

Dated 4 September 2024

**FULLY FORT GROUP LIMITED**

**LAW MING YIK**

**and**

**HONG KONG YUFENGCHANG CO., LIMITED**

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**SALE AND PURCHASE AGREEMENT**

in respect of the ordinary shares of

**SUN KONG HOLDINGS LIMITED**

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## CONTENTS

1	INTERPRETATION.....	1
2	SALE AND PURCHASE OF SALE SHARES.....	7
3	CONSIDERATION.....	8
4	SELLER'S COVENANTS AND UNDERTAKINGS .....	8
5	COMPLETION.....	9
6	WARRANTIES OF SELLER AND WARRANTOR .....	9
7	PURCHASER'S WARRANTIES .....	11
8	UNDERTAKINGS IN CONNECTION WITH THE SHARE OFFER .....	12
9	NOTICES.....	12
10	COSTS AND EXPENSES.....	14
11	GENERAL PROVISIONS .....	14
12	ANNOUNCEMENTS.....	16
13	CONFIDENTIALITY.....	16
14	LANGUAGE .....	17
15	COUNTERPARTS .....	18
16	PAYMENTS AND NO SET OFF .....	18
17	GOVERNING LAW AND ARBITRATION.....	18
18	AGENT FOR SERVICE OF PROCESS .....	19
	SCHEDULE 1 PARTICULARS OF LISTCO .....	20
	SCHEDULE 2 COMPLETION .....	21
	SCHEDULE 3 RESTRICTED ACTIONS .....	23
	SCHEDULE 4 WARRANTIES.....	25

**THIS AGREEMENT** (the "**Agreement**") is made on 4 September 2024

**BETWEEN:**

1. **FULLY FORT GROUP LIMITED** (全堡集團有限公司), a limited liability company duly incorporated and existing under the laws of the British Virgin Islands with its registered address at Unit 8, 3/F., Qwomar Trading Complex, Blackburne Road, Port Purcell, Road Town, Tortola, British Virgin Islands, VG1110 (the "**Seller**");
2. **LAW MING YIK** (羅名譯)(Hong Kong Identity No: Z984200(5)), an individual with the residential address at G/F, Block B, Phoenix Court, No. 272 Shan Pui Tsuen, Yuen Long, New Territories, Hong Kong (the "**Warrantor**"); and
3. **HONG KONG YUFENGCHANG CO., LIMITED** (香港裕豐昌有限公司), a limited liability company duly incorporated and existing under the laws of Hong Kong with its registered address at Unit A, 20/F., Wang Cheong Building, 251 Reclamation Street, Kowloon, Hong Kong (the "**Purchaser**"),

each a "**Party**" and together the "**Parties**".

**WHEREAS:**

- (A) Listco is a limited liability company incorporated in the Cayman Islands and its Shares are listed on GEM of the HKSE with stock code 8631. As at the date of this Agreement, Listco has in issue 40,000,000 Shares. Further details of Listco are set out in Schedule 1.
- (B) The Seller is the registered shareholder and beneficial owner of a total of 25,111,000 Shares, representing approximately 62.78% of the issued share capital of Listco. The Seller is in turn wholly owned by the Warrantor.
- (C) The Seller has agreed to, and the Warrantor has agreed to procure the Seller to, sell, and the Purchaser has agreed to purchase, 23,115,000 Shares (the "**Sale Shares**"), representing approximately 57.79% of the issued share capital of Listco on and subject to the terms and conditions of this Agreement.
- (D) Upon completion of the sale and purchase of the Sale Shares, the Purchaser shall make the Share Offer for all the Offer Shares pursuant to Rule 26.1 of the Takeovers Code.
- (E) In connection with the Share Offer, the Seller and the Warrantor will also provide an irrevocable undertaking to the Purchaser in respect of, among others, the 1,996,000 Shares (representing approximately 4.99% of the issued share capital of Listco) legally and beneficially owned by the Seller upon completion of the sale and purchase of the Sale Shares that the Seller shall not, and the Warrantor shall procure the Seller not to, accept the Share Offer or sell any of such 1,996,000 Shares during the offer period (as defined in the Takeovers Code).

**IT IS AGREED** as follows:

**1 INTERPRETATION**

1.1 In this Agreement:

"**Affiliate**" means:

- (a) in relation to an individual, that individual's close relatives (being any spouse or child, including adopted child and step-child, of that individual), any person which is

Controlled by that individual and/or that individual's close relatives (acting singly or together) ("**Controlled Entity**") and any Affiliate of a Controlled Entity; and

- (b) in relation to any other person, any person that (directly or indirectly) Controls, is Controlled by or is under common Control with such person;

"**Agent**" has the meaning given to it in Clause 18.1;

"**Authorisation**" means any license, permit, consent, authorisation, permission, clearance or approval of any Authority or any other person;

"**Authority**" means any competent governmental, administrative, supervisory, regulatory, judicial, determinative, disciplinary, enforcement or Tax raising body, authority, agency, board, department, court or tribunal of any jurisdiction (including any relevant securities exchange) and whether supranational, national, regional or local;

"**Balance Sheet Date**" means 31 March 2024;

"**Bank**" means Bank of China (Hong Kong) Limited, being the bank which granted the Loans in favour of Wing Ko;

"**Business**" means the business currently conducted by the Group, namely the sales of diesel oil and related products in Hong Kong;

"**Business Assets**" means all the material assets of the Group and any material assets necessary for the operation of the Business, and all the Intellectual Property Rights used by or in connection with the Business;

"**Business Day**" means a day on which banks are generally open for business in Hong Kong (other than a Saturday, Sunday or a public holiday or a day on which a tropical cyclone warning No. 8 or above or a "black rainstorm warning signal" or "Extreme Conditions" warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 am and 5:00 pm);

"**Claim**" means any claim made by a Party arising out of or in connection with this Agreement (or otherwise contemplated by, or referred to in, this Agreement), howsoever arising;

"**Companies Ordinance**" means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);

"**Completion**" means the completion of the sale and purchase of the Sale Shares in accordance with Clause 5;

"**Completion Date**" means the date on which Completion occurs, being (i) three Business Days after date of this Agreement provided that all of the Sale Shares shall have been deposited into the Seller's Securities Account on such date, or (ii) the Business Day after the date when all Sale Shares have been deposited into the Seller's Securities Account (provided that such date shall in any case be no longer than five (5) Business Days after the date of this Agreement, failing which the Seller shall be treated as non-compliant with Clause 5 and the Buyer may exercise its right under Clause 5.3);

"**Confidential Information**" has the meaning given to it in Clause 13.1;

"**connected persons**" has the meaning given to it under the GEM Listing Rules;

"**Consideration**" means the aggregate consideration in respect of all of the Sale Shares to be paid by the Purchaser in accordance with Clause 3.1;

**"Control"** means:

- (a) in relation to a corporate person: (i) direct or indirect ownership or right to exercise, directly or indirectly, more than 50% of the votes exercisable at any meeting of such corporate person; (ii) the ability to directly or indirectly appoint or remove or cause to appoint or remove more than one-half of the directors of the board (or equivalent governing body) of such person; (iii) the right to exercise a majority of the votes exercisable at a meeting of the board of directors (or equivalent governing body) of such person; or (iv) the ability to directly or indirectly direct or cause the direction of the management and policies of such person (whether by contract or howsoever arising); and
- (b) in relation to a non-corporate person: (i) direct or indirect ownership or right to exercise a majority of the voting rights or a comparable voting interest (as set forth in paragraph (a) above) for such person; (ii) the ability to direct or cause the direction of the management and policies of such person (whether by contract or howsoever arising); or (iii) the operational or practical control of such person,

and the terms **"Controls"**, **"Controlling"** and **"Controlled"** shall be construed accordingly;

**"Despatch Date"** means the date on which the offer document in respect of the Share Offer is despatched to the Shareholders;

**"Directors"** means the directors of Listco;

**"Encumbrance"** means any lien, pledge, encumbrance, charge (fixed or floating), mortgage, third party claim, debenture, option, right of pre-emption, right to acquire, assignment by way of security, trust arrangement for the purpose of providing security or security interests of any kind (including retention arrangements or other encumbrances and any agreement to create any of the foregoing), and **"Encumber"** shall be construed accordingly;

**"Executive"** means the Executive Director of the Corporate Finance Division of the SFC;

**"Financial Statements"** means the audited consolidated financial statements of the Group for the year ended on the Balance Sheet Date;

**"First Closing Date"** means the first date on which the Share Offer are closed for acceptance;

**"Fundamental Warranties"** means the Warranties contained in Part A and Paragraphs 1.1, 1.2, 1.3, 2.2, 3, 4.2, 5.1 and 12 of Part B of Schedule 4, and **"Fundamental Warranty"** means any one of them;

**"GEM Listing Rules"** means the Rules Governing the Listing of Securities on GEM of HKSE;

**"gross-up amount"** has the meaning given to it in Clause 6.10;

**"Group"** means Listco and its subsidiaries, and **"member of the Group"** shall be construed accordingly;

**"HKSE"** means The Stock Exchange of Hong Kong Limited;

**"Hong Kong"** means the Hong Kong Special Administrative Region of the PRC;

**"HK\$"** means Hong Kong dollars, the lawful currency of Hong Kong;

**"HKIAC"** has the meaning given to it in Clause 17.2;

Controlled by that individual and/or that individual's close relatives (acting singly or together) ("**Controlled Entity**") and any Affiliate of a Controlled Entity; and

- (b) in relation to any other person, any person that (directly or indirectly) Controls, is Controlled by or is under common Control with such person;

"**Agent**" has the meaning given to it in Clause 18.1;

"**Authorisation**" means any license, permit, consent, authorisation, permission, clearance or approval of any Authority or any other person;

"**Authority**" means any competent governmental, administrative, supervisory, regulatory, judicial, determinative, disciplinary, enforcement or Tax raising body, authority, agency, board, department, court or tribunal of any jurisdiction (including any relevant securities exchange) and whether supranational, national, regional or local;

"**Balance Sheet Date**" means 31 March 2024;

"**Bank**" means Bank of China (Hong Kong) Limited, being the bank which granted the Loans in favour of Wing Ko;

