

Private & Confidential

Dated 27 October 2021

TAI UNITED PROPERTIES COMPANY LIMITED (1)

AND

STONE WEALTH LIMITED (2)

AND

DAI YONGGE (3)

AGREEMENT
for the sale and purchase of the
entire issued share capital of
WILLEASE LIMITED

Contents

Clause	Page
1	Definitions and interpretation1
2	Agreement to sell the Sale Shares.....5
3	Conditions precedent5
4	Consideration6
5	Completion6
6	The Vendor's Warranties and the Guarantor's Warranties9
7	The Purchaser's Warranties 11
8	Guarantee 13
9	Entire Agreement 14
10	Effect of Completion 14
11	Further assurances 15
12	Announcements and confidentiality 15
13	Waivers and releases 16
14	Miscellaneous 16
15	Third party rights 17
16	Notices 17
17	Governing Law and Dispute Resolutions 18
18	Address for service..... 18
Schedule 1	Information about the Target Group 22
Schedule 2	The Vendor's Warranties and the Guarantor's Warranties 25
Schedule 3	The Purchaser's Warranties 30

THIS AGREEMENT is made on 27 October 2021

BETWEEN

- (1) **TAI UNITED PROPERTIES COMPANY LIMITED**, a company incorporated in the British Virgin Islands with limited liability (company number 1929034), the registered office of which is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (the **Purchaser**);
- (2) **STONE WEALTH LIMITED**, a company incorporated in the British Virgin Islands with limited liability (company number 1658733), the registered office of which is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (the **Vendor**); and
- (3) **DAI YONGGE** (Hong Kong Identity Card number: R715272(7)) of Room 2716, 27/F, Convention Plaza Apartments, 1 Harbour Road, Wanchai, Hong Kong (the **Guarantor**).

INTRODUCTION

- (A) The Purchaser is a company incorporated in the BVI, which is wholly-owned by the Listco, the shares of which are listed on the Main Board of the Stock Exchange with stock code 718.
- (B) The Vendor is indirectly wholly-owned by the Guarantor as its ultimate beneficial owner as at the date of this Agreement.
- (C) As at the date of this Agreement, the Vendor holds the entire issued share capital in the Target Company. The Target Group operates the shopping mall business in the Anyang Shopping Mall. Details of the each of the Target Group Company are set out in Schedule 1.
- (D) The Vendor agrees to sell, and the Purchaser agrees to purchase, the entire issued share capital of the Target Company on the terms and subject to the conditions of this Agreement.

IT IS AGREED as follows:

1 Definitions and interpretation

1.1 Definitions

In this Agreement unless the context requires otherwise:

Account means the audited consolidated financial statements of the Target Group for the last three financial years and a stub period of seven months ended on the Accounts Date, comprising, a balance sheet, a profit and loss statement and a statement of cash flow, together with all notes and reports thereto;

Accounts Date means 31 July 2021;

Acquisition means the proposed acquisition by the Purchaser from the Vendor of the Sale Shares pursuant to the terms and conditions of this Agreement;

Anyang Jiangchuan means Anyang Jiangchuan Public Facilities Co., Ltd. 安陽江川公共設施有限公司 (formerly known as Anyang Renhe New World Public Facilities Co., Ltd. 安陽人和新天地公共設施有限公司), a Target Group Company established in the PRC which holds the operating rights of the Anyang Shopping Mall

Anyang Shopping Mall means the Anyang Diyi Shopping Street (安陽地一購物街) in Anyang, the PRC;

associates shall have the meaning as defined under the Listing Rules;

Business Day means a day (other than a Saturday or Sunday or days on which a tropical cyclone warning Number 8 or above or a “black” rain warning signal is hoisted in Hong Kong at any time between 9 am and 5 pm) on which Hong Kong and PRC commercial banks are open for the transaction of normal banking business;

BVI means British Virgin Islands;

Companies Ordinance means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended or supplemented from time to time;

Completion means the completion of the Acquisition in accordance with Clauses 5.2 and 5.3;

Completion Date means the seventh Business Day (or such other date as the parties to this Agreement shall agree) after the date on which the last of the Conditions is fulfilled or waived or such other date as the parties shall agree in writing;

Completion Payment shall have the meaning as defined in Clause 4.3(b);

Conditions means the conditions specified in Clause 3.1, each a **Condition**;

Consideration shall have the meaning as defined in Clause 4.1;

Deposit shall have the meaning as defined in Clause 4.3(a);

Encumbrance means any mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, claim, right, interest or preference granted to any third party, or any other encumbrance or security interest of any kind (or an agreement or commitment to create any of the same);

End Date means 31 December 2021 or such later date as the parties to this Agreement may agree in writing;

Environment means all or any of the following: air (which includes the air within any other man-made or natural structure above or below ground), water (including coastal and inland waters, surface water, groundwater and water in drains and sewers) and land (including surface land, sub surface strata, seabed and riverbed and natural and manmade structures) and all living organisms or ecological systems supported by the same;

Environmental Laws means all or any international, national, federal or local, civil or criminal law, common law, statute, statutory instrument, subordinate legislation, regulation, directive, ordinance, order, decree, injunction, treaty, codes of practice or guidance note of any regulatory body or court and the like in any jurisdiction in which the Target Business operates concerning pollution or protection of or prevention of harm or damage to the Environment;

Governmental Authority means any national, provincial or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public, regulatory, legislative or statutory instrumentality, authority, body, agency, department, bureau or entity (including any zoning authority or any comparable authority) or any arbitrator with authority to bind a party or any company at law;

Guarantee shall have the meaning as defined in Clause 8.3;

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

holding company means a holding company as defined in the Companies Ordinance;

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

Listco means Tai United Holdings Limited, a company incorporated in Bermuda whose shares are listed on the Main Board of the Stock Exchange (stock code: 718)

Listing Rules means the rules (as amended from time to time) governing the listing of securities on the Stock Exchange;

Material Adverse Effect means a material adverse effect, or any development involving a prospective material adverse effect, in or affecting the business, general affairs, management, prospects, profits, losses, results of operations, position or condition, financial or otherwise, of the Target Group;

Permit means all licences, franchises, approvals, authorisations, consents, waivers, exemptions, variances or orders of, or filings required by or otherwise issued by any Governmental Authority for the purposes of carrying out the Target Business as such is carried out as at the date hereof;

PRC means the People's Republic of China, excluding Hong Kong, Macao Special Administrative Regions of the PRC and Taiwan for the purpose of this Agreement;

PRC Legal Adviser means the legal adviser as to PRC laws engaged by the Listco for the purpose of the Acquisition;

Property Valuer means the independent professional property valuer engaged by the Listco for the purpose of the Acquisition;

Purchaser's Group means the Purchaser and each company which is (whether on or after the date of this Agreement) a subsidiary of the Purchaser;

Purchaser's Relevant Claim means a claim by the Purchaser involving or relating to a breach of any of the Vendor's Warranties and/or the Vendor's obligations under Clause 5 or Clause 6, the Guarantor's Warranties and/or the Guarantor's obligations under Clauses 6 and 8, whether for damages, compensation or any other relief;

Purchaser's Warranties means the warranties set out in Schedule 3 and referred to in Clause 7, each a **Purchaser's Warranty**;

Relevant Authority shall have the meaning set out in Clause 12.1(b);

Reporting Accountants means the accounting firm engaged by the Listco for the purpose of the Acquisition;

RMB means Renminbi, the lawful currency of the PRC;

Sale Shares the entire issued share capital of the Target Company;

Stock Exchange means The Stock Exchange of Hong Kong Limited;

subsidiary shall have, where the context requires, the meaning attributed to it in the Companies Ordinance;

Target Business means the operation of the shopping mall business in the Anyang Shopping Mall;

Target Company means Willease Limited (company number: 1515230), a company incorporated in the BVI with limited liability which is an investment holding company;

Target Group means the Target Company and its subsidiaries (whether direct or indirect), details of which are set out in Schedule 1, and **Target Group Company** means any of them;

Tax or Taxation means:

- (a) any form of taxation, duty, levy, rate, charge, contribution or other amount payable in Hong Kong, PRC or any part of the world; and
- (b) all interest, penalties, fines, costs, charges and expenses incidental or relating to such taxation;

US\$ means United States dollars, the lawful currency of the United States.

