

DATE: 6 March 2019

TOPPER ALLIANCE HOLDING LIMITED

and

CHEN NINGDI

AGREEMENT

**relating to the Sale and Purchase
of shares in the issued share capital of**

**DA Capital (HK) Limited
(德林資本(香港)有限公司)**

and

**DA Finance (HK) Limited
(德林財務(香港)有限公司)**

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THIS AGREEMENT is made on 6 March 2019.

BETWEEN:

- (1) **TOPPER ALLIANCE HOLDING LIMITED**, a company incorporated in Hong Kong as a limited company whose registered office is at 5/F, AIA Financial Centre, 112 King Fuk Street, San Po Kong, Hong Kong (the “**Purchaser**”).
- (2) **CHEN NINGDI (陳宁迪)** (Holder of HKID Card No. R103991(0)) of Flat A, 30/F Tower 1, Marinella, No. 9 Welfare Road, Hong Kong (the “**Vendor**”);

WHEREAS:

- (A) DA Capital (HK) Limited (德林資本(香港)有限公司) is a private company incorporated under the laws of Hong Kong as a limited liability company and is licensed by the SFC to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO as at the date of this Agreement. DA Capital has an issued share capital of HK\$30,000,000.00 divided into 30,000,000 ordinary shares, all of which have been issued and fully paid and beneficially owned by the Vendor.
- (B) DA Finance (HK) Limited (德林財務(香港)有限公司) is a private company incorporated under the laws of Hong Kong as a limited liability company whose registered office is at Office No.6, 12/F Hang Pont Commercial Building, 31 Tonkin Street, Sham Shui Po, Kowloon, Hong Kong and has an issued share capital of HK\$10,000.00 divided into 10,000 ordinary shares, all of which have been issued and fully paid and beneficially owned by the Vendor.
- (C) The Vendor has agreed to sell and the Purchaser has agreed to purchase the entire issued shares of each of the Target Companies on the following terms and conditions.

NOW IT IS HEREBY AGREED as follows:

1. INTERPRETATION

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

“Accounts Date”	31 December 2017;
“Accounts”	the Audited Accounts and the Management Accounts;
“Acquisition”	the sale and purchase of the Sale Shares pursuant to this Agreement;
“Actual Profit”	the aggregate net profit of the Target Companies after tax and any extraordinary or exceptional items attributable to the Sale Shares based on audited financial statements under HKFRS prepared by the auditors of the Target Companies;
“Adjustment Consideration”	the amount of consideration to be repaid by the Vendor to the Purchaser in the event that the profit guarantee is not achieved;
“Associates”	has the meaning ascribed to it under the Listing Rules;
“Audited Accounts”	the audited accounts of each of the Target Companies for the financial year ended on the Audited Accounts Date together with all notes thereto in the agreed form;
“Audited Accounts Date”	31 December 2017;

“Auditors”	the firm of certified public accountants, which is accepted by the Purchaser, to prepare the Profit Guarantee Audited Accounts
“Business Day”	a day (other than Saturdays, Sundays, or public holidays and such other days where a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above is in force in Hong Kong), on which licensed banks in Hong Kong are open for business throughout their normal business hours;
“Completion Date”	the date on which Completion takes place;
“Completion”	completion of this Agreement in accordance with the provisions of Clause 5;
“Consideration”	as provided by Clause 3 in consideration for the sale of the Sale Shares to the Purchaser;
“DA Capital”	DA Capital (HK) Limited (德林資本(香港)有限公司), the company referred to in Recital (A) further particulars of which are set out in <u>Schedule I</u> ;
“DA Capital Sale Share(s)”	30,000,000 shares of DA Capital, representing the entire issued share capital of DA Capital;
“DA Finance”	DA Finance (HK) Limited (德林財務(香港)有限公司), the company referred to in Recital (B) further particulars of which are set out in <u>Schedule I</u> ;
“DA Finance Sale Share(s)”	10,000 shares of DA Finance, representing the entire issued share capital of DA Finance;
“Disclosed”	disclosed in a full, fair, specific and accurate

	manner elsewhere in this Agreement or in the Audited Accounts;
“Event”	any act, omission, transaction or circumstance occurring or subsisting at the relevant time;
“HK\$”	Hong Kong dollars;
“HKFRS”	Hong Kong Financial Reporting Standards;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Leased Property”	the property occupied by DA Capital in Hong Kong pursuant to the Tenancy Agreement in Unit 1, 28 th Floor, Vertical Sq, No.28 Heung Yip Road, Wong Chuk Hang, Hong Kong;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	31 May 2020 or such date as agreed by the parties hereto in writing;
“Management Accounts”	the unaudited management accounts of each of the Target Companies for financial year ended on the Management Accounts Date together with all notes thereto in the agreed form;
“Management Accounts Date”	31 December 2018;
“Material Adverse Change”	any change (or effect) which has a material and adverse effect on the financial position, business or prospects or results of operations, of the relevant Target Company;

“PRC Co”	上海砚安企业管理咨询有限公司, a subsidiary of DA Capital prior to the date of the Management Accounts Date;
“PRC”	the People’s Republic of China
“PRC Co Indemnity”	a deed of indemnity in the form as set out in <u>Schedule VI</u> to be given by, inter alia, the Vendor to the Purchaser and its successors and assigns in respect of any and all expenses, loss and liabilities arising from the PRC Co;
“Relevant Capacity”	for his own account or for that of any person, firm or company other than the Purchaser or any of the Target Companies and whether through the medium of any company which is his Associate (for which purpose there shall be aggregated with his shareholding or ability to exercise control of the shares held or controlled by any of his Associates) or as principal, partner, director, employee, consultant or agent;
“Responsible Officer(s)”	individual(s) who is/are approved by the SFC under section 126(1) of the Securities and Futures Ordinance (Cap. 571) as a responsible officer of a licensed corporation;
“Restricted Period”	12 months commencing on the Completion Date;
“SAIC”	State Administration for Industry and Commerce of the People's Republic of China
“Sale Share(s)”	collectively, DA Capital Sale Share(s) and DA Finance Sale Share(s);
“SFC”	the Securities and Futures Commission of Hong

	Kong;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) in the share capital of the Purchaser;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Companies”	collectively, the companies set out in <u>Schedule I</u> and individually, each a “Target Company” ;
“Tax Indemnity”	a deed of indemnity in the form as set out in <u>Schedule IV</u> to be given by, inter alia, the Vendor to the Purchaser and its successors and assigns in respect of certain estate duty and taxation liabilities of the each of the Target Companies;
“Taxation”	shall be construed in accordance with the provisions of <u>Schedule V</u> ;
“Tenancy Agreement”	the tenancy agreement entered into by DA Capital in relation to the Leased Property;
“Warranties”	the agreements, obligations, warranties, representations and undertakings on parts of the Vendor given contained in this Agreement, or the Tax Indemnity including the representations, warranties and undertakings contained in <u>Schedule II</u> ; and
“Warranty Claim”	any claim for breach of any of the Warranties.