"**Business**" means the business currently conducted by the Group, namely the sales of diesel oil and related products in Hong Kong;

"**Business Assets**" means all the material assets of the Group and any material assets necessary for the operation of the Business, and all the Intellectual Property Rights used by or in connection with the Business;

"**Business Day**" means a day on which banks are generally open for business in Hong Kong (other than a Saturday, Sunday or a public holiday or a day on which a tropical cyclone warning No. 8 or above or a "black rainstorm warning signal" or "Extreme Conditions" warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 am and 5:00 pm);

"**Claim**" means any claim made by a Party arising out of or in connection with this Agreement (or otherwise contemplated by, or referred to in, this Agreement), howsoever arising;

"**Companies Ordinance**" means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);

"**Completion**" means the completion of the sale and purchase of the Sale Shares in accordance with Clause 5;

"**Completion Date**" means the date on which Completion occurs, being (i) three Business Days after date of this Agreement provided that all of the Sale Shares shall have been deposited into the Seller's Securities Account on such date, or (ii) the Business Day after the date when all Sale Shares have been deposited into the Seller's Securities Account (provided that such date shall in any case be no longer than five (5) Business Days after the date of this Agreement, failing which the Seller shall be treated as non-compliant with Clause 5 and the Buyer may exercise its right under Clause 5.3);

"**Confidential Information**" has the meaning given to it in Clause 13.1;

"**connected persons**" has the meaning given to it under the GEM Listing Rules;

"**Consideration**" means the aggregate consideration in respect of all of the Sale Shares to be paid by the Purchaser in accordance with Clause 3.1;

**"Control"** means:

- (a) in relation to a corporate person: (i) direct or indirect ownership or right to exercise, directly or indirectly, more than 50% of the votes exercisable at any meeting of such corporate person; (ii) the ability to directly or indirectly appoint or remove or cause to appoint or remove more than one-half of the directors of the board (or equivalent governing body) of such person; (iii) the right to exercise a majority of the votes exercisable at a meeting of the board of directors (or equivalent governing body) of such person; or (iv) the ability to directly or indirectly direct or cause the direction of the management and policies of such person (whether by contract or howsoever arising); and
- (b) in relation to a non-corporate person: (i) direct or indirect ownership or right to exercise a majority of the voting rights or a comparable voting interest (as set forth in paragraph (a) above) for such person; (ii) the ability to direct or cause the direction of the management and policies of such person (whether by contract or howsoever arising); or (iii) the operational or practical control of such person,

and the terms **"Controls"**, **"Controlling"** and **"Controlled"** shall be construed accordingly;

**"Despatch Date"** means the date on which the offer document in respect of the Share Offer is despatched to the Shareholders;

**"Directors"** means the directors of Listco;

**"Encumbrance"** means any lien, pledge, encumbrance, charge (fixed or floating), mortgage, third party claim, debenture, option, right of pre-emption, right to acquire, assignment by way of security, trust arrangement for the purpose of providing security or security interests of any kind (including retention arrangements or other encumbrances and any agreement to create any of the foregoing), and **"Encumber"** shall be construed accordingly;

**"Executive"** means the Executive Director of the Corporate Finance Division of the SFC;

**"Financial Statements"** means the audited consolidated financial statements of the Group for the year ended on the Balance Sheet Date;

**"First Closing Date"** means the first date on which the Share Offer are closed for acceptance;

**"Fundamental Warranties"** means the Warranties contained in Part A and Paragraphs 1.1, 1.2, 1.3, 2.2, 3, 4.2, 5.1 and 12 of Part B of Schedule 4, and **"Fundamental Warranty"** means any one of them;

**"GEM Listing Rules"** means the Rules Governing the Listing of Securities on GEM of HKSE;

**"gross-up amount"** has the meaning given to it in Clause 6.10;

**"Group"** means Listco and its subsidiaries, and **"member of the Group"** shall be construed accordingly;

**"HKSE"** means The Stock Exchange of Hong Kong Limited;

**"Hong Kong"** means the Hong Kong Special Administrative Region of the PRC;

**"HK\$"** means Hong Kong dollars, the lawful currency of Hong Kong;

**"HKIAC"** has the meaning given to it in Clause 17.2;

**"Intellectual Property Rights"** means:

- (a) patents, trademarks and service marks, designs, rights in trade and business names (including internet domain names and email address names), database rights, rights in confidential know-how, rights in designs and inventions, and rights in computer softwares; and
- (b) rights under licenses, consents, orders, statutes or otherwise in relation to a right in paragraph (a);

**"Irrevocable Undertaking"** means an irrevocable undertaking to be provided by the Seller and the Warrantor to the Purchaser in a form satisfactory to the Purchaser;

**"Law"** means all civil and common law, statute, subordinate legislation, treaty, rule, regulation, directive, decision, by-law, ordinance, circular, code, order, notice, decree, injunction, resolution or judgment of any Authority (including the GEM Listing Rules and the Takeovers Code):

- (a) as to any person, in each case applicable to or binding upon such person or any of its property or which such person or any of its property is subject; or
- (b) applicable to any or all of the transactions contemplated or referred to in this Agreement;

**"Leased Real Property"** means the real property leased by a member of the Group and known as Section C of Lot No.1345 in D.D.121, Yuen Long, New Territories, Hong Kong;

**"Listco"** means Sun Kong Holdings Limited (申港控股有限公司), a company incorporated with limited liability in the Cayman Islands and whose Shares are listed on GEM of the HKSE with stock code 8631;

**"Loans"** means (i) the general bank facilities granted by the Bank in favour of Wing Ko in the aggregate amount of HK\$6,000,000 dated 23 September 2021 and (ii) the general bank facilities granted by the Bank in favour of Wing Ko in the aggregate amount of HK\$3,000,000 dated 26 September 2022;

**"Losses"** means, in respect of any matter, event or circumstances, all demands, claims, actions, proceedings, damages, payments, fines, penalties, losses, costs (including reasonable legal costs), expenses (including Taxes), disbursements and other losses of any kind whatsoever arising;

**"Material Adverse Change"** means any change, effect, event, occurrence, state of facts or any combination of them that is (or could reasonably be expected to be) materially adverse to the business, operations, properties, assets, liabilities, earnings, results of operations, or the business prospects or condition of the Group taken as a whole (but which does not affect or impact on companies or businesses similar to the Group generally);

**"Notice"** has the meaning given to it in Clause 9.1;

**"Offer Announcement"** means the announcement relating to the Share Offer or possible Share Offer to be issued jointly by the Purchaser and the Listco on or as soon as practicable after the date of this Agreement;

**"PRC"** means the People's Republic of China;



**"Proceedings"** means any proceeding, suit or action arising out of or in connection with this Agreement or its subject matter (including its validity, formation at issue, effect, interpretation, performance or termination) or any transaction contemplated by this Agreement;

**"Public Release"** has the meaning given to it in Clause 12.1;

**"Purchaser's Group"** means the Purchaser and its subsidiaries (including, with effect from Completion, each member of the Group), and **"member of the Purchaser's Group"** shall be construed accordingly;

**"Purchaser's Securities Account"** has the meaning given to it in clause 3.2;

**"Records"** has the meaning given to it in Paragraph 4.1 of Part B of Schedule 4;

**"Representative"** means, in relation to any person, such person's directors, officers, employees, lawyers, accountants, bankers or other professional advisers;

**"Restricted Actions"** shall mean such actions as set out in Schedule 3;

**"Sale Shares"** has the meaning given to it in paragraph (C) in the Recitals;

**"Seller's group"** means each Seller and his/its Affiliates (excluding each member of the Group), and the term **"member of the Seller's group"** shall be construed accordingly;

**"Seller's Securities Account"** has the meaning given to it in clause 3.2;

**"SFC"** means the Securities and Futures Commission of Hong Kong;

**"SFO"** means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

**"Shares"** means ordinary shares of HK\$0.1 each in the share capital of Listco;

**"Shareholder"** means a holder of Shares from time to time;

**"Share Offer"** means the mandatory general offer to be made by the Purchaser for all the Shares not owned by the Purchaser (or its parties acting in concert) following Completion and in accordance with the requirements of the Takeovers Code;

**"Surviving Provisions"** means Clause 1, Clause 4.5, Clause 5.3(a), Clause 6.5, Clause 6.8, Clause 9, Clause 10, Clause 11, Clause 12, Clause 13, Clause 14, Clause 15, Clause 17 and Clause 18;

**"Takeovers Code"** means the Hong Kong Code on Takeovers and Mergers;

**"Tax"** or **"Taxation"** means all forms of taxation, duties, levies, imposts and other similar impositions of any jurisdiction whether statutory, governmental, central, state, provincial, regional, local or municipal, together with any interest and levies and all penalties, charges, costs and additions to tax in relation to any of the foregoing or resulting from failure to comply with the provisions of any legislation, enactment or other law relating to the foregoing;

**"Tax Return"** shall mean any return (including any information return), report, statement, declaration, estimate, schedule, notice, notification, form, election, certificate or other document or information that is, has been or may in the future be filed with or submitted to, or required to be filed with or submitted to, any Authority in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration,

implementation or enforcement of or compliance with any requirement relating to any Tax imposed by any Laws;

"**Transfer Taxes**" has the meaning given to it in Clause 10.2; and

"**Warranties**" means the representations and warranties contained in Schedule 4, and "**Warranty**" means any one of them; and

"**Wing Ko**" means Wing Ko Petroleum Chemistry (China-Hong Kong) Limited (永高石油化工(中港)有限公司) (formerly known as Wing Ko Petroleum Chemisty (China-Hong Kong) Limited) (永高石油化工(中港)有限公司)), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Listco.

1.2 The expressions "**Party**" and "**Parties**" shall, where the context permits, include their respective successors and permitted assigns and any persons deriving title under them.