Vendor's Group means the Vendor and each company which is (whether on or after the date of this Agreement) a subsidiary (whether direct or indirect) or holding company of the Vendor or any other subsidiary of that holding company, excluding the Target Group;

Vendor's Relevant Claim means a claim by the Vendor involving or relating to a breach of any of the Purchaser's Warranties and/or Purchaser's obligations under Clauses 5 and 7, whether for damages, compensation or any other relief; and

Vendor's Warranties means the warranties set out in Schedule 2 and referred to in Clause 6, each a **Vendor's Warranty**.

1.2 Interpretation

In this Agreement, unless the context requires otherwise:

- (a) a document expressed to be in the **agreed form** means a document in a form which has been agreed by the parties on or before the execution of this Agreement and signed or initialed by them or on their behalf, for the purposes of identification;
- (b) the introduction and schedules form part of this Agreement and shall have effect as if set out in full in the body of this Agreement;
- (c) references to this Agreement or any provision of it or any other document are to this Agreement, that provision or that document as amended from time to time in accordance with the terms of this Agreement or that document or otherwise with the agreement of the relevant parties;
- (d) references to any Hong Kong legal term or any legal concept or thing shall in respect of any jurisdiction other than Hong Kong be deemed to include what most nearly approximates in that jurisdiction to the Hong Kong legal term;
- (e) words importing the singular include the plural and *vice versa*, words importing a gender include every gender and references to persons include corporations, partnerships and other unincorporated associations or bodies of persons and references to **parties** are references to parties to this Agreement and references to a **party** are references to any party to this Agreement;
- (f) the headings are for convenience only and shall be ignored in the interpretation of this Agreement;
- (g) the words and phrases **other, including** and **in particular** shall not limit the generality of any preceding words or be construed as being limited to the same class as the preceding words where a wider construction is possible; and
- (h) references to any enactment shall be construed as including a reference to that enactment as re-enacted, replaced or modified from time to time, whether before, on or after the date of this Agreement.

2 Agreement to sell the Sale Shares

2.1 Sale and purchase

The Vendor shall sell (as legal and beneficial owner) and the Purchaser (relying on the representations, warranties, undertakings and indemnities contained in this Agreement) shall purchase the Sale Shares free from all Encumbrances.

2.2 Effective date of transfer

Title to, beneficial ownership of, and any risk attaching to, any or all Sale Shares shall pass on Completion free from any Encumbrance, together with all accrued benefits and rights attached to the Sale Shares with effect from the Completion Date.

3 Conditions precedent

3.1 Conditional agreement

Completion of this Agreement is conditional on the fulfilment (or waiver, if applicable) of the following Conditions on or before the End Date:

- (a) all necessary approvals, licenses, authorizations, consents, waivers or notifications necessary from governmental or regulatory authorities being obtained and in effect;
- (b) the Purchaser having carried out due diligence to its satisfaction and having obtained a legal opinion from the PRC Legal Adviser, the contents of which being satisfactory to the Purchaser;
- (c) the representations and warranties provided by the Vendor under this Agreement remaining true, accurate and not misleading as at the Completion Date and as if repeated at all times between the date of this Agreement and the Completion Date;
- (d) the representations and warranties provided by the Purchaser under this Agreement remaining true, accurate and not misleading as at the Completion Date and as if repeated at all times between the date of this Agreement and the Completion Date; and
- (e) the Reporting Accountants having confirmed the value of the audited reassessed net asset value of the Target Group as at 31 July 2021.

3.2 Fulfilment of conditions

- (a) The Vendor shall provide all reasonable assistance to the Purchaser with respect to the performance by the Purchaser of its obligations under Clause 3.1. Without limitation to the foregoing, the Vendor shall supply all information required by the Stock Exchange or other regulators for the announcement and shareholder circular to be issued by the Listco in order for it to comply with the Listing Rules and any other legal or regulatory requirements applicable to the transactions contemplated herein and as soon as practicable notify the Purchaser and/or the Listco of any material change in the accuracy of any information previously supplied by the Vendor;
- (b) If at any time any party becomes aware of a fact or circumstance that might prevent or materially delay fulfilment of any of the Conditions required to be fulfilled by the other, it shall promptly notify the other in writing; and
- (c) The Purchaser may waive in writing Conditions 3.1(a), 3.1(b) and 3.1(c). The Vendor may waive in writing Condition 3.1(d). Condition 3.1(e) shall not be waivable by the parties.

3.3 Right to terminate

If any Condition is not fulfilled or waived (by the Purchaser and/or the Listco or the Vendor as the case may be) on or before the End Date, this Agreement shall lapse and all obligations and liabilities of the parties shall cease. No party shall have any claim against the other except in respect of any antecedent breach of the terms hereof. The Deposit shall be refunded by the Vendor in accordance with Clause 4.4.

4 Consideration

- 4.1** Subject to Clause 4.2, the base consideration for the Acquisition shall be RMB370,000,000 (the **Consideration**) (equivalent to approximately HK\$446,859,903 on the exchange rate of HK\$1.00 to RMB0.8280), which shall be satisfied in the manner set out in Clause 4.3 and Clause 5.3.
- 4.2** In the event that the audited reassessed net asset value of the Target Group as at 31 July 2021 as confirmed by the Reporting Accountants (being the audited net asset value of the Target Group adjusted by the valuation gain on investment properties with reference to the property valuation of the Target Group as referred to in the valuation report by the Property Valuer) is less than RMB370,589,000 (being the unaudited reassessed net asset value of Anyang Jiangchuan as at 31 July 2021) (the “**Unaudited NAV**”) and the shortfall amount is 5% or more of the Unaudited NAV, the Consideration shall be adjusted by deducting from it dollar-by-dollar the entire shortfall amount.
- 4.3** The Consideration shall be settled as follows:
- (a) on or around the date of this Agreement, the Purchaser shall pay or procure payment of a refundable deposit in the amount of RMB70,000,000 (the **Deposit**) in the manner set out in Clause 5.3(a); and
 - (b) at Completion, the Purchaser shall pay or procure further payment in the amount of RMB300,000,000 (the **Completion Payment**) in the manner set out in Clause 5.3(a).
- 4.4** Subject to Clauses 4.5 and 4.6, the Deposit in its entire amount shall be refundable by the Vendor to the Purchaser or its nominee in full within seven (7) Business Days (or such other time as further agreed between the parties) by wire transfer to the bank account specified by the Purchaser, upon the Vendor being notified by the Purchaser that any Condition is not fulfilled or waived (where waivable by the Purchaser or the Vendor as the case may be).
- 4.5** The Deposit shall not be refundable by the Vendor in the event that the Conditions have been fulfilled or waived (where waivable by the Purchaser or the Vendor as the case may be), but the Completion has not taken place due to the default on the part of the Company.
- 4.6** In the event that the Conditions have been fulfilled or waived (where waivable by the Purchaser or the Vendor as the case may be), but the Completion has not taken place due to the default on the part of the Vendor, the Vendor shall refund the Deposit in full to the Purchaser or its nominee within seven (7) Business Days (or such other time as further agreed between the parties) by wire transfer to the bank account specified by the Purchaser.