1.2 In this Agreement:

- (A) reference to an “**associated corporation**” means a company in which each of the Target Companies has an interest (as defined in Part XV of the Securities and Futures Ordinance) in its voting equity capital;
- (B) references to documents in “**the agreed form**” are to the documents initialled by or on behalf of the parties;
- (C) references to Clauses and Schedules are to clauses of and the schedules to this Agreement;
- (D) reference to a Paragraph is to the paragraph of the Schedule in which the reference appears;
- (E) the Schedules form part of this Agreement;
- (F) reference to any Ordinance, regulation or other statutory provision in this Agreement includes reference to such Ordinance or regulation or provision as modified, consolidated or re-enacted from time to time (except to the extent where any such modification, consolidation or re-enactment increases the liability of the Vendor under this Agreement);
- (G) words denoting the singular include the plural and vice versa, words denoting one gender include both genders and the neuter and words denoting persons include corporations and, in each case, vice versa; and
- (H) headings and the index page are for ease of reference only and do not form part of this Agreement.

2. SALE AND PURCHASE OF THE SALE SHARES

- 2.1 The Vendor shall sell as legal and beneficial owner and the Purchaser, relying on the warranties, undertakings and indemnities made or given by the Vendor and subject to the terms as conditions contained in this Agreement, shall purchase or procure the purchase of the Sale Shares free from all liens, charges, equities, encumbrances or third party interests together with all rights now and

hereafter attaching thereto including but not limited to all dividends or distributions which may be paid, declared or made in respect thereof at any time on or after the Completion Date.

- 2.2 The Purchaser shall not be obliged to purchase any of the Sale Shares unless the Vendor complies with its obligations under Clause 2.1. The Purchaser may rescind this Agreement if the Vendor fails to sell the Sale Shares to the Purchaser as contemplated by Clause 2.1.

3. CONSIDERATION

In consideration of the sale by the Vendor of the Sale Shares to the Purchaser, the Purchaser shall pay HK\$42 million (subject to adjustment as set out under Clause 6) to the Vendor in cash in the following manner:

- (1) A refundable deposit of HK\$21 million shall be paid upon the signing of this Agreement (the "First Instalment"); and
- (2) HK\$21 million shall be paid upon the Completion.

4. CONDITIONS PRECEDENT

- 4.1 Completion is conditional upon fulfillment or waiver of the following condition precedents (as the case may be):

- (1) the Purchaser being satisfied in its absolute discretion with the results of the due diligence review to be conducted;
- (2) all necessary consents, licenses and approvals required to be obtained on the part of the Vendor and each of the Target Companies in respect of this Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (3) all necessary consents, licences and approvals required to be obtained on the part of the Purchaser in respect of this Agreement and the transactions contemplated hereby having been obtained and remain in full force and effect;

(4) the approval from the SFC in relation to the change of substantial shareholder (as defined in the SFO) of DA Capital having been obtained and not revoked, cancelled or lapsed;

(5) each of the warranties given by the Vendor remaining true, accurate and not misleading in all respects;

(6) the Purchaser being satisfied that, as at Completion, there has not been any Material Adverse Change in respect of each of the Target Companies since the date of this Agreement;

(7) DA Capital shall comply with all the applicable requirements under the Securities and Futures (Financial Resources) Rules (Chapter 571N of the Laws of Hong Kong) (including but not limited to the minimum paid-up capital and liquid capital requirements) as at the Completion Date;

(8) DA Finance shall comply with all the applicable requirements under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and the Money Lenders License held by DA Finance shall remain valid and in full force and effect as at the Completion Date; and

(9) the approval of the Acquisition and the transactions contemplated thereunder by the Independent Shareholders.

4.2 The fulfilment of condition precedents (1), (6) and (8) in Clause 4.1 are capable of being waived by the Purchaser by notice in writing to the Vendor. Save as aforesaid, none of the condition precedents is capable of being waived by any party to this Agreement.

5. COMPLETION

5.1 Completion shall take place (subject to the fulfilment of the conditions set out under Clause 4 of this Agreement) on the date falling on the third Business Day after the fulfilment of the conditions under Clause 4, or such later date as the parties to this Agreement may agree.

- 5.2 In the event that the Completion shall not take place by 12:00 noon on the Long Stop Date or such later date as the parties to this Agreement may agree, this Agreement shall cease and determine in accordance with the terms and conditions herein and the First Instalment of the Consideration shall be refunded to the Purchaser in full without interest within seven Business Days.
- 5.3 The Vendor shall procure that, on Completion, the board of directors of each of the Target Companies shall pass the necessary resolutions to:
- (A) approve the transfer of the Sale Shares from the Vendor to the Purchaser or its nominee(s) and that the Purchaser or its nominee(s) are registered as the holder of the Sale Shares;
 - (B) appoint director(s) in each of the Target Companies as the Purchaser shall nominate;
 - (C) resignation of director(s) in each of the Target Companies as specified by the Purchaser; and
 - (D) change the authorised signatories of each of the Target Companies where required by the Purchaser.
- 5.4 At Completion, the Vendor shall deliver or procure to be delivered to the Purchaser:
- (A) original share certificate(s) in its name for the relevant Sale Shares (if any);
 - (B) duly signed instruments of transfer and bought and sold notes in respect of the Sale Shares in favour of the Purchaser and such other documents as may be required to give a good and effective transfer of title to the Sale Shares to the Purchaser or its nominee and to enable the Purchaser to become the registered holder thereof;
 - (C) a certified true copy of the resolutions passed by the board of directors of each of the Target Companies under Clause 5.3;