1.3 In this Agreement, except where the context otherwise requires:

- (a) a reference to Clauses, Paragraphs, Schedules, Appendices and the Recitals are to the clauses, paragraphs, and recitals of, and the schedules and appendices to, this Agreement;
- (b) a reference to this Agreement or to any specified provision of this Agreement are to this Agreement or provision as in force for the time being (as amended, modified, supplemented, varied, assigned or novated, from time to time);
- (c) a reference to this Agreement includes the Schedules and the Appendices to it, each of which forms part of this Agreement for all purposes;
- (d) a reference to a "**person**" shall be construed so as to include any individual, company, corporation, joint stock company, body corporate, association, trust, joint venture, partnership, firm, organisation, governmental entity or any other entity (whether or not having separate legal personality), its successors and assigns;
- (a) the expressions "**holding company**", "**subsidiary**", "**parent undertaking**" and "**subsidiary undertaking**" shall have the meanings given to them in Division 4 of Part 1 of the Companies Ordinance;
- (e) a reference to writing shall include any mode of reproducing words in a legible and non-transitory form;
- (f) a reference to a time of a day is to Hong Kong time;
- (g) a reference to "**indemnify**" and "**indemnifying**" any person against any circumstance includes indemnifying and holding that person harmless from all Losses from time to time made against that person and all Losses made or incurred by that person as a consequence of that circumstance;
- (h) a reference to any Hong Kong legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall in respect of any jurisdiction (other than Hong Kong) be deemed to include what most nearly approximates the Hong Kong legal term in that jurisdiction, and references to any Hong Kong statute or enactment shall be deemed to include any equivalent or analogous laws or rules in any other jurisdiction;

- (i) a reference to any law, enactment or Listing Rule includes references to:
    - (i) that law, enactment or Listing Rule as re-enacted, amended, extended or applied by or under any other enactment (before or after the date of this Agreement);
    - (ii) any law, enactment or Listing Rule which that law, enactment or Listing Rule re-enacts (with or without modification); and
    - (iii) any subordinate legislation made (before or after the date of this Agreement) under any law or enactment, as re-enacted, amended, extended or applied, as described in paragraph (i) above, or under any law or enactment referred to in paragraph (ii) above;
- and "law" and "enactment" includes any legislation in any jurisdiction;
- (j) the Parties acknowledge that they have participated jointly in the negotiation and drafting of this Agreement and, in the event that a question of interpretation arises (including as to the intention of the Parties), no presumption or burden of proof shall arise in favour of or against any Party based on the authorship of any provisions;
  - (k) words importing the singular include the plural and vice versa, and words importing a gender include every gender;
  - (l) headings are included in this Agreement for convenience only and do not affect its interpretation;
  - (m) in construing this Agreement the so-called "ejusdem generis" rule does not apply and accordingly the interpretation of general words is not restricted by:
    - (i) being preceded by words indicating a particular class of acts, matters or things; or
    - (ii) being followed by particular example;
  - (n) the words "**include**" and "**including**" shall be construed without limitation;
  - (o) unless otherwise stated, the obligations of the Seller and the Warrantor shall be joint and several under this Agreement; and
  - (p) where any Party undertakes or assumes any obligation in this Agreement, that obligation is to be construed as requiring the Party concerned to exercise all rights and powers of control over the affairs of any other person which it is able to exercise (whether directly or indirectly) in order to secure performance of the obligation.

## 2 SALE AND PURCHASE OF SALE SHARES

- 2.1 On and subject to the terms and conditions of this Agreement, the Seller agrees to, and the Warrantor agrees to procure the Seller to, sell, and the Purchaser agrees to purchase, the Sale Shares free from all Encumbrances and from all other rights exercisable by or claims by third parties and together with all rights attaching or accruing to them as at Completion. Where a distribution (whether or not in form of cash) is declared or proposed before Completion, the Seller shall not be entitled to such distribution and any distribution paid to the Seller before Completion shall be transferred to the Purchaser.

- 2.2 The Purchaser shall not be obliged to complete the purchase of any of the Sale Shares unless the purchase of all the Sale Shares is completed simultaneously in accordance with this Agreement, but the completion of the purchase of some of the Sale Shares will not affect the rights of the Purchaser with respect to the purchase of the remaining Sale Shares.

### 3 CONSIDERATION

- 3.1 The Consideration for the sale and purchase of the Sale Shares shall be the sum of HK\$14,446,875 (representing a value of HK\$0.625 per Sale Share) to be paid by the Purchaser to the Seller in accordance with Clause 3.2 of this Agreement.
- 3.2 The total Consideration of HK\$14,446,875 shall be paid by or on behalf of the Purchaser at Completion by transfer of funds to the Seller's securities account maintained with a CCASS Participant ("**Seller's Securities Account**") on a delivery versus payment basis upon delivery of the Sale Shares via CCASS from the Seller's Securities Account to the Purchaser's securities account maintained with a CCASS Participant ("**Purchaser's Securities Account**") or such other means as agreed in writing between the Purchaser and the Seller.

### 4 SELLER'S COVENANTS AND UNDERTAKINGS

- 4.1 During the period between the date of this Agreement and the Despatch Date, the Seller shall afford the Purchaser and its Representatives access to the Group's personnel and properties.
- 4.2 The Seller shall procure that during the period from the date of this Agreement and up to the Despatch Date, except with the written consent of the Purchaser:
- (a) each member of the Group shall carry on its business as a going concern in compliance with all Laws (and in the ordinary and usual course as carried on prior to the date of this Agreement) and maintain its existing relationships with its material suppliers and customers;
  - (b) there are no material changes to the organisational or operational structure of the Group and there shall be no termination of any of the directors or senior managements by the Group (except for cause);
  - (c) all material Authorisations required for the business of the Group are maintained and/or renewed as necessary upon expiry; and
  - (d) the board of Listco shall not take, and shall procure that none of the member of the Group shall take, any action as set out in Rule 4 of the Takeovers Code.
- 4.3 Without limiting the generality of Clause 4.2, the Seller shall procure, in so far as it is able to, that no member of the Group shall, during the period from the date of this Agreement and up to the Despatch Date, undertake any of the Restricted Actions without the written consent of the Purchaser (save as required by Law).
- 4.4 If any event shall occur or circumstances exist prior to the Despatch Date that has or is reasonably likely to give rise to a breach of this Clause 4, the Seller shall (to the extent permitted by Law and subject to all obligations of confidentiality applicable to each member of the Group) notify the Purchaser in writing as soon as reasonably practicable after becoming aware of the same.
- 4.5 If at any time prior to Completion, the Seller is in material breach of any of the covenants or undertakings in this Clause 4 and such breach will result in a Material Adverse Change, the Purchaser shall be entitled (in addition to and without prejudice to Clause 5.3(a) and all other

rights and remedies available to the Purchaser, including the right to claim damages) to terminate this Agreement (other than the Surviving Provisions) by notice in writing to the Seller's Representatives. Following such termination, neither Party shall have any Claim against the other Parties, save for any rights accrued by the Parties prior to termination.

## **5 COMPLETION**

- 5.1 Completion shall take place on the Completion Date at the Hong Kong office of the Buyer's solicitors at 43rd Floor, One Taikoo Place, 979 King's Road, Hong Kong at 10:00 a.m. (or at such other time and such other place as may be agreed by the Vendor and the Purchaser in writing between the Seller and the Buyer).
- 5.2 At Completion, the Seller shall, and the Warrantor shall procure the Seller to, comply with the obligations as listed in Part A of Schedule 2 and the Purchaser shall comply with the obligations as listed in Part B of Schedule 2.
- 5.3 If any provision of this Clause 5 and Clause 6 is not fully complied with, the Purchaser (in the case of non-compliance by the Seller) or the Seller (in the case of non-compliance by the Purchaser) shall be entitled (in addition to and without prejudice to all other rights or remedies available to it, including the right to claim damages), by written notice to the other, served on such date:
- (a) to elect not to proceed with Completion and terminate this Agreement (other than the Surviving Provisions) and neither Party shall have any Claim against the other Parties, save for any rights accrued by the Parties prior to termination;
  - (b) to effect Completion so far as practicable having regard to the defaults which have occurred; or
  - (c) to fix a new date for Completion not being later than ten (10) Business Days after the initial Completion Date, in which case the foregoing provisions of this Clause 5.3 and Schedule 2 shall apply to Completion as so deferred (provided that such deferral may only occur once).

## **6 WARRANTIES OF SELLER AND WARRANTOR**

- 6.1 The Seller and the Warrantor represent and warrant to the Purchaser that each of the Warranties:
- (a) is true and accurate and is not misleading as at the date of this Agreement; and
  - (b) will be true and accurate and not misleading as at the Completion Date, as if they had been repeated at Completion.
- 6.2 The Seller and the Warrantor acknowledge that the Purchaser is entering into this Agreement in reliance upon the Warranties.
- 6.3 The Seller shall as soon as reasonably practicable notify the Purchaser in writing, setting out full details, if after entering into this Agreement:
- (a) it becomes aware that any of the Warranties was untrue, inaccurate or misleading as at the date of this Agreement; or
  - (b) it becomes aware of any matter which arises or event that occurs which results or will result in any of the Warranties being untrue, inaccurate or misleading as at Completion when the Warranties are to be repeated.

- 6.4 Any notification made pursuant to Clause 6.3 shall not operate as a disclosure against such Warranties.
- 6.5 The Seller and the Warrantor shall upon the Purchaser's demand indemnify the Purchaser (which takes the benefit of this indemnity for itself and as trustee for each member of the Group) for any liabilities, losses, damages, penalties, fines, costs and expenses suffered or sustained by the Purchaser or any of the members of the Group and which (i) arise from a breach of any Fundamental Warranty and/or (ii) arises from any indebtedness of any members of the Group becoming payable or repayable prior to its maturity date (including the Loans), or a demand being made for such indebtedness to be paid or repaid prior to its maturity date, or any step being taken to enforce any security for any indebtedness of any member of the Group.
- 6.6 The Seller and the Warrantor shall upon the Purchaser's demand indemnify the Purchaser (which takes the benefit of this indemnity for itself and as trustee for each member of the Group) for any liabilities, losses, damages, penalties, fines, costs and expenses suffered or sustained by the Purchaser or any member of the Group in relation to any Tax for Tax which arises in, attributable to or results from:
- (a) any transactions that occur (or are deemed to have occurred) prior to Completion;
  - (b) any profits earned, accrued or received before Completion;
  - (c) any non-compliance with any requirements in relation to Tax filings or Tax reporting or any Taxes (or the non-payment thereof) of the Seller or withholding obligations of the Purchaser for Taxes in connection with or arising from the transactions contemplated under this Agreement under the applicable laws;
  - (d) any Taxes (or the non-payment thereof) of any member of the Group for all taxable periods ending on or before Completion and the portion through the end of Completion for any taxable period that includes (but does not end on) Completion; and
  - (e) any failure of any member of the Group to make required Tax filings or comply with Tax reporting requirements under applicable laws prior to Completion,

provided that the amount to be indemnified in respect of the liability, loss, damage, penalties, fines, costs and expenses suffered or sustained by any member of the Group which is not wholly owned by the Seller directly or indirectly should be calculated on a pro rata basis in proportion to the Seller's direct or indirect interests in the member of the Group immediately prior to Completion.