5 Completion

5.1 Completion arrangements

Completion shall take place at the office of the Purchaser at 2:00p.m. on the Completion Date or at such other place and time or in such other manner as the parties may agree when the events detailed in Clauses 5.2 and 5.3 shall take place.

5.2 Vendor’s completion obligations

The Vendor shall deliver to or shall procure the delivery to or to the order of the Purchaser at Completion:

- (a) a duly executed instrument of transfer in respect of the Sale Shares, completed in favour of the Purchaser (or a nominee of the Purchaser as it may direct) together with duly executed powers of attorney (if any) or other authorities under which any of the transfers have been executed;
- (b) all share certificates in respect of the Sale Shares;
- (c) such other documents as may be required to give a good title to the Sale Shares;
- (d) a copy of the resolutions of the directors of the Vendor and a copy of the resolutions of the shareholder of the Vendor approving the execution by the Vendor of this Agreement and the documents referred to in this Clause 5.2 and the transactions contemplated thereunder;
- (e) a copy of the resolutions of directors of the Target Company approving inter alia, the transfer of the Sale Shares and registration of such transfer, the execution of any documents to be entered into by the Target Company pursuant to this Agreement; and
- (f) all books and records (whether stored electronically or otherwise) duly written up to immediately before Completion, company chop and common seal of each Target Group Company and which are not in the possession of any Target Group Company.

5.3 Purchaser's completion obligations

At Completion:

- (a) The Purchaser shall pay or procure payment of the Completion Payment by wire transfer to a bank account to be notified by the Vendor not less than two (2) Business Days prior to Completion; and
- (b) The Purchaser shall deliver to or shall procure the delivery to the Vendor:
 - (i) a copy of the resolutions of its directors, approving the execution by the Purchaser of this Agreement and the transactions contemplated hereunder;
 - (ii) a copy of the resolutions of the directors of the Listco, approving the execution by the Purchaser of this Agreement and the transactions contemplated hereunder; and
 - (iii) a copy of the written resolutions of Songbird SG PTE Ltd., which held 74.99% of the issued share capital of the Listco as at the date of this Agreement, approving the execution by the Purchaser of this Agreement and the transactions contemplated hereunder.

5.4 Pre-Completion Undertakings

- (a) The Vendor undertakes to the Purchaser that, pending Completion, it shall procure that each of the Target Group Company conducts its business in the ordinary and usual course and in the same manner (including as to nature and scope) as carried on immediately prior to the date of this Agreement.
- (b) Except as required under this Agreement, the Vendor will not do any material act or thing (or allow any material act or thing to be done) in respect of the Target Business of the Target Group without the Purchaser's prior written consent and in particular, the Vendor shall:
 - (i) give to the Purchaser or its respective authorized representatives:
 - (A) full access to all the books and records of the Target Group and procure that the Vendor's directors and employees are instructed to give promptly all such

- information and explanations with respect to the Target Business as the Purchaser and its authorized representatives may reasonably request; and
- (B) copies of all board papers, management reports and accounts and such other information relation to the Target Group as the Purchaser may reasonably require;
- (ii) pay or otherwise discharge all debts and liabilities of the Target Group as and when they fall due in the ordinary course of business;
 - (iii) continue to maintain all of the insurance policies;
 - (iv) notify the Purchaser immediately in writing of any event, matter or circumstance of which it may become aware before Completion which:
 - (A) would constitute a Relevant Claim upon the Vendor's Warranties being repeated immediately at any time prior to Completion;
 - (B) otherwise constitutes a breach of this Agreement by the Vendor; or
 - (C) could reasonably be expected to be material by a purchaser for value of the Target Group;
 - (v) not do or agree to do any of the following in respect of the Target Group without the prior written consent of the Purchaser:
 - (A) otherwise than in the ordinary course of business of the Target Group, incur any liability (whether as principal or surety) in a single transaction for a principal amount exceeding RMB1 million;
 - (B) make any material acquisition or disposal of a company or a business or the entering into joint ventures;
 - (C) allow any contract which is material to the Target Group to terminate, lapse or be amended to a material extent;
 - (D) enter into any agreement or contract (whether or not legally binding) (other than in the ordinary and usual course of business) to acquire or dispose of any assets or remove any assets from the Target Group;
 - (E) create any Encumbrance over the Target Group;
 - (F) enter into any borrowing, factoring or other financing or lending commitments, being in each case, commitments which are outside the ordinary course of business of the Target Group for a principal amount exceeding RMB1 million;
 - (G) permit or allow any of the Target Group Company to be adversely affected by any unlawful act on the part of any person and the Vendor shall take all reasonable steps to preserve and protect the goodwill of the Target Business;
 - (H) by any act or omission contravene any applicable law, order or regulation where such contravention would have a Material Adverse Effect on the Target Group or its financial condition;
 - (I) fail to maintain the confidentiality of the customer and supplier information relating to the Target Business and of its other proprietary information; and

- (J) institute, settle or agree to settle any legal proceedings relating to the Target Group, except for debt collection in the ordinary course of the Target Business.

6 The Vendor's Warranties and the Guarantor's Warranties

6.1 The Vendor's Warranties and the Guarantor's Warranties

- (a) The Vendor:
 - (i) warrants and represents to the Purchaser that each of the Vendor's Warranties is true and accurate in all respects;
 - (ii) further warrants and represents to the Purchaser that the information disclosed to the Purchaser, the Listco and/or their advisers during the due diligence process is true and accurate in all respects and not misleading in any respect;
 - (iii) further warrants and represents to the Purchaser that the Vendor's Warranties shall be deemed to be repeated immediately before Completion with reference to the facts and circumstances then prevailing, and for this purpose a reference in any of the Vendor's Warranties to the date of this Agreement shall be construed as a reference to the Completion Date; and
 - (iv) acknowledges that the Purchaser has entered into this Agreement in reliance on, among other things, the Vendor's Warranties.
- (b) Notwithstanding any provisions herein to the contrary, the Vendor shall have no liability whatsoever in respect of any Relevant Claim to the extent that the matter giving rise to the Relevant Claim would not have arisen but for the passing of, or any change in, after the date of this Agreement having retrospective effect any law, rule, regulation, or administrative practice of any government, governmental department, agency or regulatory body, in any such case not actually or prospectively in force at the date of this Agreement.
- (c) The rights and remedies of the Purchaser in respect of the Vendor's Warranties and indemnities under Clause 6.5 are not prejudiced or affected in any way by Completion or any enquiries, due diligence or investigation made by or on behalf of the Purchaser or the Listco into the affairs of any Target Group Company or any information relating thereto of which the Purchaser or the Listco has knowledge, actual or constructive.
- (d) The Guarantor:
 - (i) warrants and represents to the Purchaser that each of the Guarantor's Warranties is true and accurate in all respects;
 - (ii) further warrants and represents to the Purchaser that the information disclosed to the Purchaser, the Listco and/or their advisers during the due diligence process is true and accurate in all respects and not misleading in any respect;
 - (iii) further warrants and represents to the Purchaser that the Guarantor's Warranties shall be deemed to be repeated immediately before Completion with reference to the facts and circumstances then prevailing, and for this purpose a reference in any of the Guarantor's Warranties to the date of this Agreement shall be construed as a reference to the Completion Date; and
 - (iv) acknowledges that the Purchaser has entered into this Agreement in reliance on, among other things, the Guarantor's Warranties.
- (e) Notwithstanding any provisions herein to the contrary, the Guarantor shall have no liability whatsoever in respect of any Relevant Claim to the extent that the matter giving rise to the