- (D) the Tax Indemnity duly executed by the Vendor;
- (E) the PRC Co Indemnity duly executed by the Vendor;
- (F) articles of association, certificates of incorporation and business registration certificates (if any, including all application forms thereof) of each of the Target Companies;
- (G) the original licenses issued by the SFC to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO held by DA Capital;
- (H) the original Money Lenders License issued under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) held by DA Finance;
- (I) written instructions to the company secretary of each of the Target Companies to take instructions from the Purchaser only;
- (J) resignation letters from director(s) of each of the Target Companies;
- (K) in respect of each of the Target Companies:
 - (I) all statutory records and minute books (which shall be written up to date as at Completion) and any unissued share certificates and other statutory records;
 - (II) the common seal and all rubber stamps, cheque books, cheque stubs and bank statements, receipt books, all current insurance policies, books and accounts and title deeds and evidence of ownerships to all assets and all current contracts and all other accounting records;
 - (III) copies of all tax returns and assessments (receipted where the due dates for payment fell on or before the Completion Date); and

(IV) all correspondence and other documents belonging to the relevant Target Company (including its constitutive documents);

or written authorities in favour of the Purchaser for the collection of such documents.

5.5 Without prejudice to any other remedies available to the Purchaser, if any of the provisions of Clauses 5.3 and 5.4 is not fully complied with, the Purchaser shall be entitled (in addition to and without prejudice to all other rights or remedies available to it including specific performance) to elect to effect Completion so far as practicable having regard to the defaults which have occurred and treat this Agreement as completed subject to satisfaction of a condition subsequent that the defaults be remedied within such time as it may specify, defer Completion for a period of not more than 28 days or to rescind this Agreement without liability on its part.

5.6 As soon as practicable after Completion and against compliance by the Vendor with the provision under Clause 5.4(B), the Purchaser shall procure the stamping of the instruments of transfer and bought and sold notes in respect of the Sale Shares and, subject to such payment being made and presentation to the Vendor of the stamp duty assessment issued by the Stamp Office of Inland Revenue Department of Hong Kong and the duly stamped instruments of transfer and bought and sold notes, the Vendor shall within ten (10) Business Days upon the receipt of a demand of the Purchaser repay in full in cash by transfer to the designated bank account of the Purchaser or in such other manner as notified to the Vendor at the time of delivering such demand half of the amount of stamp duty paid by the Purchaser to Hong Kong Government.

6. PROFIT GUARANTEE

6.1 The Vendor hereby irrevocably warrants and guarantees to the Purchaser that the Actual Profit during the financial year ending 31 December 2020 (the “**Guarantee Period**”) will be not less than HK\$6 million (the “**Guaranteed Profit**”).

- 6.2 If during the Guarantee Period, the Actual Profit as shown in the Profit Certificate (as defined below) is less than the Guaranteed Profit as agreed in Clause 6.1 above, the Vendor shall compensate the Purchaser 7 times of the shortfall on a dollar to dollar basis within fourteen (14) days after the issue of the audited financial statements under HKFRS prepared by the auditors of the Target Companies for the Guarantee Period (the “**Profit Guarantee Audited Accounts**”) in an amount calculated as follows:

$$A = (\text{Guaranteed Profit} - \text{Actual Profit}) \times 7$$

where A is the Adjustment Consideration for the Profit Guarantee

- 6.3 For the avoidance of doubt, should the Target Companies record an aggregate loss in its Profit Guarantee Audited Accounts, the Actual Profit shall deem to be nil. Should the Actual Profit exceed the Guaranteed Profit, no Adjustment Consideration will be payable to the Vendor by either the Target Companies or the Purchaser.
- 6.4 The Vendor shall procure the Auditors, which is accepted by the Purchaser, to prepare and issue the Profit Guarantee Audited Accounts together with a Profit Certificate within 90 days following the year ending 31 December 2020 during the Guarantee Period.
- 6.5 The following provisions shall apply in respect of the preparation and report of the Profit Guarantee Audited Accounts and the determination of the Actual Profit under this Clause 6:
- (1) the costs and expenses of the Auditors shall be borne evenly by the Target Companies;
 - (2) the Vendor and the Purchaser shall supply to the Auditors such information and records and accord the Auditors such access to their respective properties and facilities as the Auditors may reasonably require for their audit;
 - (3) provided that the same conform to the Hong Kong Financial Reporting Standards and the related interpretation of those standards, substantially the same accounting practice, standards and principles as those adopted and consistently applied by the Vendor in its preparation of the accounts shall be adopted in the preparation and audit of the Profit Guarantee Audited Accounts and the determination of the amount of the Actual Profit;
 - (4) the parties shall use their respective best endeavours to procure that the Auditors provide to the Vendor and the Purchaser with a signed copy of

the Profit Guarantee Audited Accounts together with a certificate (the “**Profit Certificate**”) of the amount of the Actual Profit; and

- (5) the Auditors shall in the audit of the Profit Guarantee Audited Accounts and the preparation of the Profit Certificate act as experts and not as arbitrators or any quasi judicial or administrative role and their determination of any matter falling within their jurisdiction shall be final and binding on the parties save in the event of manifest error (when the relevant part of their determination shall be void and the matter shall be remitted to the Auditors for correction).

7. VENDOR’S WARRANTIES

- 7.1 Save as Disclosed and subject to the provisions of Schedule III, which shall apply to all claims for breaches of any of the Warranties, the Vendor hereby warrants and represents to the Purchaser (for itself and for the benefit of its successors and assigns) that the Warranties are true and accurate in all respects as at the date of this Agreement and will continue to be so up to and including the time of Completion (if it takes place after the date of this Agreement) and not misleading in any respect.
- 7.2 Each of the Warranties is without prejudice to any other Warranty or other agreements or indemnities entered into between the parties or any of them or for their respective benefit and, except where expressly stated otherwise, no provision contained in this Agreement or other agreements or indemnities shall govern or limit the extent or application of any other provision of this Agreement or such other agreements or indemnities.
- 7.3 The Warranties shall be deemed to be given at the date of this Agreement and shall be deemed to be repeated immediately before the time of Completion with reference to the facts then existing (except that references to any fact, matter or thing existing, occurring or having occurred at or before the date of this Agreement shall be construed as references to the time at or before Completion).
- 7.4 The Warranties shall survive Completion insofar as the same are not fully performed on Completion.
- 7.5 The Purchaser shall not be entitled to claim that any fact, matter or

circumstance constitutes a breach of any of the representations, warranties and undertakings to the extent that such fact, matter or circumstance has been Disclosed or to the extent of any matter or thing hereafter done or omitted to be done at the written request or with the written approval of the Purchaser.