- 6.7 Each of the Warranties is separate and independent, and shall not be limited by reference to any other Warranty or by anything in, or referred to, in this Agreement. The rights and remedies of the Purchaser shall not be affected, diminished or determined by any investigation made by the Purchaser or on its behalf or by any other event whatsoever. Liability under any of the Seller's Warranties shall not be confined to breaches discovered before Completion nor in any way be modified or discharged by Completion.
- 6.8 If, at any time prior to Completion, the Seller is in breach of any of the Fundamental Warranties or any of the Warranties in any material respect, the Purchaser shall be entitled (in addition to and without prejudice to Clauses 5.3(a) and 6.5 and all other rights and remedies available to the Purchaser, including the rights to claim damages) to terminate this Agreement (other than the Surviving Provisions) by notice in writing to the Seller and thereafter neither Party shall have any Claim against the other Parties, save for any rights accrued by the Parties prior to termination. If the Purchaser elects to proceed with Completion despite such breach, the

Purchaser shall be entitled (in addition to and without prejudice to all other rights or remedies available to it) to claim damages for such breach notwithstanding Completion.

- 6.9 The Seller and the Warrantor agree with the Purchaser (for itself and as trustee for each member of the Group and their Representatives) to waive, to the greatest extent permissible at Law, any rights, remedies or claims which it may have against any member of the Group or the present or former Representatives of any member of the Group in respect of any misrepresentation, inaccuracy or omission in or from any information or advice supplied or given by any member of the Group or its Representatives in connection with the giving of the Warranties.
- 6.10 Any sum payable to the Purchaser under this Agreement shall be made free and clear of and without deduction for or on account of any Taxation, except to the extent that any such deduction or withholding is required by Law. If such Taxation or amounts in respect of such Taxation must be deducted or withheld from any sum payable to the Purchaser pursuant to a Claim or any such sum payable to the Purchaser is subject to Tax, then the Seller shall pay an additional amount (such amount being referred to as the "**gross-up amount**") as will ensure that after such deduction, withholding or Tax there shall remain a sum equal to the amount that would otherwise have been payable to the Purchaser pursuant to a Claim in the absence of such deduction, withholding or Tax. To the extent that the Purchaser subsequently obtains any Taxation credit, allowance, repayment, relief or other similar benefit as a result of such deduction, withholding or Tax, the Purchaser shall pay to the Seller such amount from that Taxation credit, allowance, repayment, relief or other similar benefit which the Purchaser has received and retained as does not exceed the gross-up amount.
- 6.11 The rights and remedies of the Purchaser in respect of a breach of any of the Warranties shall not be affected by Completion, by the giving of any time or other indulgence by the Purchaser to any person, or by any other cause whatsoever except as provided in this Agreement or in a specific waiver or release by the Purchaser in writing and any such waiver or release shall not prejudice or affect any remaining rights or remedies of the Purchaser.
- 6.12 The Seller and the Warrantor shall procure Listco and all members of the Group to (i) effect any change, revision and/or revocation of the bank mandates of Listco and (ii) give such new instructions to such banks in such forms, as the Purchaser may require.

## **7 PURCHASER'S WARRANTIES**

- 7.1 The Purchaser represents and warrants to the Seller that:
- (a) it is duly incorporated and validly existing under the laws of its place of incorporation;
  - (b) it has the full power and capacity to enter into and perform its obligations under this Agreement;
  - (c) it has taken all corporate action required to authorise it to enter into and perform this Agreement;
  - (d) this Agreement (when executed) constitutes valid, binding and enforceable obligations on it, enforceable in accordance with its terms (except as such enforceability may be limited under applicable bankruptcy, insolvency, fraudulent transfer, reorganisation, moratorium or similar laws of general applicability relating to or affecting creditors' rights and to general equitable principles); and
  - (e) the execution, delivery of and performance by it of its obligations under this Agreement does not and will not, and this Agreement does not and will not conflict with, or constitute a default or breach under any provision of:

- (i) its memorandum or articles of association (or equivalent constitutional documents);
- (ii) any order, judgment, decree or regulation or any other restriction of any kind by which it is bound or submits to; or
- (iii) any agreement, instrument or contract to which it is a party or by which it is bound.

## **8 UNDERTAKINGS IN CONNECTION WITH THE SHARE OFFER**

8.1 The Seller and the Warrantor undertake to the Purchaser that it shall:

- (a) subject to and upon the clearance by the Executive and the approval, release and authorization by the Purchaser, procure that Listco issues the Offer Announcement, any subsequent announcements, the composite offer document or response document and any other document required in connection with the Share Offer in accordance with the requirements of the Takeovers Code and the Executive;
- (b) procure that Listco convenes all necessary Board meetings and passes such Board resolutions as may be required to enable the Share Offer to be implemented (including resolutions to establish the independent board committee of Listco);
- (c) procure that no announcement is made by or on behalf of Listco in connection with the Share Offer without prior consultation with the Purchaser; and
- (d) provide to the Purchaser all information reasonably necessary relating to it, and use its best endeavours to procure that Listco provides to the Purchaser all such information relating to Listco and the members of the Group, in each case required by Law, to be included in the Offer Announcement and the other documents relating to the Offers.

8.2 The Parties hereby undertake with each other that they will, and the Warrantor shall procure the Listco to, each use his/its best endeavours to: (a) secure, if necessary, the confirmation of no further comments from the SFC to any necessary documents required in connection with the Share Offer (including the Offer Announcement, any subsequent announcements, the composite offer document or response document and any other document), (b) supply such information as may be necessary to be included in the Offer Announcement and the other documents relating to the Share Offer in accordance with the requirements of the Takeovers Code and the Executive; (c) take respective responsibility for such information; and (d) authorise the publication, despatch and release of such announcements and documents.

8.3 In connection with the Share Offer, the Seller and the Warrantor agree to (i) provide the Irrevocable Undertaking in favour of the Purchaser no later than the Completion Date and to (ii) comply with the obligations thereunder throughout the Offer Period in connection with the Share Offer.

## **9 NOTICES**

9.1 Any notice or other communication to be given under or in connection with this Agreement (a "Notice") shall be delivered:

- (a) personally by hand or courier (using an internationally recognised courier company);
- (b) by local post or registered mail if local address and by airmail if overseas address; or



(c) by electronic mail,

to the Party due to receive the Notice, to the address and for the attention of the relevant Party set out in this Clause 9 (or to such other address and/or for such other person's attention as shall have been notified to the giver of the relevant Notice and become effective (in accordance with this Clause 9) prior to despatch of the Notice).

9.2 In the absence of evidence of earlier receipt, any Notice served in accordance with this Clause 9 shall be deemed given and received:

- (a) in the case of personal delivery by hand or courier, at the time of delivery at the address referred to in Clause 9.3;
- (b) in the case of local post (other than airmail) or registered mail, at 10:00 am on the second Business Day after posting;
- (c) in the case of airmail, at 10:00 am on the fifth Business Day after posting; and
- (d) in the case of electronic mail, at the time of its despatch (unless the sender has received any report of interruption, delay or failure in transmission).

9.3 For the purpose of this Clause 9, the initial address and email address of the Parties where Notices shall be delivered are as follows:

**The Seller and the Warrantor**

Attention: Mr. Law Ming Yik  
Address: G/F, Block B, Phoenix Court, No. 272 Shan Pui Tsuen, Yuen Long, Hong Kong  
Email address: yiklaw@wingko.com.hk

**The Purchaser**

Attention: Mr. Wang Xinlong (Ref: 08-62-04611\_1623682)  
Address: 43/F, One Taikoo Place, 979 King's Rd, Quarry Bay, Hong Kong  
Email address: 390952867@qq.com

9.4 In proving service, it shall be sufficient to prove that:

- (a) the envelope containing the Notice was properly addressed and delivered to the address of the relevant Party; or
- (b) the electronic mail containing the Notice was despatched to the email address of the relevant Party and no report of interruption, delay or failure in transmission of the email was received.

9.5 Any Party may notify the other Parties of any change to its name, address or email address for the purpose of this Clause 9, provided that such Notice shall be sent to the other Parties and shall only be effective on:

- (a) the date specified in such Notice as the date on which the change is to take effect; or

- (b) if no date is so specified or the date specified is less than three Business Days after which such Notice was deemed to be given, the fourth Business Day after such Notice was deemed to be given.

9.6 This Clause 9 shall not prejudice the service of, or any step in, Proceedings permitted by Law or the rules of the relevant Authority.

## 10 COSTS AND EXPENSES

10.1 Save as otherwise expressly provided in this Agreement, each Party shall pay its own costs and expenses in relation to the negotiation, preparation, execution and performance of this Agreement and the transactions contemplated by this Agreement.

10.2 Without prejudice to Clause 10.1, all stamp, transfer, registration and other similar taxes, duties, charges or their equivalents in all jurisdictions where such taxes, duties or charges, if any, are payable in connection with the sale or purchase of the Sale Shares under this Agreement ("**Transfer Taxes**", which shall, for the avoidance of doubt, include the stamp duty payable) shall be paid by the Purchaser (on the one hand) and the Seller (on the other hand) in equal shares.

10.3 The Purchaser shall arrange for the stamping required in connection with the sale and purchase of the Sale Shares under this Agreement. The Seller and the Warrantor shall indemnify the Purchaser and any other member of the Purchaser's Group against any Losses suffered by the Purchaser or member of the Purchaser's Group as a result of the Seller failing to comply with its obligations under this Clause 10.