Relevant Claim would not have arisen but for the passing of, or any change in, after the date of this Agreement having retrospective effect any law, rule, regulation, or administrative practice of any government, governmental department, agency or regulatory body, in any such case not actually or prospectively in force at the date of this Agreement.

- (f) The rights and remedies of the Purchaser in respect of the Guarantor's Warranties and indemnities under Clause 6.5 are not prejudiced or affected in any way by Completion or any enquiries, due diligence or investigation made by or on behalf of the Purchaser or the Listco into the affairs of any Target Group Company or any information relating thereto of which the Purchaser or the Listco has knowledge, actual or constructive.

6.2 Extent of Vendor's and Guarantor's awareness

In each Vendor's Warranty and Guarantor's Warranty, where any statement is qualified as being made **so far as the Vendor is aware or to the best of the knowledge, information and belief of the Vendor** or **so far as the Guarantor is aware or to the best of the knowledge, information and belief of the Guarantor** or any similar expression:

- (a) it has been so qualified after due diligent and careful enquiries by the Vendor (including enquiry of the executive directors, company secretary, general managers, financial controller of the Vendor who act, or at the relevant time acted, for the Vendor in relation to the Target Group) or the Guarantor as the case may be; and
- (b) the Vendor has used all reasonable endeavors to ensure that all information given, referred to or reflected in that statement is accurate in all respects.

6.3 Vendor's Warranties and Guarantor's Warranties separate

Each of the paragraphs in Schedule 2:

- (a) shall be construed as a separate and independent warranty and representation; and
- (b) unless expressly provided in this Agreement, shall not be limited by reference to any other paragraph of Schedule 2 or by any other provision of this Agreement;

and the Purchaser shall have a separate claim and right of action in respect of every breach of a Vendor's Warranty and/or a Guarantor's Warranty.

6.4 Effect of Completion

- (a) The Vendor's Warranties and the Guarantor's Warranties shall not in any respect be extinguished or affected by Completion; and
- (b) The Vendor and the Guarantor shall not do or permit or procure to be done any act or omission before Completion which would constitute a breach of any of the Vendor's Warranties or the Guarantor's Warranties if they were given at any time up to and including Completion or which would make any of the Vendor's Warranties or the Guarantor's Warranties inaccurate or misleading in any respect if they were so given.

6.5 Indemnity

- (a) Without prejudice to Clause 6.5(b), the Guarantor covenants with and undertakes to indemnify the Purchaser fully and to keep the Purchaser fully indemnified from and against any and all losses, liabilities, obligations and damages howsoever and at any time suffered or incurred by the Purchaser which would not have been so suffered or incurred or would not have occurred but for any matter, thing or event arising or occurring as a result of any breach of any of the Vendor's Warranties and/or the Guarantor's Warranties, PROVIDED THAT the indemnity contained in this Clause 6.5 shall be without prejudice to any other

rights and remedies of the Purchaser in relation to any such breach and all such other rights and remedies are hereby expressly reserved by the Purchaser.

- (b) Without prejudice to Clause 6.5(a), the Vendor covenants with and undertakes to indemnify the Purchaser and the Target Group fully, and to keep the Purchaser and the Target Group fully indemnified from and against any and all damages, compensation, penalties, losses, liabilities, obligations, costs and/or expenses howsoever and at any time suffered or incurred on or after Completion Date by the Purchaser or the Target Group arising from or in connection with any non-compliance with the applicable laws and regulations with respect to Target Group prior to the Completion; any defect in operating rights of the Anyang Shopping Mall; any litigation, claims or legal proceedings subsisting as at the date of this Agreement in which any Target Group Company is involved as a party; any tax liabilities incurred prior to the Completion and any penalties, charges and costs of remedy in relation to the foregoing.
- (c) The indemnities given by the Guarantor and the Vendor in Clauses 6.5(a) and 6.5(b) above shall cover all costs (including legal costs) and expenses payable and/or incurred by the Purchaser and the Target Group after Completion in connection with any Relevant Claim, and any adjudicated penalties, fines or interests payable and/or incurred by the Purchaser and the Target Group relating to any Relevant Claim.
- (d) No Purchaser's Relevant Claim or any other claim by the Purchaser under this Agreement may be brought against both the Vendor and the Guarantor to avoid double remedy to the Purchaser. No Purchaser's Relevant Claim may be brought against the Vendor or the Guarantor at any time after the date falling 12 calendar months after the Completion.

7 The Purchaser's Warranties

7.1 The Purchaser's Warranties

- (a) The Purchaser:
 - (i) warrants and represents to the Vendor that each of the Purchaser's Warranties is true and accurate in all material respects;
 - (ii) further warrants and represents to the Vendor that the Purchaser's Warranties shall be deemed to be repeated immediately before Completion with reference to the facts and circumstances then prevailing, and for this purpose a reference in any of the Purchaser's Warranties to the date of this Agreement shall be construed as a reference to the Completion Date; and
 - (iii) acknowledges that the Vendor has entered into this Agreement in reliance on, among other things, the Purchaser's Warranties.
- (b) Notwithstanding any provisions herein to the contrary, the Purchaser shall have no liability whatsoever in respect of any Vendor's Relevant Claim to the extent that the matter giving rise to the Vendor's Relevant Claim would not have arisen but for the passing of, or any change in, after the date of this Agreement having retrospective effect any law, rule, regulation, or administrative practice of any government, governmental department, agency or regulatory body, in any such case not actually or prospectively in force at the date of this Agreement.

7.2 Extent of Purchaser's awareness

In each Purchaser's Warranty, where any statement is qualified as being made **so far as the Purchaser is aware** or **to the best of the knowledge, information and belief of the Purchaser** or any similar expression:

- (a) it has been so qualified after due diligent and careful enquiries by the Purchaser (including enquiry of the executive directors, company secretary, general managers, financial controller, taxation manager and personnel manager of the Purchaser or the Listco and the accountants, solicitors, tax advisers and insurance brokers who act, or at the relevant time acted, for the Purchaser or the Listco in relation to the Target Group); and
- (b) the Purchaser has used all reasonable endeavors to ensure that all information given, referred to or reflected in that statement is accurate in all material respects.

