

DATED 15 July 2022

KINGWISOFT TECHNOLOGY GROUP COMPANY LIMITED
(金慧科技集團股份有限公司)

and

GFLY LTD.

SUBSCRIPTION AGREEMENT

in relation to the issue of 437,500,000 ordinary shares in
Kingwisoft Technology Group Company Limited (金慧科技集團股份有限公司)

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THIS SUBSCRIPTION AGREEMENT (this “**Agreement**”) is dated 15 July, 2022 and is made
BETWEEN:-

- (1) **Kingwisoft Technology Group Company Limited (金慧科技集團股份有限公司)**
(formerly known as ZZ Technology Group Company Limited (中植科技集團股份有限公司)), a company incorporated with limited liability under the laws of the Cayman Islands with its registered office at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands (the “**Company**”);
- (2) **Gfly Ltd.**, a company incorporated under the laws of the British Virgin Islands with its registered office at Craigmuir Chambers, Road Town, Tortola, VG 1110, British Virgin Islands (the “**Investor**”).

Each of the parties listed above referred to herein individually as a “**Party**” and collectively as the “**Parties**”.

WHEREAS:

- A. The Company is a company incorporated in the Cayman Islands whose Ordinary Shares (as defined below) are listed on GEM of the Stock Exchange (as defined below) (stock code: 8295).
- B. The Company desires to issue to the Investor, and the Investor desires to subscribe for the Subscription Shares (as defined below) pursuant to the terms and subject to the terms and conditions of this Agreement.
- C. Simultaneously with the entering into of this Agreement, certain investor has entered into or will enter into with the Company other share subscription agreement(s) for the subscription of a total of 587,500,000 Ordinary Shares subject to the terms and conditions therein.

NOW IT IS HEREBY AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement (including the Recitals and Schedules), the words and expressions set out below shall have the meanings attributed to them unless the context otherwise requires:

“**Affiliate**” means, in relation to any person, any other person which, directly or indirectly, controls, is controlled by or is under the common control of the first mentioned person.

“**Agreement**” has the meaning set forth in the Preamble of this Agreement.

“**Anti-Corruption Laws**” shall mean laws, regulations or orders relating to anti-bribery or anti-corruption (governmental or commercial), to the extent applicable to the business and dealings of the Company and each Subsidiary of the Company, including, without limitation and to the extent applicable, *the PRC Criminal Law* and the amendments and judicial interpretations thereof, *the Law of The People’s Republic of China against Unfair Competition*, *the Interim Provisions on Banning Commercial Bribery*, and the *U.S. Foreign Corrupt Practices Act*.

“**Board**” or “**Board of Directors**” means the board of directors of the Company.

“Business” means operation of the business of the Group as set out in the 2021/2022 annual report of the Company published on June 29, 2022.

“Business Day” means a day on which licensed banks in the PRC and Hong Kong are open for business throughout their normal business hours, other than: (i) a Saturday, a Sunday or a public holiday in the PRC or Hong Kong, or (ii) a day on which tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m..

“Closing” means closing of the issue of and subscription for the Subscription Shares pursuant to Clause 4.

“Closing Date” means the date of the Closing.

“Company” has the meaning set forth in the Preamble of this Agreement, the details of which are set forth in Schedule 2 attached hereto.

“Company Warranties” has the meaning sets forth in Clause 5.1 of this Agreement.

“Control” means, with respect to any Person, the power or authority, whether exercised or not, to direct the business, management, policies or activities of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; provided, that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to appoint or remove or control the composition of a majority of the board of directors of such Person. The terms **“Controlled”** and **“Controlling”** have meanings correlative to the foregoing.

“Designated Bank Account” has the meaning set forth in Clause 3 of this Agreement.

“Disclosed” means to the extent disclosed fairly in this Agreement (including the Disclosure Letter and Schedules) or in the announcement, circular or report of the Company and published on the websites of the Stock Exchange and the Company as of the date of this Agreement, for this purpose, “disclosed fairly” means disclosed in such manner and in such detail as to enable a reasonable purchaser to make an informed and accurate assessment of the matter concerned.

“Disclosure Letter” means the disclosure letter delivered by the Company to the Investor on the date hereof as set forth in Schedule 2 hereto.

“Encumbrance” means any interest or equity of any Person (including any right to acquire, option or right of pre-emption or first offer or first refusal) or any mortgage, charge, pledge, lien, assignment, hypothecation, security interest, title retention or other security agreement or arrangement or any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

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

“Group” means collectively, the Company and each of its Subsidiary; and **“Group Member”** shall be a member of the Group.

“HK Dollars” or **“HKD”** or **“HK\$”** means Hong Kong Dollars, the lawful currency of Hong Kong.