## 11 GENERAL PROVISIONS

11.1 Without prejudice to any other provisions of this Agreement, each Party shall (on being reasonably required to do so by any other Parties) do or procure the doing of all such acts and/or execute or procure the execution of all such documents, in a form reasonably satisfactory to such other Parties, which such other Parties may from time to time reasonably require in order to give full effect to this Agreement.

11.2 Pending registration of the Purchaser as the legal owner of the Sale Shares, the Seller shall exercise all voting and other rights in relation to the Sale Shares in accordance with the Purchaser's written instructions.

11.3 Nothing in this Agreement shall be deemed to constitute a partnership between the Parties, nor constitute any of them the agent of any of the others or otherwise entitle a Party to bind the other Parties for any purpose.

11.4 Any time, date or period referred to in this Agreement may be extended by mutual agreement in writing between the Parties (but, as regards any time, date or period originally fixed or any time, date or period so extended, time shall be of the essence).

11.5 This Agreement shall be binding on and inure for the benefit of the successors of each of the Parties, but the Parties may not assign, grant any security interest, hold on trust or otherwise transfer all or any of their rights and obligations under this Agreement (without the prior written consent of all the other Parties).

11.6 No variation of this Agreement shall be effective unless in writing and signed by or on behalf of each of the Parties. The expression "**variation**" shall, in each case, include any variation, supplement, deletion or replacement howsoever effected.

- 11.7 Any waiver of any right or default under this Agreement shall be effective only in the instance given and shall not operate as or imply a waiver of any other or similar right or default on any subsequent occasion. No waiver of any provision of this Agreement shall be effective unless in writing and signed by each Party against whom such waiver is sought to be enforced.
- 11.8 Any delay by any Party in exercising, or failure to exercise, any right or remedy under this Agreement shall not constitute a waiver of the right or remedy (or a waiver of any other rights or remedies) and no single or partial exercise of any rights or remedy under this Agreement or otherwise shall prevent any further exercise of the right or remedy (or the exercise of any other right or remedy).
- 11.9 The rights and remedies of the Parties under this Agreement are not exclusive of any rights or remedies provided by Law.
- 11.10 This Agreement contains the whole agreement and understanding between the Parties relating to the transactions contemplated by this Agreement to the exclusion of any terms implied by Law which may be excluded by contract and supersedes all previous agreements, understandings or arrangements (whether oral or written) between the Parties relating to such transactions.
- 11.11 Each of the Parties acknowledges that (in agreeing to enter into this Agreement) it has not relied on any representation, warranty, collateral contract, undertaking or other assurance (except those expressly set out in this Agreement) made by or on behalf of the other Parties before the execution of this Agreement (including during the course of negotiating this Agreement). Each of the Parties waives all rights and remedies which, but for this Clause 11.11, might otherwise be available to it in respect of any such representation, warranty, collateral contract, undertaking or other assurance (provided that nothing in this Clause 11.11 shall limit or exclude any liability for fraud or fraudulent misrepresentation).
- 11.12 Each of the Parties confirms that it has received independent legal advice relating to all matters provided for in this Agreement and agrees that the provisions of this Agreement are fair and reasonable.
- 11.13 If at any time any provision of this Agreement shall be held to be illegal, void, invalid or unenforceable in whole or in part under any Law in any jurisdiction, then:
- (a) such provision shall:
    - (i) to the extent that it is not possible to delete or modify the provision, in whole or in part, be (in whole or in part) given no effect and shall be deemed not to form part of this Agreement;
    - (ii) not affect or impair the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; and
    - (iii) not affect or impair the legality, validity or enforceability under the Law of any other jurisdiction of such provision or any other provision of this Agreement; and
  - (b) the Parties shall use all reasonable efforts to modify such a provision as is necessary so that the provision is legal, valid and enforceable and gives effect, as closely as possible, to the intentions of the Parties under this Agreement.
- 11.14 Each Seller agrees that, during the period from the date of this Agreement until the Completion Date, it shall not (directly or indirectly) conduct any kind of negotiation or discussion or reach

any agreement with any person other than the Purchaser with respect to any Shares or other securities, assets or credit transaction with Listco or any other member of the Group (and shall not solicit any third party interest or respond to any tentative inquiries from any third party), except with the consent of the Purchaser.

- 11.15 A person who is not a Party to this Agreement may not enforce any of its terms under Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong). Notwithstanding any other terms of this Agreement, the consent of any person who is not a Party to this Agreement is not required for any amendment to, or variation, release, rescission or termination of this Agreement.

## 12 ANNOUNCEMENTS

- 12.1 No announcement, communication or circular ("**Public Release**") concerning the existence or the subject matter of this Agreement or any ancillary matter shall be made or issued by or on behalf of any Party without the prior written approval of the Purchaser and the Seller's Representatives (such approval not to be unreasonably withheld or delayed).

- 12.2 Clause 12.1 shall not affect any Public Release concerning the existence or the subject matter of this Agreement if required by:

(a) any Law; or

(b) any Authority to which the disclosing Party is subject or submits (wherever situated),

in which case the disclosing Party shall, prior to making or issuing such Public Release:

(a) to the extent permitted by Law and insofar as is reasonably practicable, first give notice to the other Parties of its intention to make such Public Release; and

(b) take all such steps as may be reasonable and practicable in the circumstances to agree the contents of such Public Release with the other Parties.

- 12.3 The restrictions contained in this Clause 12 shall continue to apply after termination of this Agreement without limit in time.

## 13 CONFIDENTIALITY

- 13.1 Subject to Clause 13.2, each Party shall treat as strictly confidential and shall not disclose to any other person any information received or obtained as a result of entering into or performing this Agreement which relates to:

(a) the provisions, negotiations or subject matter of this Agreement; or

(b) which relates to the other Parties,

including written information and information transferred or obtained orally, visually, electronically or by any other means (collectively "**Confidential Information**").

- 13.2 Notwithstanding the other provisions of this Clause 13, a Party may disclose or use Confidential Information which would otherwise be subject to the provisions of Clause 13.1 if and to the extent:

(a) the disclosure or use is required by Law or any Authority to which such Party is subject to or submits (whether or not the request for information has the force of law);

- (b) the disclosure or use is required for the purpose of any arbitral or judicial proceedings arising out of this Agreement;
- (c) Confidential Information is disclosed on a need to know and strictly confidential basis to its Affiliates or their respective Representatives, provided that such recipients agree to be bound by equivalent confidentiality restrictions;
- (d) Confidential Information was lawfully in its possession or in the possession of any of its Affiliates or their respective Representatives (in either case as evidenced by written records) free of any restriction as to its use or disclosure prior to it being so disclosed;
- (e) Confidential Information is or becomes in the public domain through no fault of that Party or any of its Affiliates or their respective Representatives;
- (f) the other Parties have given prior written consent to the disclosure or use (such consent not to be unreasonably withheld or delayed);
- (g) the disclosure of Confidential Information is made on a confidential basis to a bona fide third party or professional advisers or financiers of such third party wishing to acquire all or part of the Purchaser's group or the Seller's group or any part of the Sale Shares from the Purchaser after Completion to the extent that any such persons need to know the information for the purposes of considering, evaluating, advising on or furthering the potential purchase, and provided that no such disclosure shall be made unless:
  - (i) such person has agreed to be bound by equivalent confidentiality restrictions; and
  - (ii) the information being disclosed has been approved by the other Parties (such approval not to be unreasonably withheld or delayed);
- (h) Confidential Information is independently developed by that Party without use of any other Confidential Information provided or breach of this Clause 13 after the date of this Agreement; or
- (i) the disclosure or use is required to enable that Party to perform this Agreement or enforce its rights under this Agreement or otherwise vest the full benefit of this Agreement in that Party,

and provided that, to the extent permitted by Law, any Confidential Information to be disclosed in reliance on Clauses 13.2 (a) or (b) shall be disclosed only after consultation with the other Parties with a view to providing the other Parties with the opportunity to contest such disclosure or use (or otherwise agree the timing and content of such disclosure or use) and the Party intending to disclose the Confidential Information shall take into account the reasonable comments or requests of such other Parties.

13.3 The restrictions contained in this Clause 13 shall continue to apply after Completion or termination of this Agreement without limit in time.

## **14 LANGUAGE**

14.1 Each notice, demand, request, statement, instrument, certificate or other communication under or in connection with this Agreement shall be in English.

14.2 This Agreement shall be executed in English.

## 15 COUNTERPARTS

This Agreement may be executed in counterparts, and by the Parties on separate counterparts, but shall not be effective until each Party has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but the counterparts shall together constitute one and the same instrument.

## 16 PAYMENTS AND NO SET OFF

16.1 Every amount payable under this Agreement by one Party to another shall be made in full without any set-off or counterclaim howsoever arising and shall be free and clear of deduction or withholding of any kind (other than any deduction or withholding required by Law) save that the Buyer may set off any part of the Consideration and..

16.2 Unless otherwise expressly stated in this Agreement, all payments to be made under this Agreement shall be effected by crediting for same day value, in HK\$, to such account as the recipient directs by notice to the payer reasonably in advance and in sufficient detail to enable payment by telegraphic transfer or other electronic means to be effected on or before the due date for payment.

16.3 If any sum due for payment under this Agreement is not paid on the due date, the Party in default shall pay interest on that sum from the due date until the date of actual payment (calculated on a daily basis and compounded on a monthly basis) at a rate equal to 8% per annum for the time being, unless expressly provided to the contrary in this Agreement.

## 17 GOVERNING LAW AND ARBITRATION

17.1 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter shall be governed by, and construed in accordance with, Hong Kong law.

17.2 Any dispute, controversy or claim arising in any way out of or in connection with this Agreement, including any question regarding its existence, validity or termination ("**Dispute**") shall first be resolved through amicable negotiations by the Parties. If a Dispute cannot be resolved within 30 days from the date on which a Party initiates and informs the other Party of the Dispute, such Dispute shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre ("**HKIAC**") in accordance with the Arbitration Rules of the HKIAC as in effect at the time the Dispute is submitted to HKIAC for arbitration (the "**HKIAC Rules**"), which HKIAC Rules are deemed to be incorporated by reference into this Clause 17.2 and as may be amended by the rest of this Clause 17. The seat of the arbitration shall be Hong Kong. The arbitral tribunal shall consist of three arbitrators, who shall be appointed in accordance with the HKIAC Rules. The language of the arbitration shall be in English. Any award of the tribunal shall be final and binding upon the Parties from the day it is made.