- 7.6 Prior to the Completion Date, if any of the Warranties is found to be untrue, inaccurate or misleading or have not been fully carried out in any material respect, or in the event of the Vendor becoming unable or failing to do anything required under this Agreement to be done by any of them at or before the Completion Date, the Purchaser may by notice in writing rescind this Agreement.
- 7.7 The Vendor hereby undertakes to indemnify and keep indemnified on demand the Purchaser and its successors and assigns against any loss, liability, damages, claims, expenses and costs suffered by the Purchaser and its successors and assigns as a result of or in connection with any breach of any of the Warranties including, but not limited to, any diminution in the value of the assets of and any payment made or required to be made by the Purchaser and its successors and assigns and any costs, charges, interests, penalties and expenses (including legal expenses) incurred as a result of such breach PROVIDED THAT the indemnity contained in this Clause shall be without prejudice to any other rights and remedies of the Purchaser and its successors and assigns in relation to any breach of Warranty and all such other rights and remedies are hereby expressly reserved to the Purchaser and its successors and assigns.
- 7.8 The Vendor hereby undertakes in relation to the Warranties that he has made full enquiry and there is no other information of which he is aware, the omission of which would render any of the Warranties inaccurate, incomplete or misleading. The Vendor undertakes to forthwith notify the Purchaser and its successors and assigns in writing of any matter or thing of which the Vendor becomes aware of and which is or may be a material breach of or materially inconsistent with any of the Warranties.
- 7.9 The Vendor agrees and acknowledges that the Purchaser is entering into this Agreement in reliance on the Warranties and the accuracy of the matters disclosed herein notwithstanding any information which may otherwise come

into the possession of the Purchaser or which the Purchaser ought to have known or had constructive knowledge.

- 7.10 Each Warranty shall be construed as a separate representation, warranty or undertaking and shall not be limited or restricted by reference to or inference from the terms of any other Warranties or part of this Agreement.
- 7.11 The Vendor represents and warrants to the Purchaser that all information relating to the Target Companies or their respective assets or affairs which would be material to a purchaser for value of the shares, undertaking or assets of the Target Companies is contained in this Agreement and the Accounts.
- 7.12 The Vendor agrees with the Purchaser (as trustee for each Target Company and its employees) to waive any rights or claims which he/she/it may have in respect of any misrepresentation, inaccuracy or omission in or from any information or advice supplied or given by any Target Company or its employees in connection with the giving of the Warranties.
- 7.13 The Vendor hereby undertakes to ensure and procure that DA Capital maintains a sufficient number of Responsible Officers for carrying out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities in compliance with the applicable requirements under the SFO and their licenses issued and/or renewed by the SFC are in full force, validity and effect, without revocation or suspension for 6 months after Completion.
- 7.14 The Vendor hereby undertakes to ensure that all licenses issued by the SFC obtained by DA Capital remain valid and in full force and effect as at the Completion Date.
- 7.15 The Vendor hereby undertakes to procure that prior to and up to Completion Date, there is no action conducted by any of the Target Companies that will lead to any disciplinary action against or reprimand on any of the Target Companies by any relevant authority.
- 7.16 The Vendor agrees and hereby undertakes to take all such actions at his own costs to ensure that DA Capital is in compliance with all the applicable laws,

rules and regulations for the operation of its business and to continue holding all licenses issued by the SFC obtained by DA Capital from the date of this Agreement and up to the Completion Date.

8. INDEMNIFICATION BY THE VENDOR

- 8.1 The Vendor hereby covenants with the Purchaser that with effect from the Completion Date of the Agreement to indemnify the Purchaser and its successors and assigns and to keep the Purchaser and its successor and assigns indemnified, on demand, from and against any action, claims, proceedings, losses and damage which may be made against or suffered by and costs (including but not limited to legal costs), charges and expenses reasonably and properly incurred by the Purchaser and its successors and assigns in connection with the shares previously held in the PRC Co.

9. RESTRICTIVE COVENANTS

- 9.1 For the purposes of assuring to the Purchaser the full benefit of the business and goodwill of the Target Companies, the Vendor undertakes by way of further consideration for the obligations of the Purchaser under this Agreement, as separate and independent agreements, that he will not and shall procure his Associates will not:

- (A) at any time after Completion disclose to any person, or himself use for any purpose, and shall use his/her best endeavours to prevent the publication or disclosure of, any information concerning the business, accounts or finances of any Target Company, or any of its clients' or customers' transactions or affairs, which may, or may have, come to his knowledge; or
- (B) in any Relevant Capacity at any time during the Restricted Period directly or indirectly solicit, interfere with, employ or endeavour to entice away from any Target Company with a view to competing with any of the Target Companies any person who, to his/her knowledge, is now, or has during the 12 months preceding the date of this Agreement been, a client, customer, supplier or employee of, or in the habit of dealing with, any Target Company.

9.2 Nothing in this Clause 9 shall apply to:

- (A) the continuing involvement or any involvement by the Vendor or any of their Associates in any business in which they or any of their Associates are on the date of this Agreement directly or indirectly interested; or
- (B) the use or disclosure of any information in the public domain (otherwise than in consequence of any breach by the Vendor or any provisions of this Agreement or its management or service agreement with the Purchaser from time to time).

9.3 While the restrictions contained in this Clause 9 are considered by the parties to be reasonable in all the circumstances it is agreed that if any one or more of such restrictions shall either taken by itself or themselves together, be adjudged to go beyond what is reasonable in all the circumstances for the protection of the legitimate interests of the Purchaser but would be adjudged reasonable if any particular restriction or restrictions were deleted or if any part or parts of the wording thereof were deleted, restricted or limited in a particular manner then the restriction contained in this Clause 9 shall apply with such deletion, restriction or limitation as the case may be.

10. INFORMATION

The Vendor shall procure that the Purchaser, its agents and professional advisers are given promptly on request all such facilities and information regarding the business, assets, liabilities, operations, prospects, financial condition, contracts, commitments, permits and affairs of the Target Companies and their associated corporations, if any, and of the documents of title and other evidence of ownership of its assets, as the Purchaser, its agents or professional advisers may require.