“Hong Kong” means the Hong Kong Special Administrative Region of the PRC.

“Investor” has the meaning set forth in the Preamble of this Agreement, and shall include any Person or Persons who execute a Deed of Adherence to become a party to this Agreement.

“Investor Warranties” has the meaning sets forth in Clause 6.1 of this Agreement.

“Knowledge” means the best knowledge of the Company after due and careful inquiry.

“Law” or “Laws” means any constitutional provision, statute or other law (including Anti-Corruption Laws), rule, regulation, guidance, decisions, published official policy or published official interpretation of any Governmental Authority and any injunction, judgment, order, ruling, assessment or writ issued by any Governmental Authority, including GEM Listing Rules.

“Listing Approval” means the listing and permission to deal in the Subscription Shares to be granted by the Listing Committee of the Stock Exchange;

“Long Stop Date” means March 31, 2023 (or such later date as may be agreed between the Company and the Investor in writing).

“Material Adverse Effect” or “Material Adverse Change” means a material adverse effect on:

- (i) the legality, validity or enforceability of this Agreement;
- (ii) the ability of a Company to perform its obligations under this Agreement;
- (iii) the rights and remedies of the Investor under any of this Agreement; or
- (iv) or any development involving a prospective material adverse effect, on the assets, liabilities, business, management, profit, losses, financial position or condition, results of operations, or prospects of the Group, taken as a whole.

“Memorandum and Articles” means the memorandum of association and articles of association of the Company, as amended from time to time.

“Ordinary Shares” means the ordinary shares of par value HK\$0.01 each in the share capital of the Company.

“Party” or “Parties” has the meaning set forth in the Preamble of this Agreement.

“Person” means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity.

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

“Purchase Price” means HKD0.4 per Share.

“Share” means the ordinary shares of par value HK\$0.01 each in the share capital of the Company.

“Shares Certificate(s)” means the share certificate issued in respect of the Subscription Shares.

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

“Subscription” means the subscription of the Subscription Shares by the Investor.

“Subscription Monies” has the meaning sets out in Clause 4.2(a)(i).

“Subscription Shares” means an aggregate of 437,500,000 Ordinary Shares to be subscribed for by the Investor and allotted and issued by the Company upon Closing and subject to the terms of this Agreement, and a **“Subscription Share”** means any of them.

“Subsidiary” means a company which is for the time being and from time to time a subsidiary of the Company within the meaning of section 15 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

“Takeovers Code” means the Hong Kong Code on Takeovers and Mergers.

“Tax” or **“Taxes”** means all applicable forms of taxation, duties, levies imposts and social security charges, whether direct or indirect including without limitation corporate income tax, wage withholding tax, national social security contributions and employee social security contributions, value added tax, business tax, customs and excise duties, capital tax and other legal transaction taxes, dividend withholding tax, dividend distribution tax, land taxes, environmental taxes and duties and any other type of taxes or duties payable by virtue of any applicable national, regional or local Law and which may be due directly or by virtue of joint and several liability in any relevant jurisdiction; together with any interest, penalties, surcharges or fines relating to them, due and payable in any relevant jurisdiction and **“Taxation”** will be construed accordingly.

“%” means per cent.

1.2 Headings

The headings and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

1.3 Miscellaneous

In this Agreement, unless the context requires otherwise:

- (a) any references, express or implied, to statutes or statutory provisions shall be construed as references to those statutes or provisions as respectively amended or re-enacted or as their application is modified by other provisions (whether before or after the date hereof) from time to time and shall include any statutes or provisions of which they are re-enactments (whether with or without modification) and any orders, regulations, instruments or other subordinate legislation under the relevant statute or statutory provision. References to sections of consolidating legislation shall, wherever necessary or appropriate in the context, be construed as including references to the sections of the previous legislation from which the consolidating legislation has been prepared;
- (b) references to “Clauses”, “Recitals” and “Schedules” are references to Clauses of, Recitals to and Schedules to this Agreement; references to sub-sections or Paragraphs are, unless otherwise stated, references to sub-sections of the Clause or Paragraphs of the Schedule in which the reference appears;
- (c) references to the singular shall include the plural and vice versa and references to the masculine shall include the feminine or neuter and vice versa;
- (d) the term “or” is not exclusive;