17.3 Nothing in this Clause 17 shall be construed as preventing any Party from seeking a preservation order or other interim relief from any court in Hong Kong.

17.4 During the conduct of any arbitration proceedings pursuant to this Clause 17, this Agreement shall remain in full force and effect in all respects except for the matter under arbitration and the Parties shall continue to perform their obligations hereunder, except for those obligations directly involved in the matter under dispute, and to exercise their rights hereunder.

## **18 AGENT FOR SERVICE OF PROCESS**

- 18.1 The Seller hereby irrevocably appoints the Warrantor as the process agent to receive, for it and on its behalf, service of process in any dispute arising out of or in connection with this Agreement (each such agent or any replacement agent appointed pursuant to this Clause 18.1, "**Agent**") for such purpose.
- 18.2 Without prejudice to any other permitted mode of service, the Seller agrees that service of any claim, notice or other document for the purpose of any Proceedings commenced in Hong Kong shall be duly served upon it if served on its Agent, whether or not it is forwarded to and received by that Party.
- 18.3 The Seller shall notify the other Parties in writing of any change of address of its Agent within 10 Business Days of such change.
- 18.4 If, for any reason, the Agent appointed by the Seller at any time ceases to act as such or no longer has an address in Hong Kong, the Seller shall promptly appoint another Agent and promptly notify the other Parties of the appointment and the new Agent's name and address. If the Seller does not make such an appointment within 10 Business Days of such cessation, then it shall be effective service for the other Parties to serve the process upon the last known address in Hong Kong of the last known Agent for the Seller notwithstanding that such Agent is no longer found at such address or has ceased to act.

**SCHEDULE 1**  
**PARTICULARS OF LISTCO**

1. Name: Sun Kong Holdings Limited 申港控股有限公司
2. Date of listing: 8 January 2019
3. Place of incorporation: Cayman Islands
4. Registered office address: Cricket Square, Hutchins Drive P. O. Box 2681, Grand Cayman KY1-1111, Cayman Islands
5. Authorised share capital: 300,000,000 Shares
6. Issued share capital: 40,000,000 Shares
7. Directors:  
Mr. Law Ming Yik  
Mr. Li Isaiah  
Mr. Fenn David  
Mr. Wong Ka Chun Matthew  
Mr. Chan Ting Fung
8. Company secretary: Mr. Leung Cheuk Wai
9. Financial year end date: 31 March
10. Auditor: Mazars CPA Limited



**SCHEDULE 2**  
**COMPLETION**

**Part A - Actions to be taken by the Seller**

- 1.1 On Completion, the Seller shall, and the Warrantor shall procure the Seller to, procure the delivery to the Purchaser of:
- (a) a certified true copy of the resolutions of the directors (or a duly constituted committee thereof) of the Seller authorising the execution by it of this Agreement and any document to be delivered by it at or prior to Completion (and where such execution is authorised by a committee of the board of directors of the Seller a certified true copy of the resolutions of the directors constituting such committee or the relevant extract thereof);
  - (b) the original sold notes in favour of the Purchaser of all the Sale Shares;
  - (c) documentary evidence showing that the Sale Shares are maintained at the Seller's Securities Account immediately prior to Completion, with such evidence to the satisfaction of the Purchaser;
  - (d) a copy of the letter of appointment of its Agent, countersigned by the relevant Agent acknowledging its appointment;
  - (e) a cheque in respect of the Seller's share of stamp duty drawn in favour of the Government of the Hong Kong Special Administrative Region;
  - (f) the duly executed Irrevocable Undertaking in favour of the Purchaser; and
  - (g) a certified copy of any power of attorney under which any of the foregoing documents are executed.
- 1.2 On Completion, the Seller shall, and the Warrantor shall procure the Seller to, procure the delivery to the Purchaser or to the order of the Purchaser of:
- (a) to the extent not in the possession of the Group, all licences, consent, permits and authorisations obtained by or issued to the Group;
  - (b) to the extent not in the possession of the Group, the certificate of incorporation, common seal, minute books, statutory registers and share certificate books of each member of the Group (in each case up to date up to but not including the Completion Date);
  - (c) a new share certificate in the name of the Purchaser for the Sale Shares;
  - (d) (if applicable) a certified true copy of the register of members of Listco maintained with its Cayman Islands Principal Share Registrar showing the Purchaser as the sole holder of the Sale Shares; and
  - (e) the signed minutes of the meetings as referred to in paragraph 1.3 below;
- 1.3 On Completion, the Seller shall, and the Warrantor shall procure the Seller to, procure that a Board meeting is held at which it is resolved that:
- (a) the application of requisite approvals and authorizations from, and the making of necessary filings and registrations with, and notifications to, the relevant Authorities in connection with the transactions contemplated under this Agreement and the Share Offer are approved; and
  - (b) the terms and conditions of the draft announcement of the Share Offer are approved.

**Part B – Actions to be taken by the Purchaser**

- 1.1 Against performance by the Seller and the Warrantor (or waiver by the Purchaser thereof) of all the matters referred to in Part A of this Schedule 5, the Purchaser shall:
- (a) pay the Consideration to the Seller in accordance with Clause 3.2, and the provision of a copy of the document from the relevant stockbroker which the Purchaser's Securities Account is maintained confirming the Consideration has been settled on a delivery versus payment basis shall be a valid discharge of the Purchaser's obligations under Clause 3.2 of this Agreement;
  - (b) deliver to the Seller a certified true copy of the resolutions or decision of the director(s) (or a duly constituted committee thereof) of the Purchaser authorising the execution by the Purchaser of this Agreement (and where such execution is authorised by a committee of the board of directors of the Purchaser, a certified true copy of the resolutions of the directors constituting such committee or the relevant extract thereof);
  - (c) provide the original duly executed bought notes in respect of the Sale Shares in favour of the Seller for inspection; and
  - (d) (if applicable) deliver to the Seller a certified copy of any power of attorney under which any of the foregoing documents are executed.

**SCHEDULE 3**  
**RESTRICTED ACTIONS**

1. Changing the authorised or issued share or loan capital of any member of the Group (including altering or reorganising the share capital of any member of the Group, or any increase, reduction, repurchase, consolidation, sub-division or conversion thereof, or authorising or issuing a new class of shares (including any convertible securities or warrants to subscribe for the Shares) or loan capital or changing the rights in respect of any class of share or loan capital), issuing, selling or granting any equity or loan capital interest in or a derivative of any equity or loan capital of any member of the Group (including options, warrants or other interests representing or convertible into equity or loan capital, or a right to obtain an equity or loan capital interest of any member of the Group).
2. Any action that results in or is reasonably likely to result in a Material Adverse Change.
3. Liquidating, dissolving or winding up any member of the Group or the closing of any branch, agency, trade establishment, business or outlet operated by any member of the Group and which is material to the Group.
4. The incorporation of any new member of the Group or the establishment of any new branch, agency, trade establishment, business or outlet to be operated by any member of the Group and which is material to the Group.
5. The declaration, making of or payment of any dividend or distribution to shareholders of any member of the Group (other than as required by Law or to another member of the Group).
6. The making of any changes to the accounting policies or practices for the time being adopted by any member of the Group or changing the accounting reference date of any member of the Group (other than as required by Law or any applicable accounting standards).
7. The entry into of any transaction by any member of the Group with its connected persons (other than any transaction otherwise approved by the Purchaser).
8. Other than in the ordinary and usual course of business, incurring or entering into any commitment to incur any capital expenditure exceeding HK\$400,000 in the case of any single item or HK\$1,400,000 in aggregate.
9. Other than in the ordinary and usual course of business, acquiring or disposing (or agreeing to acquire or dispose of) any asset or enter into any agreement or incur any commitment to do so (in each case involving consideration, expenditure or liabilities in excess of HK\$400,000 in the case of any single item or HK\$1,400,000 in aggregate).
10. Other than in the ordinary and usual course of business, incurring additional borrowings or other indebtedness in excess of HK\$400,000 in the case of any single item or HK\$1,400,000 in aggregate.
11. Introducing any new share incentive, share option, profit sharing, bonus or other incentive scheme to, or discontinuing or varying, in any material respect, the terms of any such scheme currently operated by any member of the Group and which is material to the Group.
12. Except as otherwise required under this Agreement, terminating or making material

changes to the terms and conditions of employment of the directors of any member of the Group.

13. Entering into, terminating or making material changes to contracts or agreements involving revenue or expenditure in excess of HK\$400,000 in the case of any single item or HK\$1,400,000 in aggregate per annum (other than where such contracts or agreements lapse, expire or otherwise terminate in accordance with their terms).
14. Creating any Encumbrances over the assets or undertaking of the Group, or granting any guarantee or indemnity (in each case, other than in the ordinary course of business) and which is material to the Group.
15. Entering into any partnership or joint venture arrangement which is material to the Group.
16. Entering into any agreement or agreeing to enter into any agreement to amend any existing agreements which will change the business of Listco or any member of the Group and which is material to the Group.
17. Unless required by Law, altering the provisions of the constitutional documents of any member of the Group or adopting or passing regulations or resolutions inconsistent with them and which is material to the Group.
18. Terminating or allowing lapsing any insurance policy in respect of any assets which was in effect as at the date of this Agreement and which is material to the Group.
19. Entering into or announcing the intention to enter into any agreement not in the ordinary course of business in relation to any acquisition or disposal of asset or business or undertaking the same and which is material to the Group.

**SCHEDULE 4**  
**WARRANTIES**

**PART A - WARRANTIES GIVEN BY THE SELLER AND THE WARRANTOR IN  
RELATION TO THEMSELVES**

**1. DUE INCORPORATION**

The Seller is duly incorporated and validly existing under the laws of its place of incorporation, and is in good standing with the Registrar of Corporate Affairs in the Cayman Islands.

**2. CAPACITY AND AUTHORITY**

2.1 Each of the Seller and the Warrantor has the full power and capacity to enter into and perform its/his obligations under this Agreement.