11. FURTHER ASSURANCE

Each of the parties shall execute such documents and perform such further acts as the other(s) of them may reasonably require effectively to vest in the

relevant parties the legal and beneficial ownership of the Sale Shares free from all charges, liens, encumbrances, equities and other adverse claims and interests and, in the case of the Sale Shares, with all rights now and hereafter attaching thereto.

12. GENERAL

- 12.1 This Agreement supersedes all previous agreements between the parties or any of them in relation to the sale and purchase of the Sale Shares and the other matters referred to in this Agreement and the parties acknowledge that no claim shall arise in respect of any agreement so superseded.
- 12.2 This Agreement contains the entire agreement between the parties relating to the sale and purchase of the Sale Shares and there are no other representations, warranties, conditions or terms whatsoever applicable thereto whether express or implied. In particular each of the parties confirms that it has not been induced to enter into this Agreement by any statement or statements of fact or opinion other than such (if any) as are contained herein such statements, in the case of the Warranties, being subject to all matters referred to in Clause 7.4.
- 12.3 Any variation to this Agreement shall be binding only if recorded in a document signed by the parties.
- 12.4 Time shall be of the essence of this Agreement but no failure by any party to exercise, and no delay on its part in exercising any right hereunder will operate as a waiver thereof, nor shall any single or partial exercise of any right under this Agreement (including a settlement with the Vendor) preclude any other or further exercise of it or the exercise of any right or prejudice or affect any right against any person under the same liability whether joint, several or otherwise. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.
- 12.5 This Agreement shall be binding upon, and inures to the benefit of, each party's successors and permitted assigns but, except as expressly provided herein, no party shall assign or transfer all or any of his/its rights or obligations hereunder without the prior written consent of the other party.

12.6 This Agreement may be executed in any number of counterparts by the parties hereto on separate counterparts, each of which when executed shall constitute an original and all of which when taken together shall constitute one and the same document.

13. NOTICES

13.1 Any notice to be given under this Agreement shall be in English and made in writing and may be delivered personally or sent by prepaid letter (airmail if overseas) or facsimile transmission. A notice shall be sent to the addressee (marked for the attention of the appropriate person) at its address or facsimile number set out below or to such other address or facsimile number as may be notified by such addressee to the other party from time to time for the purposes of this Clause.

13.2 Notices shall be given as follows:

(A) to the Vendor:

address: Flat 2801, 28/F, Vertical Square, 28 Heung Yip Road, Wong Chuk Hang, Hong Kong

facsimile: (852) 3102 9096

(B) to the Purchaser:

address: 5/F, AIA Financial Centre, 112 King Fuk Street, San Po Kong, Kowloon, Hong Kong

facsimile: (852) 3471 8232

marked for the attention of: The Directors

13.3 A notice shall be deemed to have been served:

(A) if personally delivered, at the time of delivery;

(B) if posted, if to an addressee within the same country, two (2) working days (or if to an addressee in a different country, five (5) working days, when it shall be sent by airmail) after the envelope containing the notice was delivered into the custody of the postal authorities;

(C) if communicated by facsimile transmission, at the time of transmission;

PROVIDED THAT where, in the case of delivery by hand or transmission by facsimile, such delivery or transmission occurs after 4 p.m. (local time) on a working day or on a day which is not a working day in the place of receipt, service shall be deemed to occur at 9 a.m. (local time) on the next following working day in such place; and for this purpose, in this Clause "working day" means a day on which banks are open for business in the ordinary course, other than Saturdays and Sundays.

- 13.4 In proving service, it shall be sufficient to prove that personal delivery was made or that the envelope containing the notice was properly addressed and delivered into the custody of postal authorities authorised to accept the same, or if sent by facsimile, by receipt of automatic confirmation of transmission or answerback PROVIDED THAT a notice shall not be deemed to be served if communicated by facsimile transmission which is not legible in all material respects; such transmission shall be deemed to have been so legible if a request for retransmission is not made before the end of the next working day following the transmission.

14. COSTS

- 14.1. Each party shall bear his/its own costs and expenses (including legal fees) incurred in connection with the preparation, negotiation, execution and performance of this Agreement and all documents incidental or relating to Completion.
- 14.2. The Vendors on the one part and the Purchaser on the other shall each pay half of the stamp duty payable in respect of the transfer of the Sale Shares.
- 14.3. If the Purchaser determines or rescinds this Agreement under any of its provisions or under the general law, then, in addition to any right or remedy which the Purchaser may have against the Vendors for breach of this Agreement or the Warranties, the Vendors shall indemnify the Purchaser and Season Pacific Holdings Limited in connection with costs, fees and disbursements incurred in the negotiation, preparation, determination or rescission of this Agreement and all matters which it contemplates.

15. **GOVERNING LAW AND JURISDICTION**

15.1 **Governing Law**: This Agreement (together with all documents referred to in it) shall be governed by and construed and take effect in accordance with the laws of Hong Kong (which each of the parties considers to be suitable to govern the international commercial transactions contemplated by this Agreement).

15.2 **Jurisdiction**: With respect to any question, dispute, suit, action or proceedings arising out of or in connection with this Agreement ("**Proceedings**"), each party irrevocably:

(A) submits to the non-exclusive jurisdiction of the courts of Hong Kong;
and

(B) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

15.3 **Waiver of Immunity**: To the extent that, in the courts of any jurisdiction, any party may claim for itself or its revenues or assets (irrespective of their use or intended use) immunity on the grounds of sovereignty or other similar grounds from suit; jurisdiction of any court; relief by way of injunction, order for specific performance or for recovery of property; attachment (whether in aid of execution, before judgment or otherwise); execution or enforcement of any judgment or other legal process to which it or its revenues or assets might otherwise be entitled in any Proceedings (whether or not claimed), and to the extent that in any such jurisdiction there may be attributed to itself or its revenues or assets such immunity, that party irrevocably agrees not to claim such immunity and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

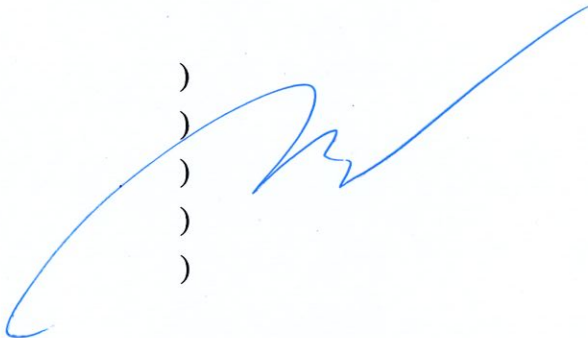
IN WITNESS whereof the parties executed this Agreement the day and year first above written.