7.3 Purchaser's Warranties separate

Each of the paragraphs in Schedule 3:

- (a) shall be construed as a separate and independent warranty and representation; and
- (b) unless expressly provided in this Agreement, shall not be limited by reference to any other paragraph of Schedule 3 or by any other provision of this Agreement;

and the Vendor shall have a separate claim and right of action in respect of every breach of a Purchaser's Warranty.

7.4 Effect of Completion

- (a) The Purchaser's Warranties shall not in any respect be extinguished or affected by Completion.
- (b) The Purchaser shall not do or permit or procure to be done any act or omission before Completion which would constitute a breach of any of the Purchaser's Warranties if they were given at any time up to and including Completion or which would make any of the Purchaser's Warranties inaccurate or misleading in any material respect if they were so given.

7.5 Indemnity

- (a) Subject to the provisions of Clauses 7.5(b), 7.5(c) and 7.5(d), the Purchaser covenants with and undertakes to indemnify the Vendor fully and to keep the Vendor fully indemnified from and against any and all losses, liabilities, obligations and damages howsoever and at any time suffered or incurred by the Vendor which would not have been so suffered or incurred or would not have occurred but for any matter, thing or event arising or occurring as a result of any material breach of any of the Purchaser's Warranties, PROVIDED THAT the indemnity contained in this Clause 7.5 shall be without prejudice to any other rights and remedies of the Vendor in relation to any such breach and all such other rights and remedies are hereby expressly reserved by the Vendor.
- (b) The indemnities given by the Purchaser in Clause 7.5(a) above shall cover all costs (including reasonable legal costs) and expenses properly and reasonably payable and/or incurred by the Vendor after Completion in connection with any Vendor's Relevant Claim, and any adjudicated penalties, fines or interests payable and/or incurred by the Vendor relating to any Vendor's Relevant Claim.
- (c) Notwithstanding the foregoing, the maximum liability of the Purchaser under the indemnity in this Clause 7.5 shall be limited to no more than 1% of the Consideration in any event.
- (d) No Vendor's Relevant Claim may be brought against the Purchaser at any time after the date falling 12 calendar months after the Completion.

8 Guarantee

- 8.1 In consideration of the Purchaser entering into this Agreement with the Vendor at the request of the Guarantor, the Guarantor irrevocably and unconditionally, as primary obligor:
- (a) guarantees to the Purchaser the full, prompt and complete performance by the Vendor of all the Vendor's obligations, commitments and undertakings under or pursuant to this Agreement and any document in the agreed form; and
 - (b) undertakes with the Purchaser that if for any reason whatsoever the Vendor defaults in the performance of any obligation, commitment or undertaking under or pursuant to this Agreement or any document in the agreed form, the Guarantor shall forthwith on demand by the Purchaser unconditionally perform (or procure the performance of) and satisfy (or procure the satisfaction of) such obligation, commitment or undertaking.
- 8.2 The Guarantor shall indemnify the Purchaser from and against all losses suffered or incurred by the Purchaser as a consequence of or which would not have arisen but for any breach by the Vendor of its obligations, commitments and undertakings under or pursuant to this Agreement or any document in the agreed form or which may not be recoverable on the footing of a guarantee, which shall nevertheless be recoverable from and enforceable against the Guarantor as sole or principal obligor in respect thereof and shall be performed or paid by the Guarantor on demand.
- 8.3 The guarantee, undertaking and indemnity contained in Clauses 8.1 and 8.2 (the "**Guarantee**") may be enforced by the Purchaser, without the Purchaser first taking any steps or proceedings against the Vendor or enforce any other rights or security or claim payment from any person provided that the Purchaser shall not be entitled to double remedy.
- 8.4 The obligations of the Guarantor under or pursuant to the Guarantee shall not be affected by any act, omission, matter or thing which, but for this Clause 8.4, might operate to release or otherwise exonerate in whole or in part the Guarantor from such obligations or otherwise reduce, limit or affect such obligations, including:
- (a) any amendment to, or variation of, this Agreement or of any other document in the agreed form;
 - (b) any time, indulgence, waiver, neglect or consent at any time given to the Vendor or any other person;
 - (c) any compromise or release of, or abstention from obtaining, perfecting or enforcing in whole or in part, any security or other right or remedy whatsoever against the Vendor or any other person;
 - (d) any legal limitation, disability, incapacity or other circumstance relating to the Vendor or any other person;
 - (e) any irregularity, unenforceability or invalidity of any of the obligations of the Vendor under or pursuant to this Agreement or any other document in the agreed form; or
 - (f) the dissolution, liquidation, amalgamation, reconstruction or insolvency of the Vendor.
- 8.5 The Guarantee is a continuing guarantee and shall remain in force until all the obligations of the Vendor under or pursuant to this Agreement and any other document in the agreed form have been fully and completely performed.
- 8.6 The Guarantee is in addition to and not in substitution for any rights or security which the Purchaser may now or after the date of this Agreement have or hold for the performance and observance of the obligations, commitments and undertakings of the Vendor under or pursuant to this Agreement or any document in the agreed form.

- 8.7 Clause 14.2 shall apply, mutatis mutandis, to any sum payable by the Guarantor to the Purchaser pursuant to this Clause 8.
- 8.8 The Guarantor is not entitled to set off, against the obligations guaranteed pursuant to this Clause 8, any obligations which are due from the Purchaser to the Vendor or the Guarantor under any provision of this Agreement or any agreement or document entered into pursuant to this Agreement.
- 8.9 The Guarantor represents and warrants to the Purchaser that:
- (a) it is not and never has been subject to insolvency procedures of any kind (including restructuring agreements or out-of-court recovery plans; and
 - (b) the entry into and the performance of this Agreement and each other document to be executed by it pursuant to or in connection with this Agreement will not: (i) result in a breach of or constitute (with or without the lapse of time and/or the giving of any notice, certificate, declaration or demand) a default, or give rise to any third party right of termination, variation, payment or acceleration, under any contract to which it is a party or by which its assets may be bound; (ii) infringe any laws by which it or any of its assets may be bound; or (iii) result in a breach of any order, judgment or decree of any Governmental Authority by which it or any of its assets may be bound.

9 Entire Agreement

- 9.1 Each party agrees for itself (and as agent for each member of its respective group companies) that:
- (a) this Agreement and all documents to be entered into pursuant to this Agreement (together the **Transaction Documents**) supersede any prior discussions, understandings and agreements between the parties concerning their subject matter and the Transaction Documents constitute the entire and only agreement between the parties concerning their subject matter;
 - (b) none of the Transaction Documents has been entered into in reliance on any Pre-contractual Statement which is not expressly set out in a Transaction Document and each party unconditionally and irrevocably waives any claims, rights or remedies arising by virtue of any Pre-contractual Statement not set out in a Transaction Document; and
 - (c) save as otherwise provided in this Agreement, the only rights or remedies available to any party in connection with the Transaction Documents are damages for breach of contract and, except as otherwise provided in any of the Transaction Documents, no party may terminate or rescind any of the Transaction Documents for breach of contract or for negligent or innocent misrepresentation or otherwise,

provided always that this clause shall not exclude or limit any liability or right which arises as a result of any fraudulent or dishonest act, omission or statement.

- 9.2 In this Clause 9, **Pre-contractual Statement** means any agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature (whether express or implied and whether or not in written or draft form) made or given by any person prior to the execution of this Agreement in connection with any matters dealt with in any of the Transaction Documents.