2.2 The Seller has taken all corporate action required to unconditionally authorise it to enter into and perform this Agreement.

2.3 The Warrantor is a natural person ordinarily resident in Hong Kong who has attained the age of majority, of sound mind, and no order has been made or receiver appointed in respect of him under the Mental Health Ordinance (Chapter 136 of the Laws of Hong Kong) nor has any step or procedure been taken in any other jurisdiction which would restrict his ability or legal capacity to enter into this Agreement or would require the approval of a third party or an authority for him to enter into this Agreement, and he is otherwise able to exercise his full power, capacity and authority to enter into this Agreement.

2.4 The Warrantor has taken all action necessary to perform this Agreement.

**3. BINDING OBLIGATIONS**

This Agreement (when executed) constitutes valid, binding and enforceable obligations on the Seller and the Warrantor, enforceable in accordance with its terms (except as such enforceability may be limited under applicable bankruptcy, insolvency, fraudulent transfer, reorganisation, moratorium or similar laws of general applicability relating to or affecting creditors' rights and to general equitable principles).

**4. NO DEFAULT**

The execution, delivery of and performance by the Seller and the Warrantor of its/his obligations under this Agreement does not and will not, and this Agreement does not and will not conflict with, or constitute a default or breach under any provision of:

(a) (in respect of the Seller) its memorandum or articles of association (or equivalent constitutional documents);

(b) any order, judgment, decree or regulation or any other restriction of any kind by which it is bound or submits to; or

(c) any material agreement, instrument or contract to which it is a party or by which it is bound.

**5. CONSENT**

The execution, delivery of and performance by the Seller and Warrantor of its/his obligations under this Agreement will not require the Seller or the Warrantor to obtain any consent or approval of, or give any notice to or make any registration with any Authority (or any third party pursuant to any contractual or other arrangement to which the Seller is a party) which has not been obtained or made at the date of this Agreement

both on an unconditional basis and on a basis which cannot be revoked (save pursuant to any legal or regulatory requirement to revoke the same other than by reason of any misrepresentation or misstatement).

## **6. ACCURACY OF INFORMATION**

- 6.1 All information given by the Seller, the Warrantor and/or any of their Representatives, to the Purchaser and/or any of its Representatives, during the due diligence process for the transactions contemplated under this Agreement was, when given, and is now, true, complete and accurate in all material respects.
- 6.2 The Seller is wholly owned by the Warrantor.

## **PART B - WARRANTIES IN RELATION TO LISTCO AND THE GROUP**

### **1. GROUP STRUCTURE**

#### **1.1 Particulars**

The share capital and other corporate particulars of Listco as set out in Schedule 1 is true and accurate and not misleading.

#### **1.2 Sale Shares**

- (a) The Seller is the sole legal and beneficial owner of the Sale Shares and has the right to exercise all voting and other rights over the Sale Shares.
- (b) The Sale Shares:
- (i) have been properly and validly issued and allotted; and
  - (ii) are each fully paid or credited as fully paid.
- (c) The shares or equity interests of each member of the Group (other than Listco):
- (i) constitute the whole of the issued and allotted share capital of each member of the Group (other than Listco);
  - (ii) have been properly and validly issued and allotted;
  - (iii) are each fully paid or credited as fully paid; and
  - (iv) are legally and beneficially owned, and the right to exercise all voting and other rights over the shares are held, by their respective shareholders.
- (d) No person has the right (whether exercisable now or in the future and whether contingent or not) to call for the allotment, issue, sale, transfer or conversion of any share, equity interest, security or loan capital of any member of the Group under any option, warrant, agreement or other arrangement (including conversion rights and rights of pre-emption).
- (e) There are no voting trusts, shareholder agreements, proxies or other agreements or understandings in force with respect to the voting of any share, equity interest, security or loan capital of any member of the Group.
- (f) Neither the Seller nor any member of the Group has created any Encumbrances over or affecting the Sale Shares, and neither the Seller nor any member of the Group has given any commitment to create such an Encumbrance, and no person has claimed to be entitled to such an Encumbrance.
- (g) Neither the Seller nor any member of the Group has created any Encumbrances over or affecting any shares in the capital of (or equity interests in) any member

of the Group, and neither the Seller nor any member of the Group has given any commitment to create such an Encumbrance, and no person has claimed to be entitled to such an Encumbrance.

- (h) The Sale Shares are freely transferable (save for any applicable restrictions under Law).
- (i) The shares and equity interests in members of the Group are freely transferable (save for any applicable restrictions under Law).
- (j) All of the Shares are listed on the HKSE.

### **1.3 Due incorporation**

Each member of the Group is duly incorporated and validly existing under the laws of its place of incorporation and each member of the Group has the power and capacity to own its assets and to conduct its business in the manner presently conducted and there has been no petition filed, order made or effective resolution passed for the liquidation or winding up of any member of the Group. None of the members of the Group has any receiver, manager or the like been appointed in respect of any of the Group's assets or undertakings; nor has any step been taken to initiate any such appointment and no voluntary arrangement has been proposed relating to the Group; nor has any distress, execution or other process been levied in respect of the Group or any of its assets which remains undischarged

### **1.4 Authorisations**

Each member of the Group has obtained such Authorisations (if any) as are required under the provisions of any Law in connection with the operation of its business and there is no breach by any member of the Group of the provisions of any Law governing such Authorisations (nor, to the best of the Seller' knowledge, is there any reason why any such Authorisation should be withdrawn or cancelled).

### **1.5 Corporate actions**

All corporate actions taken by each member of the Group have been duly authorised, and no member of the Group has taken any action that in any respect conflicts with, constitutes a default under or breaches any provision of, its constitutional documents in any material respect.

## **2. COMPLIANCE MATTERS**

### **2.1 No breach of GEM Listing Rules**

Listco is not in breach of any rules, regulations or requirements of the HKSE (and, in particular, Listco has complied at all times with the disclosure requirements under the GEM Listing Rules) in all material respect.

### **2.2 Compliance with Law**

The Business and affairs of the Group have been conducted by the Group in accordance with all Laws in all material respect and, to the best of the knowledge of the Seller and the Warrantor upon due enquiry, there is no investigation, disciplinary proceeding or enquiry by, or order, decree, decision or judgment of any Authority outstanding, or threatened or expected to be issued, against any member of the Group, the Business or their respective assets or any person for whose acts or defaults they may be vicariously liable and which is material to the Group.

### **2.3 No Breach of Law**

No member of the Group nor any of its officers or employees (during the course of their duties in relation to the Business) have committed, or omitted to do, any act or thing the commission or omission of which is in contravention of any Law in any

material respect and no notice or communication has been received with respect to any alleged, actual or potential violation of or failure to comply with any Law.

**2.4 Litigation**

Save for action no. FLS11712/2015, there is no order, decree or judgment of any court or governmental agency or regulatory body outstanding against any member of the Group.

**2.5 Indebtedness**

No outstanding indebtedness of any member of the Group has become payable or repayable by reason of any default of any member of the Group and no event has occurred or is impending (other than the transactions contemplated under this Agreement) which may result in such indebtedness becoming payable or repayable prior to its maturity date, in a demand being made for such indebtedness to be paid or repaid or in any step being taken to enforce any security for any such indebtedness of any member of the Group.

**2.6 No breach of contract**

No member of the Group is a party to or under any obligation which is material to the Group and which is of an unusual or unduly onerous nature. No member of the Group is in breach of or in default of any contract or agreement which may have or has had a material adverse effect upon the condition, financial or otherwise or the earnings, business affairs or business prospects (whether or not arising in the ordinary course of business) of the Group (taken as a whole).

**2.7 Model Code**

Listco has adopted a code for transactions in its securities by its directors no less stringent than the required standard as set out in the GEM Listing Rules.

**2.8 Unlawful payment or gift**

Neither Listco nor any other member of the Group or any director, officer, or employee of Listco or any other member of the Group has: (a) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (b) made any direct or indirect unlawful payment or other property or gift to any foreign or domestic government official or employee from corporate funds; or (c) made any other unlawful payment or other property or gift.

**2.9 Money laundering**

The operation of Listco and the other members of the Group are and have been conducted at all times in compliance with applicable anti-money laundering laws of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Anti-Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving Listco or any other member of the Group with respect to the Anti-Money Laundering Laws is pending or threatened.

**2.10 Manipulation of share price**

Neither Listco nor any person acting on its behalf or under its control has taken or will take, directly or indirectly, any action designed or which was designed, or which constitutes or has constituted or might reasonably be or have been expected to cause or result in, stabilization or manipulation of the price of the Shares or other securities of Listco.



### **3. INFORMATION**

- (a) All publicly available information and records of Listco (including information contained in annual reports, statutory filings and registrations) released or produced by any member of the Group within the last three (3) years before the date of this Agreement was, when supplied or published, true and accurate and not misleading.
- (b) Save in respect of the transactions contemplated under this Agreement, Listco is not in possession of any non-public information relating to Listco or the Group which is discloseable pursuant to the SFO, and the release of which could affect the market activity in, or the trading price of, the Shares.

### **4. ACCOUNTS AND RECORDS**

#### **4.1 Books and Records**

All accounts, books, ledgers, financial and other records of whatsoever kind ("Records") of the Business:

- (a) have been properly maintained in accordance with Law and are, in all material respects, on a consistent basis;
- (b) do not contain or reflect any material inaccuracies or discrepancies; and
- (c) are in the possession (or under the control) of the relevant members of the Group,

and no notice or allegation that any of the records is incorrect or should be rectified has been received.

#### **4.2 Financial Statements**

The Financial Statements:

- (a) give a true and fair view of the financial position of the Group as at the Balance Sheet Date, and of its financial performance and cash flow for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance;
- (b) are not affected by any unusual or non-recurring items and do not include transactions not normally undertaken by the relevant member of the Group (save as disclosed in the Financial Statements); and
- (c) make adequate provision or reserve for, or disclosed, all liabilities and all capital commitments (including Taxation) in respect of all accounting periods ended on or before the respective date for which the relevant member of the Group was then or might at any time thereafter become or have been liable.