SIGNED by)
CHEUNG LUI)
for and on behalf of)
TOPPER ALLIANCE HOLDING LIMITED)
)



in the presence of:

SIGNED)
by **CHEN NINGDI**)
)
)
)
)



in the presence of:

SCHEDULE 1

Details of the Target Companies

Name of company	:	<u>DA Capital (HK) Limited</u> <u>(德林資本(香港)有限公司)</u>
Company registration number	:	1551019
Registered office	:	Flat 2801, 28/F, Vertical Square, 28 Heung Yip Road, Wong Chuk Hang, Hong Kong
Incorporation date	:	12 January 2011
Place of incorporation	:	Hong Kong
Issued shares:	:	30,000,000
Issued and paid up share capital	:	HK\$30,000,000.00
Directors	:	ZHOU XU XIANG (周栩翔) SUN YU (孫瑜)
Name of company	:	<u>DA Finance (HK) Limited</u> <u>(德林財務(香港)有限公司)</u>
Company registration number	:	2427448
Registered office	:	Office No.6, 12/F Hang Pont Commercial Building, 31 Tonkin Street, Sham Shui Po, Kowloon, Hong Kong
Incorporation date	:	14 September 2016
Place of incorporation	:	Hong Kong
Issued shares:	:	10,000
Issued and paid up share capital	:	HK\$10,000.00
Director	:	SUN YU (孫瑜)

SCHEDULE II

Warranties

1. RECITALS

The matters stated in the Recitals to this Agreement are correct.

2. VENDOR AND THE TARGET COMPANIES

- 2.1 The Vendor has the full power to enter into and perform this Agreement and this Agreement will, when executed, constitute legal, valid and binding obligations of the Vendor and will be enforceable against the same in accordance with its terms.
- 2.2 Save as Disclosed, there is no outstanding indebtedness or other liability (actual or contingent) owing by any of the Target Companies to the Vendor, any director of a Target Company or any person connected with the Vendor or with any such director nor is there any indebtedness owing to a Target Company by any such person.
- 2.3 The Vendor warrants that all necessary documentation for the disposal of the PRC Co have been signed and undertakes to file with the relevant authorities in the PRC all relevant documents to update the records of the SAIC.
- 2.4 The entire issued share capital of each of the Target Companies is as set out in Schedule I and the Sale Shares is issued fully paid and is beneficially owned by the Vendor free from all liens, charges, equities, encumbrances or interests in favour of any other person and the same are freely transferable by the Vendor without the consent, approval, permission, licence or concurrence of any third party.
- 2.5 True copies or certified true copies of the articles of association of each of the Target Companies have been provided to the Purchaser. The copies of the articles of association of each of the Target Companies and its subsidiaries (if any) so provided to the Purchaser are true and complete and have embodied in them or annexed to them a copy of every such resolution as is required by the

Companies Ordinance (Cap. 622 of the Laws of Hong Kong) or the relevant place of incorporation.

- 2.6 The Target Companies complied with their respective memorandum and articles of association in all material respects and none of the activities, agreements, commitments or rights of each of the Target Companies is ultra vires or unauthorised.
- 2.7 None of the Target Companies is under any contract, options, warrants or any other obligation regarding any part of its capital, issued or unissued, or for the issue of any shares, debentures, warrants, options, or other similar securities.
- 2.8 All charges against each of the Target Companies (if appropriate) have been registered in accordance with all applicable laws and regulations.
- 2.9 All dividends or distributions declared, made or paid by each of the Target Companies have been declared, made or paid in accordance with its articles of association or other constitutional documents and all applicable laws and regulations.
- 2.10 No dividend or other distribution of profit or assets has been agreed to be declared, made or paid by the Target Companies since the Accounts Date.
- 2.11 None of the activities or contracts or rights of any of the Target Companies is ultra vires, unauthorised, invalid, void or voidable. All documents to which any of them is a party and in the enforcement of which it may be interested have been duly stamped, if required and are in its possession.
- 2.12 Each of the Target Companies has been duly established and is validly existing under the laws of its place of incorporation and has full power, authority and legal rights to own its assets and carry on its business and is not in receivership or liquidation, no steps have been taken to enter liquidation and no petition have been presented for winding up any of the Target Companies and there are no grounds on which a petition or application could be based for the winding up or appointment of a receiver of any of the Target Companies.
- 2.13 Each Target Company has obtained all necessary consents, approvals,

authorisations and licences from the government authorities or otherwise for the operations of its business.

- 2.14 The execution and delivery by the Vendor of this Agreement does not, and the sale of the Sale Shares and the consummation of the transactions contemplated by this Agreement will not, require any approval or consent by or in respect of, or filing with, any governmental body, agency or official (whether at the national, provincial, municipal, local or any other level) or any third party.
- 2.15 The execution and delivery of this Agreement does not, and the consummation of the transactions contemplated hereby (including the sale of the Sale Shares) will not contravene or constitute a default under or violation of (i) any provision of applicable law or regulations, (ii) the constitutional documents of any of the Target Companies or (iii) any agreement, judgement, injunction, order, decree or other instrument binding upon any of the Target Companies.
- 2.16 The Target Companies and their respective officers (in their capacity as such) have complied in all material respects with all relevant legislation whether in Hong Kong or elsewhere, including (but without limitation) legislation relating to companies and securities, exchange controls, borrowing and lending controls, pollution, real property, taxation and prevention of corruption.
- 2.17 So far as the Vendor is aware, the Target Companies, or any of their respective officers, agents or employees (during the course of their duties in relation to each of the Target Companies) has not committed, or omitted to do, any act or thing the commission or omission of which is, or could be, in contravention of any material laws of Hong Kong, its jurisdiction of incorporation or any other jurisdiction in which such Target Companies carries on business or has a presence which is punishable by fine or other penalty and no notice or communication has been received with respect to any alleged, actual or potential violation of or failure to comply with, any of the same.