10 Effect of Completion

All provisions of this Agreement shall so far as they are capable of being performed or observed continue in full force and effect notwithstanding Completion (except in respect of those matters then already performed) and Completion shall not constitute a waiver of any of the rights of the Purchaser in relation to this Agreement. All rights and remedies conferred on any party under

this Agreement are cumulative and are additional to, and not exclusive of, any rights or remedies provided by law or otherwise available at any time to the Purchaser.

11 Further assurances

The Vendor shall execute or, so far as they are able, procure that any third party shall execute all such documents and/or do all such acts and/or, so far as each is able, procure the doing of such acts and things as the Purchaser shall after Completion reasonably require to give effect to this Agreement and any documents entered into pursuant to it and to give to the Purchaser the full benefit of all the provisions of this Agreement.

12 Announcements and confidentiality

12.1 Announcements

- (a) Subject to Clause 12.1(b), no announcement, circular or communication (each an **"Announcement"**) concerning the existence or content of this Agreement shall be made by the Vendor (or any member of the Vendor's Group or the controlling shareholder of the Vendor including the Guarantor) or the Purchaser (or any member of the Purchaser's Group) without the prior written approval of the other party (such approval not to be unreasonably withheld or delayed).
- (b) Clause 12.1 does not apply to any Announcement if, and to the extent that, it is required to be made by any stock exchange or any governmental, regulatory or supervisory body or court of competent jurisdiction (the **"Relevant Authority"**) to which the party making the Announcement is subject, whether or not any of the same has the force of law or by the law of any relevant jurisdiction.

12.2 Confidentiality

- (a) Each party shall treat as strictly confidential all information received or obtained as a result of entering into or performing this Agreement which relates to:
 - (i) the subject matter and provisions of this Agreement;
 - (ii) the negotiations relating to this Agreement; or
 - (iii) the other party.
- (b) A party may disclose information which would otherwise be confidential if and to the extent:
 - (i) required by the law of any relevant jurisdiction;
 - (ii) required by existing contractual obligations;
 - (iii) required by the Relevant Authority to which the party making the disclosure is subject, whether or not such requirement has the force of law;
 - (iv) required to vest the full benefit of this Agreement in either party;
 - (v) disclosure is made to the professional advisers, auditors and bankers of either party;
 - (vi) the information has come into the public domain through no fault of that party; or
 - (vii) the other party has given prior written approval to the disclosure;

provided that any disclosure shall, so far as practicable, be made only after consultation with the other party.

13 Waivers and releases

13.1 The rights and remedies of each party to this Agreement are, except where expressly stated to the contrary, without prejudice to any other rights and remedies available to it. No neglect, delay or indulgence by any party in enforcing any provision of this Agreement shall be construed as a waiver and no single or partial exercise of any right or remedy of any party under this Agreement shall affect or restrict the further exercise or enforcement of any such right or remedy.

13.2 The liability of any party to this Agreement may in whole or in part be released, compounded or compromised and if the other party gives time or indulgence to the person under such liability, this shall in no way prejudice or affect that party's rights against any other person under the same or similar liability.

14 Miscellaneous

14.1 Alterations

No purported alteration of this Agreement or of any of the documents referred to in this Agreement shall be effective unless it is in writing, refers specifically to this Agreement and is duly executed by each party to it.

14.2 Gross up

All sums payable under this Agreement shall be paid free and clear of all deductions or withholdings unless the deduction or withholding is required by Law, in which case such additional amount shall be paid by the relevant party as will result in the receipt by the relevant party under this Agreement of a net amount equal to the full amount which would have been received had no such deduction or withholding been required to be made.

14.3 Counterparts

(a) This Agreement may be executed in any number of counterparts and by the parties to it on separate counterparts, and each of the executed counterparts, when duly exchanged or delivered, shall be deemed to be an original, but, taken together, they shall constitute one and the same instrument.

(b) Any counterpart may take the form of a faxed copy of this Agreement and the party delivering the faxed counterpart shall within 7 days of exchange by fax, deliver the original of that counterpart to the other party by express courier.

14.4 Costs

Each of the parties to this Agreement shall pay its own respective legal and other costs and expenses in connection with the negotiation, preparation, execution and performance by it of this Agreement and all ancillary documents.

14.5 Stamp duty

Ad valorem stamp duty (if any) payable on the sale and purchase of the Sale Shares shall be shared by the Vendor and the Purchaser in equal shares.

14.6 Language

This Agreement is drawn up in the English language. If this Agreement is translated into any language other than English, the English language text shall prevail.

14.7 Assignment

- (a) No party shall be entitled to assign its rights under this Agreement without the prior written consent of the other party which consent may not be unreasonably withheld or delayed.
- (b) Clause 14.7(a) shall not apply to any assignment by any party of its rights in relation to this Agreement to another member of the Vendor's Group or the Purchaser's Group (as relevant) on terms that if any such assignee shall cease to be a member of the Vendor's Group or the Purchaser's Group (as relevant) then (unless such rights shall previously have been assigned to a continuing member of the Vendor's Group or the Purchaser's Group (as relevant) or the parties have agreed otherwise) such rights shall terminate.

14.8 Successors and assigns

This Agreement shall be binding on and shall enure for the benefit of the successors and assigns of the parties.

15 Third party rights

No term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) by a person who is not a party to this Agreement.

16 Notices

16.1 A notice or other communication given under or in connection with this Agreement (a Notice) shall be:

- (a) in writing;
- (b) in the English language or in Chinese; and
- (c) sent by the Permitted Method to the Notified Address.

16.2 The Permitted Method means any of the methods set out in the first column below, the second column setting out the date on which a Notice given by such Permitted Method shall be deemed to be given provided the Notice is properly addressed and sent in full to the Notified Address:

(1) Permitted Method	(2) Date on which Notice deemed given
Personal delivery	When left at the Notified Address
Registered or Pre-paid post in Hong Kong	Two Business Days after posting
Pre-paid air-mail	Six Business Days after posting
Fax transmission	On completion of transmission

16.3 The Notified Addresses of each of the parties is as set out below:

Name of party	Address	Fax number	Marked for the attention of:
The Vendor / Guarantor	12/F, Times Tower, 391-407 Jaffe Road, Wanchai, Hong Kong	(852) 3665 7800	Mr. Dai Yongge

The Purchaser	Room 2902, 29/F, China United Centre, 28 Marble Road, North Point, Hong Kong	(852) 2527 1144	The board of directors of the company
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or such other Notified Address as any of the parties may, by written notice to the other parties, substitute for their Notified Address set out above.

17 Governing Law and Dispute Resolutions

17.1 This Agreement shall be governed by and construed in accordance with the laws of Hong Kong.

17.2 The parties irrevocably agree that the courts of Hong Kong are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement. The parties irrevocably submit to the jurisdiction of such courts and waive any objection on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum, provided that this clause shall be without prejudice to the right to bring proceedings in any other jurisdiction for the purpose of enforcement or execution of any judgment or other settlement in any other court.

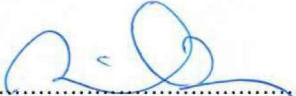
18 Address for service

18.1 The Vendor irrevocably appoints Capital Trade Limited of 12/F, Times Tower, 391-407 Jaffe Road, Wanchai, Hong Kong to accept service of all legal process arising out of or in connection with any proceedings before the Hong Kong courts in connection with this Agreement.