### **5. FINANCIAL MATTERS**

#### **5.1 Solvency**

There is no insolvency or bankruptcy proceeding against any member of the Group, nor, to the best of the Seller' knowledge, is there any fact which is likely to give rise to any such proceedings. No member of the Group is insolvent, or is otherwise unable to pay its debts within the meaning of the insolvency laws applicable to it. No member of the Group has stopped paying its debts as they fall due. No member of the Group has suspended or ceased (or threatened to suspend or cease) to carry on all or a material part of its business.

**5.2 Off-balance sheet financing**

No member of the Group has engaged in any borrowing or financing not required to be reflected in, or which is not reflected in, the Financial Statements.

**5.3 Working capital**

The Group has sufficient working capital to continue to carry on its business in substantially the same manner as of the date of this Agreement, and for the purposes of performing in accordance with their terms all subsisting orders, projects and contractual obligations that have been placed with or undertaken by any member of the Group.

**5.4 Guarantees**

Other than in the ordinary and usual course of business and/or saved as disclosed in the Financial Statements, there is no outstanding guarantee, indemnity, similar assurance against loss, surety relationship, letter of credit or other security (whether or not legally binding) given:

- (a) by any member of the Group; or
- (b) for the benefit of any member of the Group,

nor is any member of the Group liable, by virtue of any act or omission as director, shadow director or "de facto" director or manager of another person, to pay all or part of the debts or liabilities of that other person.

**6. POSITION SINCE BALANCE SHEET DATE**

Since the Balance Sheet Date:

- (a) the Business has been carried on in the ordinary and usual course so as to maintain it as a going concern and without any material interruption or alteration in the nature, scope or manner of the Business;
- (b) there has been no Material Adverse Change;
- (c) no member of the Group has entered into any material contract outside the ordinary course of business;
- (d) no member of the Group has entered into any material capital commitments;
- (e) no member of the Group has entered into any material contracts or commitments of an unusual or unduly onerous nature;
- (f) no member of the Group has assumed or incurred any material liabilities that would be required to be reflected in audited financial statements, otherwise than in the ordinary course of carrying on its business;
- (g) there has not been:
  - (i) any waiver or compromise by any member of the Group of any material obligation owed to it;
  - (ii) any change to a contract or agreement by which any member of the Group or any of its assets is bound or subject that is material in the context of the Group as a whole; or
  - (iii) any material change in any compensation arrangement or agreement with any employee, officer, director, consultant, contractor or shareholder of any member of the Group.

**7. INSURANCES**

- (a) Each member of the Group has maintained adequate insurance coverage against risks normally insured against by companies carrying on similar

businesses in all material respect. Each such insurance policy is legal, valid, binding, enforceable and in full force and effect. No member of the Group is in breach in any material respect or default (including with respect to the payment of premiums or the giving of notices) under such policy.

- (b) All premiums due and payable under all such policies have been paid, no member of the Group is liable for any retrospective premiums or similar payments.
- (c) No insurance claim is outstanding and no circumstances exist which are likely to give rise to any insurance claim.

## **8. EMPLOYEES AND EMPLOYEE BENEFITS**

- (a) Each member of the Group has complied with all Laws in all material respect relating to the employment of labour; and (ii) withheld and paid to the relevant Authorities (to the extent required by Law), or is holding for payment not yet due to such Authority all amounts required to be withheld from employees of any member of the Group and is not liable for any arrears of wages, including overtime, taxes, penalties or other sums for failure to comply with any of the foregoing.
- (b) Each member of the Group has paid in full to all their respective employees or adequately accrued for in accordance with the applicable generally accepted accounting principles, all social insurance, housing funds, wages, salaries, commissions, bonuses, benefits and other compensation due to or on behalf of such employees.
- (c) There is no claim with respect to the payment of provident funds, wages, salary, overtime pay or other benefits that has been asserted or is now pending or threatened before any Authority with respect to any persons currently or formerly employed by any member of the Group.

## **9. REAL PROPERTIES**

- (a) None of the members of the Group owns any real property, and save for the Leased Real Property, none of the members of the Group is leasing or renting any real property. To the best knowledge and belief of Listco and the Group, there is no plans of development, construction and/or renovation of the Leased Real Property.
- (b) In respect of the Leased Real Property, the relevant member of the Group has a valid leasehold interest in such Leased Real Property, free and clear of all Encumbrances.
- (c) There is no breach of any Law (including any building, planning or zoning law) by the relevant member of the Group in respect of its leasehold interest in the Leased Real Property and there are no contractual or legal restrictions, agreements or other matters (including claims, complaints or disputes) that preclude or restrict the ability of any relevant member of the Group from using the Leased Real Property for the purposes for which it is currently being used.
- (d) All payments required to be made by any member of the Group relating to the Leased Real Property under the relevant Laws have been made.

## **10. CONTRACTS**

### **10.1 Contracts relating to the Business**

No member of the Group is a party to nor does it have any liability under:

- (a) any contract or arrangement which materially restricts its freedom to carry on the Business in any part of the world in such manner as it may think fit; or

- (b) any contract outside the ordinary course of business for rent, lease, hire, hire purchase, credit sale, conditional sale or purchase by instalments.

#### 10.2 Powers of attorney

No member of the Group has given any power of attorney or other written authority which is still outstanding or effective to any person to enter into any contract or commitment on its behalf (other than to its directors, officers and employees to enter into routine contracts in the normal course of their duties).

#### 10.3 Related party arrangements

No member of the Group is a party to, or has had its profits or financial position during the last three (3) years materially affected by, any agreement or arrangement which is not of an arm's length nature and for full and proper consideration.

### 11. TAX

- (a) Each member of the Group has properly and punctually filed with the appropriate Tax Authority all Tax Returns required to be filed in all jurisdictions in which such Tax Returns are required to be filed, and all such Tax Returns and the information contained therein are true and correct for the periods covered thereby.
- (b) Each member of the Group has paid all Taxation which it has become liable to pay and adequate provision or reserve of all such liability has been made in its accounts.
- (c) Each member of the Group has duly and punctually complied in all material respects with Law imposing Tax withholding or deduction obligations and accounted for all Tax due to the relevant Tax Authorities.
- (d) There is no claim or dispute outstanding with the relevant Tax Authorities involving any member of the Group regarding liability or potential liability to any Tax (including penalties or interest) recoverable from any member of the Group or regarding the availability of any relief from Tax to any member of the Group.
- (e) No member of the Group has paid, or is liable to pay, any penalty, fine, surcharge or interest in connection with any Tax and, to the best of the Seller's knowledge, there are no circumstances by reason of which any member of the Group may become liable to pay any penalty, fine, surcharge or interest in connection with Tax.
- (f) No member of the Group has waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.
- (g) To the best of the Seller's knowledge, no member of the Group has engaged in any transaction the lawfulness of which, or the tax treatment relating to which, could be disputed by any Tax Authority.

### 12. THE BUSINESS AND ITS ASSETS

#### 12.1 Assets and charges

- (a) The members of the Group are the owners legally and beneficially of, and have good title to, all the Business Assets, and all such assets are within the control or possession of the Group.
- (b) No Business Asset is shared by the Group with any other person. The Business does not require or depend (for its continuation or for the continuation of the method, manner or scope of operation of its business in the same way or

manner or on the same basis as heretofore) upon any assets, premises, facilities or services of a third party (other than those included in the Business Assets).

- (c) The Business Assets comprise all of the assets, rights and privileges which are currently required by the Group to carry on the Business.
- (d) The machinery, vehicles and other equipment owned or used by the Group which are material to the Business are in satisfactory working order, have been regularly and properly maintained and are not dangerous, obsolete, inefficient or surplus to requirements in all material respects.
- (e) To the best of the Seller' knowledge, there is no dispute or circumstances likely to give rise to a dispute directly or indirectly relating to all or any of the Business Assets which would affect the trading or financial position of the Business in any material respects.

#### 12.2 **Business Licences**

- (a) Each member of the Group owns or has such valid licences to carry on the Business in each jurisdiction in which it operates (including, for the avoidance of doubt, any licence required under the Dangerous Goods Ordinance (Chapter 295 of the laws of Hong Kong)(the "**Licences**").
- (b) No member of the Group has received any notice involving any potential non-compliance with the Licences or is otherwise aware of any facts or circumstances which would render any Licences invalid.
- (c) All applicable payments have been made in respect of the Licences used by the Group and all Authorisations necessary are in full force and effect.

#### 13. **EFFECT OF SALE**

Neither entering into or compliance with this Agreement, nor Completion or completion of the Share Offer will, or is reasonably likely to:

- (a) cause any member of the Group to lose the benefit of any Authorisation, right or privilege it presently enjoys;
- (b) result in any present or future indebtedness of any member of the Group becoming due or capable of being declared due and payable prior to its stated maturity;
- (c) cause any person who normally does business with or gives credit to any member of the Group not to continue to do so;
- (d) prejudice the attitude or action of customers, suppliers or employees with regard to any member of the Group;
- (e) result in any breach of, or give any third party a right to terminate, vary or any other rights arising out of any change in control, management or shareholding of any member of the Group, or result in any Encumbrance under, any contract or arrangement to which any member of the Group is a party; or
- (f) result in the creation or imposition of any Encumbrance over any property or asset of the Group.

IN WITNESS whereof this Agreement was entered into the day and year first above written.

**SIGNED by**  
**Law Ming Yik**  
in the presence of:

)  
)  
)

.....

*A*

.....  
Name: *Yiu Chin Wang*  
Title: *Consultant, Yick and Chan*

*For and on behalf of*  
**FULLY FORT GROUP LIMITED**  
全堡集團有限公司

**SIGNED by**  
**Law Ming Yik**  
for and on behalf of  
**Fully Fort Group Limited**  
in the presence of:

)  
)  
)  
)  
)

.....  
*Authorized Signature(s)*

*A*

.....  
Name: *Yiu Chin Wang*  
Title: *Consultant, Yick and Chan*

**SIGNED by**  
**Wang Xinlong**  
for and on behalf of  
**Hong Kong Yufengchang Co., Limited**  
in the presence of:

)  
)  
)  
)  
)



王新龍

Name: CHAN DAVID HERMSEN  
Title: SOLICITOR, STEPHENSON HARWOOD