3. FINANCIAL AND TAXATION

- 3.1 The Audited Accounts have been prepared in accordance with the requirements of Companies Ordinance (Cap. 622 of the Laws of Hong Kong)

and all relevant statutes applied in Hong Kong and HKFRS and on a consistent basis and give a true and fair view of the state of affairs of each of the Target Companies for the year ended on the Audited Accounts Date and of its combined profits for the period ended on that date, and make proper provision for all actual liabilities, bad and doubtful debts, taxation (in all applicable jurisdictions) and proper provision for or a note of (in accordance with all applicable Statements of Standard Accounting Practices issued by the Hong Kong Society of Accountants from time to time) all contingent, unqualified or disputed liabilities and all capital commitments and have consistently applied the bases and policies of accounting in the audited balance sheet and profit and loss account for the two financial years ended on the Accounts Date and, except where specified, are not affected by any extraordinary exceptional, or non-recurring item.

- 3.2 The Management Accounts have been prepared in compliance with all applicable laws and regulations in Hong Kong or the relevant jurisdiction and have been prepared in accordance with HKFRS and Hong Kong Accounting Standards and Interpretations (or the relevant accounting law of the relevant jurisdiction) applied on a consistent basis, except that they may not contain all footnotes required by such generally accepted accounting principles. And the Management Accounts are true and accurate in all material respects and fairly present the financial condition and operating results of the Target Companies as of the dates, and for the periods, indicated therein, subject to normal year-end audit adjustments
- 3.3 The provisions for Taxation in the Audited Accounts and the Management Accounts are sufficient to cover all Taxation assessed or liable to be assessed on each of the Target Companies or for which such Target Company is then or may then be or become accountable in respect of profits, income, earnings, receipts, transfers, events and transactions up to the Audited Accounts Date and the Management Accounts Date, respectively.
- 3.4 Each of the Target Companies has within the requisite time limits duly complied and will until Completion continue to duly comply with its obligations to account to the Commissioner of Inland Revenue and all other authorities for all amounts for which it is or may become accountable in respect of Taxation.

- 3.5 All returns in connection with Taxation that should have been made by each of the Target Companies have been made within the requisite time limits and on a proper basis and will until Completion continue to be so made.
- 3.6 Each of the Target Companies has duly and punctually paid all Taxation which it has become liable to pay and is under no liability to pay any penalty or interest in connection with any claim for Taxation.
- 3.7 Each of the Target Companies has sufficient working capital to carry on its businesses in their present form and at present levels of turnover of the foreseeable future and for the purposes of carrying out and fulfilling in accordance with their terms all orders, projects and other contractual obligations which have been placed with or undertaken by such Target Company.
- 3.8 Each of the Target Companies has exercised its reasonable endeavours to preserve and secure all tax benefits and refunds.
- 3.9 All assets of each of the Target Companies of wasting or depreciable nature are stated in the Accounts after deduction of depreciation, and such depreciation being in amounts sufficient to write down such assets over their respective expected useful economic lives, and unless stated to the contrary in the Accounts, depreciation is calculated on a straight line basis and a consistent depreciation policy has been adopted over all assets and there has been no change in the basis or policy of depreciation.
- 3.10 All accounting records, vouchers, invoices, ledgers, contracts and memoranda and all other accounting documents of the Target Companies and records of all transactions thereof are in the possession of the relevant Target Company and have been properly written up, kept and maintained in accordance with generally accepted accounting practice and together shows a true and fair view of the affairs and financial position of the Target Companies.
- 3.11 A consistent accounting policy has been adopted by each of the Target Companies over the past three years immediately preceding the Management Accounts Date (or, from the date of incorporation when this is a shorter period)

and there has been no material change thereof.

3.12 None of the Target Companies holds any security (including any guarantee or indemnity) which is not valid and enforceable against the grantor thereof in accordance with its terms.

3.13 In relation to all financing arrangements to which any of the Target Companies is a party:

- (A) there has been no contravention of or non compliance with any provision of any such document;
- (B) no steps for the enforcement of any encumbrances have been taken or threatened;
- (C) there has not been any alteration in the terms and conditions of any of the said arrangements or facilities all of which are in full force and effect;
- (D) nothing has been done or omitted to be done whereby the continuance of the said arrangements and facilities in full force and effect might be affected or prejudiced;
- (E) none of the arrangements is dependent on the guarantee of or on any security provided by a third party.
- (F) full and accurate details of which have been disclosed in writing to the Purchaser; and
- (G) none of the facilities may be terminated, or mature prior to its stated maturity as a result of the acquisition of the Sale Shares or any matter contemplated by this Agreement.

3.14 The total amount borrowed by each of the Target Companies:

- (A) from its bankers does not exceed its overdraft facilities; and

(B) from whatsoever source does not exceed any limitation on borrowing contained in its constitutive documents or any other deed or document binding on it.

3.15 Other than expressly provided for in the Accounts, no part of the amounts included in the Accounts as owing by any debtors is overdue for payment for more than six months, or has been released on terms that any debtor pays less than the full book value of his debt, or has been written off, or has proved to any extent to be irrecoverable, or is now or should properly be regarded as irrecoverable in whole or in part.

3.16 The accounts receivable and other amounts due from debtors as at Completion will be recoverable in full in the ordinary course of business, and none of those amounts is subject to any dispute, counterclaim or set-off.

3.17 Save as Disclosed, none of the Target Companies has lent any money or provided any credit which has not been repaid or owns the benefit of any debt (whether or not due for repayment), other than debts which have arisen in the ordinary course of its business, and none of the Target Companies has made any loans or extended any credit contrary to the applicable laws and regulations and its constituent documents.

3.18 Compliance with the terms of this Agreement does not and will not:

(A) conflict with, or result in the breach of, or constitute a default under any of the terms, conditions or provisions of any agreement or instrument to which any of the Target Companies is a party, or any provision of the constituent documents of any of the Target Companies or any encumbrance, lien, lease, contract, order, judgment, award, injunction, regulation or other restriction or obligation of any kind or character by which or to which any of the Target Companies is bound or subject;

(B) relieve any person from any obligation to any of the Target Companies (whether contractual or otherwise), or enable any person to vary or terminate or to determine any obligation, or any right or benefit enjoyed by it;