18.2 The Purchaser irrevocably appoints Tai United Properties Company Limited (incorporated in Hong Kong, Company No. 2485962) of Room 2902, 29/F, China United Centre, 28 Marble Road, North Point, Hong Kong to accept service of all legal process arising out of or in connection with any proceedings before the Hong Kong courts in connection with this Agreement.

THIS AGREEMENT has been executed on the date stated at the beginning.

SIGNED by)
for and on behalf of)
TAI UNITED PROPERTIES COMPANY)
LIMITED)
in the presence of:)



Witness name: POON YICK PANG, PHILIP
Address: ROOM 2902 29/F
CHINA UNITED CENTRE
28 MARBLE ROAD
NORTH POINT, H.K.

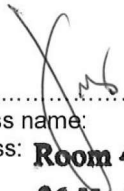


Title: KWONG KAI SING, BENNY
DIRECTOR

SIGNED by **DAI Yongge**
for and on behalf of
STONE WEALTH LIMITED
in the presence of:

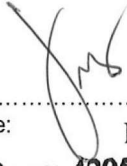
)
)
)
)
)


Title:
Director


Witness name:
Frankie Hung
Address: **Room 4205-10, 42/F, China Resources Building,**
26 Harbour Road, Wanchai, Hong Kong

SIGNED by
DAI YONGGE
in the presence of:

)
)
)



.....
Witness name: Frankie Hung

Address: **Room 4205-10, 42/F, China Resources Building,
26 Harbour Road, Wanchai, Hong Kong**

Schedule 1
Information about the Target Group

The Target Company

Name of the Company	Willease Limited (志安有限公司)
Date and place of incorporation	2 January 2009, British Virgin Islands
Company number	1515230
Registered office	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands
Issued share capital	1 ordinary share at US\$1
Shareholder(s) and (percentage of shareholding held)	Stone Wealth Limited (碩裕有限公司) (100%)
Director(s)	Dai Yongge

Hong Kong subsidiary

**Name of the Target Group Asian Leader Investments Limited (鉅達投資有限公司)
Company**

Date and place of incorporation	16 January 2009, Hong Kong
Company number	1301702
Registered office	12/F., Times Tower, 391-407 Jaffe Road, Wanchai, Hong Kong
Issued share capital	1 ordinary share at HK\$1
Shareholder(s) and (percentage of shareholding held)	Willease Limited (志安有限公司) (100%)
Director(s)	Ding Yuming

PRC subsidiary

Name of the Target Group Company **Anyang Jiangchuan Public Facilities Co., Ltd.** 安陽江川公共設施有限公司 (formerly known as **Anyang Renhe New World Public Facilities Co., Ltd.** 安陽人和新天地公共設施有限公司)

Date and place of incorporation 1 April 2010, PRC

United Social Credit Code 91410500553163846W

Registered office 1st Floor, North Tower, No.163, Dengta Street, Beiguan District, Anyang City, PRC (中國安陽市北關區燈塔路 163 號院北樓一層)

Paid-up registered capital US\$15,000,000

Shareholder(s) and (percentage of shareholding held) Asian Leader Investments Limited (鉅達投資有限公司) (100%)

Director(s) 李步華

Schedule 2

The Vendor's Warranties and the Guarantor's Warranties

Part A

1 Sale Shares and the Target Group

- 1.1 The information set out in Schedule 1 in relation to the information of each Target Group Company is complete and accurate and save as disclosed in Schedule 1, no Target Group Company has, any subsidiaries, any associates or interest in any body corporate, partnership or joint venture.
- 1.2 The Sale Shares constitute the entire issued and allotted share capital of the Target Company, and are fully-paid or credited as fully paid.
- 1.3 The Vendor is the sole legal and beneficial owner of the Sale Shares as at the date of this Agreement.
- 1.4 There is no Encumbrance on, over or affecting the Sale Shares and no person has made any claim to be entitled to any right over or affecting the Sale Shares.

2 Powers and obligations of the Vendor and corporate matters

- 2.1 The Vendor has the right, power and authority and has taken all action necessary to execute and deliver and to exercise its rights and perform its obligations under this Agreement.
- 2.2 This Agreement constitutes and other documents to be executed by the Vendor and delivered at Completion will, when executed, constitute legal, valid and binding obligations of the Vendor enforceable in accordance with their respective terms.
- 2.3 The Vendor is entitled to sell and transfer the full legal and beneficial ownership in the Sale Shares to the Purchaser on the terms set out in this Agreement.
- 2.4 The execution and delivery of, and the performance of its obligations under and in compliance with the provisions of this Agreement by the Vendor will not result in:
 - (a) a violation of any provision of any constitutional documents of the Vendor or otherwise be ultra vires the Vendor;
 - (b) a breach of, or constitute a default under, any instrument to which the Vendor is a party or by which the Vendor is bound; or
 - (c) a violation of any law or regulation in any jurisdiction having the force of law or of any order, judgment or decree of any court or governmental agency or agreement to which the Vendor is a party or by which the Vendor is bound.
- 2.5 No consent, authorization, license or approval of or notice to any governmental, administrative, judicial or regulatory body or authority is required (or, if required, will have been obtained prior to Completion) to authorize the execution, delivery, validity, enforceability or admissibility in evidence of this Agreement or the performance by the Vendor of its obligations under this Agreement.

3 Compliance with legal requirements

- 3.1 At Completion, each Target Group Company has obtained all Permit and made all filings required for carrying on of the Target Business in all material respects. So far as the Vendor is aware, there are no circumstances under which the failure to obtain such Permit or make such filings could have a Material Adverse Effect to the operation of the Target Group.
- 3.2 Each Target Group Company is conducting and has at all times conducted its business and corporate affairs in all material respects in accordance with all applicable laws and regulations and as far as the Vendor is aware, none of the Target Group Company has any material liability for any unlawful act committed by any other person that will affect the operation of the Target Group by the Purchaser and each of the Target Group Company upon and subsequent to Completion.
- 3.3 All the accounts, books, ledgers, financial and other records of whatsoever kind of each Target Group Company are in its possession or access, and have been fully, properly and accurately kept and completed, and so far as the Vendor is aware, do not contain any material inaccuracies or discrepancies of any kind.

4 Accounts

- 4.1 The Accounts (and the notes thereto) of the Target Group give a true and fair view of the financial position of the Target Group as of the dates indicated and the results of operations and cash flows of the Target Group as operated by the Target Group for the periods specified.
- 4.2 The Accounts:
- (a) comply with the requirements of all applicable legislations and all current statements of standard accounting practice and financial reporting standards and generally accepted accounting principles in the relevant jurisdictions in all material respects; and
 - (b) are complete, accurate and not misleading in all aspects.

5 Financial and other matters

- 5.1 None of the Target Group Company has incurred or agreed to incur any borrowing to the Target Group which it has not repaid or satisfied when it is due. None of the Target Group Companies has factored any of its debts or engaged in any financing of a type which would not require to be shown or reflected in the Accounts.
- 5.2 None of the Target Group Companies has outstanding any mortgages, charges, debentures or hire purchase commitments or other material contingent liabilities.

