among the holders of the non-voting deferred shares.
- 4.4 on return of capital or assets on winding up or otherwise, the capital or assets of the Company to be returned shall be distributed (i) as regards the first HK\$100,000,000,000 thereof among the holders of the ordinary shares in proportion to the number of shares held by them respectively, and (ii) as regards the remaining balance of the capital or assets after the distribution, among the holders of the non-voting deferred shares in the proportion to the number of non-voting deferred shares held by them respectively.
- 4.5 the holder of the non-voting deferred shares shall not be entitled to any participation in the profit and assets of the Company.
- 4.6 the non-voting deferred shares shall not entitle the holders thereof to receive notice of or to attend or vote at any general meeting of the Company.

5. EFFECT OF THIS SUPPLEMENTAL AGREEMENT

- 5.1 This Supplemental Agreement is and shall be construed as supplemental to the SPA, and the SPA and this Supplemental Agreement shall be read and construed as one document and references to "this Agreement" in the SPA shall be construed accordingly.
- 5.2 In the event of a conflict between the provisions of the SPA and the provisions of this Supplemental Agreement, the provisions of this Supplemental Agreement shall prevail and the provisions of the SPA shall be deemed to be modified so far as it is necessary to give effect to the provisions of this Supplemental Agreement.
- 5.3 Save as expressly amended or varied herein, the other terms and conditions of the SPA (which have not been amended or varied by this Supplemental Agreement) shall remain to be valid, subsisting and enforceable between the Parties.

6. GENERAL

This Supplemental Agreement shall be governed by and construed in accordance with the laws of Hong Kong and the parties irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong.

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IN WITNESS WHEREOF this Agreement has been executed on the day and year first above written.

SIGNED by)
for and on behalf of)
Pha Nga Bay Limited)
in the presence of:)
)

For and on behalf of
Adriatic Sea Management Limited

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Authorized Signature(s)

SIGNED by)
for and on behalf of)
O-Net Communications Holdings Limited)
in the presence of:)
)



SIGNED by)
for and on behalf of)
Advance Photonics Investments Limited)
in the presence of:)
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