- (e) the terms “herein”, “hereof”, and other similar words refer to this Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other subdivision;
- (f) the terms “include” and “including” shall be construed to mean “including without limitation”;
- (g) the terms “shall”, “will”, and “agrees” are mandatory, and the term “may” is permissive;
- (h) the term “day” means “calendar day”;
- (i) references to “assets” include present and future properties, rights and assets of every description;
- (j) references to “indebtedness” include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (k) references to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other provisions from time to time and shall include references to any provisions of which they are re-enactments (whether with or without modification);
- (l) references to any document are to be construed as references to such document as amended, supplemented, extended, restated, novated and/or replaced in any manner from time to time;
- (m) a reference to a legal term for a legal document, court, judicial process, action, remedy, legal status, official or any other legal concept, in respect of a jurisdiction other than Hong Kong, shall be deemed to be a reference to whatever most closely equates to the Hong Kong legal term in that jurisdiction;
- (n) references to dates and times are references to Hong Kong dates and times;
- (o) the Recitals and the Schedule to this Agreement form part of it and shall have the same force and effect as if expressly set out in the body of this Agreement;
- (p) the expressions the “Company” and the “Investor” shall, where the context permits, include their respective successors and personal representatives;
- (q) in construing this Agreement general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

2. THE SUBSCRIPTION

- 2.1 Subject to the terms and conditions hereof, the Investor shall subscribe for, and the Company shall issue to the Investor, on the Closing Date, the Subscription Shares at a price of HKD0.4 per Share (the “**Purchase Price**”).
- 2.2 The Company and the Investor agree that proceeds (the “**Proceeds**”) contemplated under the Subscription shall be applied in the following manner after deduction of all reasonable expenses (which shall be capped at HK\$22,000,000 in connection of the Subscription): (i) HK\$83,000,000 for settlement of consideration in relation to the acquisition of KingNine Holdings Limited, (ii) HK\$27,000,000 for developing and supporting the Group’s existing business including but not limited to acquisitions of and investments in any businesses and

companies relating to the Group's existing business, and (iii) such remainder of the Proceeds for the expansion and development of the Group's business of live-streaming e-commerce and digital marketing services (the "**New Media Business**"), including but not limited to acquisitions of and investments in any businesses and companies relating to the New Media Business.

3. CONDITIONS PRECEDENT

- 3.1 Closing of subscription of Shares shall be conditional upon the satisfaction (or waiver by the Company) of each of the following conditions on or before the Long Stop Date:
- (a) **Listing Approval.** The Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Subscription Shares, and such listing approval not subsequently revoked prior to Closing.
 - (b) **Company Warranties.** The Company Warranties remaining true, correct, accurate, complete in all respects and not misleading as of the date of this Agreement up to the Closing Date.
 - (c) **Investor Warranties.** The Investor Warranties remaining true, correct, accurate, complete in all respects and not misleading as of the date of this Agreement up to the Closing Date.
- 3.2 The Investor may, at its absolute discretion, waive the condition set out in Clause 3.1 (b). The Company may, at its absolute discretion, waive the condition set out in Clause 3.1(c).
- 3.3 The Company shall use its reasonable endeavours to procure the fulfilment of the conditions set out in Clause 3.1(a) and (b) on or before the Long Stop Date. The Investor shall use its reasonable endeavors to procure the fulfilment of the condition sets out in Clause 3.1(c) on or before the Long Stop Date.
- 3.4 If any of the conditions set out in Clause 3.1 is not fulfilled (or, where applicable, waived in accordance with Clause 3.2) on or before the Long Stop Date:-
- (a) none of the Company or the Investor shall be obliged to proceed to Closing;
 - (b) the provisions of this Agreement, except this Clause 3.4 and Clauses 7.2 and 7.3 which shall remain in full force and effect shall from such date ceased to have any effect; and
 - (c) none of the Company or the Investor shall have any claim against each other, including but not limited to any breach of the Company Warranties or Investor Warranties.

4. CLOSING OF THE SUBSCRIPTION

- 4.1 Subject to all the conditions set out in Clause 3.1 having been fulfilled (or, where applicable, waived in accordance with Clause 3.2) on or before the Long Stop Date, the Closing shall take place at 5:00p.m. on the 5th Business Days after the day on which the last of the conditions set on Clause 3.1 is fulfilled (or otherwise waived in accordance with Clause 3.2, where applicable) (or such other date as may be agreed by the Company and the Investor in writing) at the offices of Fangda Partners at 26/F, One Exchange Square, 8 Connaught Place, Central, Hong Kong (or such other place as may be agreed by the Company and the Investor in writing).
- 4.2 At Closing, all (but not part only, expect where and to the extent as agreed by the Company and the Investor) of the following business shall be transacted:

- (a) the Investor shall:
 - (i) pay a sum which is equal to the aggregate of the Purchase Price multiplied by the number of Subscription Shares (the “**Subscription Monies**”) by wire transfer in immediately available HKD funds to the bank account, details of which shall be notified by the Company to the Investor at least five (5) Business Days prior to the Closing (the “**Designated Bank Account**”), with evidence of such payment taking the form of irrevocable instructions issued by the Investor to the Investor’s bank to remit the Subscription Monies to the Company.
 - (ii) deliver a certified copy of the director(s’) resolutions of the Investor, authorising the execution and completion of this Agreement and the transactions contemplated hereunder;
 - (b) against the Company having received the Subscription Monies in the Designated Bank Account as set out in Clause 4.2(a) above, the Company shall:
 - (i) allot and issue to HKSCC Nominees Limited the Subscription Shares, and deliver to the Hong Kong share registrar of the Company (i) one certified true copy of the directors’ resolutions of the Company authorising the allotment and issue of the Subscription Shares, and (ii) one copy of irrevocable instruction letters, placing forms and other documents issued by the Company to its share registrars required for the deposit of the Subscription Shares in CCASS;
 - (ii) give an irrevocable free of payment delivery instruction to effect a book-entry settlement of the Subscription Shares in accordance with this Agreement and the General Rules and the Operational Procedures of CCASS to the credit of the stock account of the CCASS participant(s) specified by the Investor before the Closing Date;
 - (iii) deliver to the Investor a certified true copy of the directors’ resolutions of the Company, approving, (A) the issue of the Subscription Shares to the Investor; and (B) the execution of this Agreement and the transactions contemplated thereunder to which the Company is a party;
- 4.3 Without prejudice to any other remedies available to the Investor, if any of the obligations of the Company under Clause 4.2(b) is not complied with in any respect by the Company on the Closing Date, the Investor may:
- (a) defer Closing to a date not more than thirty (30) days after the Closing Date (and so that the provisions of this Clause 4 shall apply to Closing as so deferred); or
 - (b) proceed to Closing so far as practicable (without prejudice to the Investor’s rights hereunder); or
 - (c) rescind its obligations under this Agreement,

provided that in the event that the Company does not allot and issue the Subscription Shares to the Investor at Closing or otherwise fulfil its obligations in accordance with Clause 4.2(b) and the Investor has effected payment of the Subscription Monies to the Company under Clause 4.2(a), the Company shall, immediately on demand, pay and refund in full the Subscription Monies to the Investor together with interest accrued thereon at the daily rate of 0.1% for the period from the Closing Date until full payment to the Investor.

4.4 Without prejudice to any other remedies available to the Company, if any of the obligations of the Investor under Clause 4.2(a) is not complied with in any respect by the Investor on the Closing Date, the Company may:

- (a) defer Closing to a date not more than thirty (30) days after the Closing Date (and so that the provisions of this Clause 4 shall apply to Closing as so deferred); or
- (b) proceed to Closing so far as practicable (without prejudice to the Investor's rights hereunder); or
- (c) rescind its obligations under this Agreement,

provided that in the event that the Investor does not make payment of the Subscription Monies to the Company or otherwise fulfil its obligations in accordance with Clause 4.2(a) and the Company has allotted and issued the Subscription Shares to the Investor under Clause 4.2(b), the Investor shall, immediately on demand, pay in full the Subscription Monies to the Investor together with interest accrued thereon at the daily rate of 0.1% for the period from the Closing Date until full payment to the Company.

5. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

5.1 The Company, represents, warrants and undertakes to the Investor that as at the date hereof and as at Closing (with respect to the facts and circumstances subsisting at such time except as specifically provided otherwise), each of the representations, warranties and undertakings (the "**Company Warranties**") as set out in Schedule 1 is true, accurate, complete and not misleading.

5.2 Each of the Company Warranties shall be construed as a separate and independent Company Warranty and, except where expressly provided to the contrary, shall not be limited or restricted by reference to or inference from the terms of any other Company Warranty or any other terms of this Agreement.

5.3 The Company acknowledges that the Investor is entering into this Agreement in reliance of the Company Warranties.

5.4 The Company Warranties are qualified by reference to those matters Disclosed. The Company will not be liable to the Investor in respect of the Company Warranties only to the extent the relevant matters are Disclosed.

5.5 The Company's liabilities under this Agreement shall be limited by the following:

- (a) The aggregate liability of the Company for the breach or non-performance of any of the representations, warranties, covenants or agreements made or given by the Company in or pursuant to this Agreement shall not exceed 100% of the Subscription Monies.
- (b) The Investor shall not be entitled to recover damages or obtain payment, reimbursement, restitution or indemnity more than once in respect of the same breach under this Agreement, regardless of whether more than one claim arises in respect of it.
- (c) If the Company pays the Investor the full amount in respect of a claim and the Investor or any of its Affiliates subsequently recover from a third party a sum for such claim, the Investor shall give notice to the Company. If any amount is actually recovered from such third party, then, after the deduction of the costs of the Investor and its Affiliates in obtaining such recovery and any tax payable on such recovery, the balance (up to