6 Ownership of properties

Target Group Properties

- 6.1 In respect of all land, properties or assets of the Target Group (“Target Group Properties”) for the purpose of operating the Target Business:
- (a) the relevant member of the Target Group holds valid operating rights in all material respects in respect of the Target Group Properties that are necessary to operate the Target Business;
 - (b) each Target Group Properties held under lease, tenancy or license held by it under a lease, tenancy or license in full force and effect; and

- (c) the right to use the Target Group Properties is not subject to any materially adverse, unusual or onerous term or condition.
- 6.2 The current use of the Target Group Properties and all equipment therein and the conduct of any business therein complies in all respects with all relevant laws and all necessary governmental authorizations required under any law have been obtained.
- 6.3 So far as the Vendor is aware, none of the Target Group Company has during the period covered by the Accounts and up to the Completion Date received any notice alleging breach of the right to use or terms of use of any Target Group Properties.
- 6.4 So far as the Vendor is aware, each Target Group Company has taken or is in the processing of taking all material and practicable actions required to be done by it for the protection of its right to, or for the enforcement or the preservation of any order of priority of its right to, the Target Group Properties (including the benefit of any debt, mortgage or charge).
- 6.5 None of the Target Group Properties is used for any purpose other than for the Target Business.

7 Contracts

- 7.1 No member of the Target Group is in a default under any agreement or obligation to which it is a party or in respect of any other obligations or restrictions binding upon it which would have a Material Adverse Effect.
- 7.2 With respect to each of the member of the Target Group, there are no contracts which are material to the Target Business or the financial condition of the Target Group that will or may be legally terminated as a result of the execution or completion of this Agreement and will have a Material Adverse Effect.

8 Litigation and dispute

- 8.1 Save as disclosed in the legal opinion of the PRC Legal Adviser, no Target Group Company is engaged in any capacity in any litigation, dispute, arbitration, prosecution or other legal proceedings concerning any member of the Target Group, its related persons, directors, the business, assets, shares or operations of any member of the Target Group. No such matters are pending or threatened and so far as the Vendor is aware there are no circumstances which are likely to give rise to any such matter.

9 Solvency

- 9.1 No order has been made and no resolution has been passed for the winding up of any of the Target Group Companies or for a provisional liquidator to be appointed in respect of any of the Target Group Companies and no petition has been presented and no meeting has been convened for the purpose of winding up any of the Target Group Companies. No receiver has been appointed in respect of any Target Group Company or in respect of the Target Business.
- 9.2 The Target Group is not insolvent or unable to pay its debts and the Target Group has not stopped paying its debts as they fall due. No execution or other enforcement action or legal process has been levied or threatened in respect of any property, assets or undertaking of the Target Group.
- 9.3 No composition in satisfaction of the debts of the Target Group or scheme of arrangement of its affairs or compromise or arrangement between it and its creditors or members or any class of its creditors or members has been proposed, sanctioned or approved, and no step is or has been taken to do any of those things in any manner which may cause a Material Adverse Effect.

10 Tax

- 10.1** All material liabilities of each of the member of the Target Group for Taxation in respect of any period ending on or before the Accounts Date have been paid in all material respects. Each of the member of the Target Group has duly made all returns, given all notices and supplied all information regarding Tax which it is required to make or supply to any governmental or revenue authority (whether of Hong Kong, the PRC or elsewhere) (referred to in this paragraph 10 as **Taxation Authority**) in accordance with applicable laws and regulations. All such returns and notices were when made complete and accurate in all material respect.
- 10.2** There is no dispute or disagreement with any Taxation Authority and so far as the Vendor is aware, there is no material administrative penalty imposed by any Taxation Authority on any Target Group Company which may cause a Material Adverse Effect.

11 Employment and contributions

- 11.1** Each Target Company is in compliance in material aspects with the laws and regulations applicable to it in respect of its employees and none of the Target Companies is subject to any administrative penalty or fine as a result of any breach of applicable employment laws and regulations.
- 11.2** There is no share incentive scheme, option scheme or profit sharing scheme for the benefit of the employees, senior management and directors of any of the Target Group Company.
- 11.3** So far as the Vendor is aware, there is no existing, pending or threatened dispute between any Target Group Company and any employees in respect of remuneration, salary, work safety or injury issues and there are no circumstances (including signing of this Agreement or Completion) which are likely to give rise to any such dispute.
- 11.4** Each Target Group Company has no material outstanding mandatory social insurance and housing provident funds contributions as required under the applicable laws and regulations and each Target Group Company is in compliance in material respects with the applicable laws and regulations in relation to social insurance and housing provident funds.

12 Environmental and safety matters

- 12.1** So far as the Vendor is aware, no notice of administrative penalty, claim or fine has been received of any breach of Environmental Laws in all material respects relating to the operation of the Target Business.
- 12.2** So far as the Vendor is aware, no material safety incident has occurred and no Target Group Company is subject to any notice, claim, enquiry, legal proceedings or administrative penalty in respect any breach of safety laws and regulations and no investigations are threatened or pending in this respect.

13 Miscellaneous

- 13.1** All information relating to members of the Target Group contained in this Agreement was when given true and accurate in all material respects and there is no fact or matter which has not been disclosed which may render any such information or documents untrue, inaccurate or misleading in any material respects at the date of this Agreement and the Completion Date (as the case may be), or which if disclosed might reasonably be expected to influence adversely the Purchaser's decision to enter into this Agreement.
- 13.2** All information given by the Vendor to the Purchaser or its employees, agents, authorized representatives and professional advisors relating to the business, activities, affairs, or assets or liabilities of the Target Group was, when given, and is now accurate and complete in all material respects.

Part B

1 Powers and obligations of the Guarantor

- 1.1 The Guarantor has the power and authority necessary for the execution of this Agreement and other documents to be executed before Completion and the performance of his obligations thereunder.
- 1.2 This Agreement constitutes and other documents to be executed by the Guarantor and delivered at Completion will, when executed, constitute legal, valid and binding obligations of the Guarantor enforceable in accordance with their respective terms.

2 Compliance

- 2.1 To the best of the knowledge, information and belief of the Guarantor, the execution and delivery of this Agreement and the performance by the Guarantor of his obligations will not contravene the provisions of and will not result in any material breach or cancellation or termination of any of material terms or conditions of or constitute a material default under any agreement or commitment to which the Guarantor is a party or by which the Guarantor or his property or assets is bound or affected, in any such case having a material adverse effect on the continuance of operations of the Guarantor.

Schedule 3
The Purchaser's Warranties

1 Powers and obligations of the Purchaser

- 1.1 The Purchaser has the power and authority and has taken all corporate actions necessary for the execution of this Agreement and other documents to be executed before Completion and the performance of its obligations thereunder.
- 1.2 This Agreement constitutes and other documents to be executed by the Purchaser and delivered at Completion will, when executed, constitute legal, valid and binding obligations of the Purchaser enforceable in accordance with their respective terms.

2 Compliance

- 2.1 To the best of the knowledge, information and belief of the Purchaser, the execution and delivery of this Agreement and the performance by the Purchaser of its obligations under and in compliance with the provisions of this Agreement will not contravene the provisions of its articles of association and will not result in any material breach or cancellation or termination of any of material terms or conditions of or constitute a material default under any agreement or commitment to which the Purchaser is a party or by which the Purchaser or its property or assets is bound or affected, in any such case having a material adverse effect on the continuance of operations of the Purchaser.