- (C) result in the creation, imposition, crystallisation or enforcement of any lien, charge or encumbrance whatsoever on any of the property or assets of any of the Target Companies; and
 - (D) result in any present or future indebtedness of any of the Target Companies becoming due, or capable of being declared due and payable, prior to its stated maturity.
- 3.19 None of the Target Companies has any outstanding or has agreed to create or issue, any loan capital or borrowed any money which have not been repaid.
- 3.20 None of the Target Companies has received notice (whether formal or informal) from any creditors, requiring repayment or intimating the enforcement by any such creditors of any security which such creditors may hold over any assets of a Target Company, and there are no circumstances likely to give rise to any such notice.
- 3.21 None of the Target Companies has entered into any mortgage, charge, pledge, lien or other form of security, equity, encumbrance on, over or affecting the whole or any part of its undertaking, property or assets or any agreements, arrangement or commitment to give or create any of the foregoing except for the purpose of securing banking facilities used by any of them negotiated on an arm's length basis and on normal commercial terms.
- 3.22 None of the Target Companies has given any guarantee in respect of any loan.
- 3.23 None of the Target Companies has established any place of business or carried on any business and has not made any filing with any tax or other regulatory authority in any part of the world other than Hong Kong.
- 3.24 Each of the Target Companies has:-
- (A) paid or accounted for all Taxation (if any) due to be paid or accounted for by it before the date of this Agreement; and
 - (B) taken all necessary steps to obtain any repayment of or relief from

Taxation available to it.

- 3.25 The returns which ought to have been made by or in respect of each of the Target Companies for any Taxation purposes have been made and all such returns are up-to-date, correct and on a proper basis and are not the subject of any dispute with any Taxation or other relevant authority and there are no present circumstances known to the Vendor which are likely to give rise to any such dispute and provision has been made in the Accounts for all amounts which were or would have been shown by any such return to be payable by each of the Target Companies.
- 3.26 Since the Management Accounts Date no further liability or contingent liability for Taxation has arisen otherwise than as a result of trading activities in the ordinary course of business of any of the Target Companies.

4. ASSETS

- 4.1 The assets of each of the Target Companies included in the Accounts and all assets acquired by any of the Target Companies since the Accounts Date comprise all the assets property and rights which the Target Company owns and are solely the property of such Target Company and are not subject to any encumbrance or any agreement to give or create any encumbrance including any bill of sale, hire or hire purchase agreement, conditional sale, credit sale or similar agreement.
- 4.2 Since the Accounts Date, save for disposals in the ordinary course of its business, the assets of each of the Target Companies and its subsidiary (if any) have been in the possession of, or under the control of, such Target Company.
- 4.3 The plant, machinery, vehicles, leasehold improvement and other equipment used in connection with the business of each of the Target Companies are in a good and safe state of repair and condition and satisfactory working order and have been regularly and properly maintained.

5. LITIGATION

- 5.1 None of the Target Companies and the PRC Co is engaged in (nor is any

director in relation to the affairs of any Target Company engaged in) any legal proceedings (including litigation, arbitration and prosecution) and no such proceedings are pending or threatened, nor are there any facts likely to give rise to such proceedings known or which would on reasonable enquiry be known to any Target Company or their respective directors.

- 5.2 None of the Target Companies and the PRC Co is the subject of any investigation, inquiry or enforcement proceedings or process by any governmental, administrative or regulatory body nor is the Vendor aware of non-compliance issues or anything which is likely to give rise to any such investigation, inquiry, proceedings or process.
- 5.3 None of the Target Companies is insolvent and no order has been made or resolution passed for the winding up of any Target Company and there is no outstanding any petition for the winding up of any Target Company or any receivership of the whole or any part of the undertaking and assets of any Target Company and there are no circumstances which would entitled any person to present such a petition or to appoint such receiver.
- 5.4 Save as Disclosed, no unsatisfied judgement, fine, penalty, order or award is outstanding against any of the Target Companies or the PRC Co and no distress or execution has been levied on, or other process commenced against, any asset of any Target Company.
- 5.5 There is no dispute with any revenue, or other official, governmental department in Hong Kong or elsewhere, in relation to the affairs of the Target Companies and there are no facts which may give rise to any dispute.
- 5.6 There is no claim pending or threatened, or capable of arising, against the Company by an employee or workman or third party, in respect of any accident or injury, which are not fully covered by insurance.

6. COMPANY RECORDS

- 6.1 Each of the Target Companies has kept duly made up all requisite books of account (reflecting in accordance with good accounting principles all the financial transactions of the relevant Target Company), minute books, registers,

records and these and all other deeds and documents (properly stamped where necessary) belonging to or which ought to be in the possession of any of the Target Companies and its seal are in the possession of the relevant Target Company or the lender(s) to the Target Company concerned (where such documents form part of the loan or security documents for loans made to any of the Target Companies or documents required to be delivered under such loan or security documents).

6.2 All accounts, books, ledgers, and other financial records of each of the Target Companies:

(A) have been properly maintained, are in the possession of each of the Target Companies and contain due and accurate records of each of the Target Companies required by law to be entered therein;

(B) do not contain or reflect any material inaccuracies or discrepancies; and

(C) give and reflect a true and fair view of the matters which ought to appear therein and no notice or allegation that any of them is incorrect has been received, or if any of the Target Companies has received such notice or allegation, the incorrectness or errors have been rectified.

6.3 Without prejudice to the generality of Paragraph 6.1 the minute book of directors' meetings and the minute book of shareholders' meetings respectively of each of the Target Companies contain full and accurate records of all resolutions passed by the directors and the shareholders of the Target Companies concerned and no resolutions have been passed by either the directors or shareholders of the Target Company concerned which are not recorded in the relevant minute books.

6.4 Save for the filings to be made with regard to the PRC Co, all returns, particulars, resolutions and documents requiring to be filed with the Registrar of Companies in Hong Kong or the equivalent body in the PRC or any other relevant authority by each of the Target Companies and its subsidiary (if any) have been properly made up and filed; and due compliance has been made with all the provisions of the Companies Ordinance and other relevant

legislation.

- 6.5 The register of members and other statutory books of each of the Target Companies have been properly kept and duly written up to date and contain an accurate and complete record of the matters with which they should deal with. There has been no notice of any proceedings to rectify such register, and there are no circumstances which might lead to any application for its rectification.

7. PROPERTY

- 7.1 The Leased Property comprises of all the lands and buildings leased by the relevant Target Company in Hong Kong and in any other parts of the world. The tenure and particulars of the Leased Property mentioned in the valuation certificate are true and accurate in all respects.
- 7.2 True and complete copies of the Tenancy Agreement and title documents and other instruments, documents and agreement in respect of the Leased Property and these agreements, instruments and documents constitute the entire documents in respect of the lease of the Leased Property.
- 7.3 Save as Disclosed, the Tenancy Agreement are valid and subsisting and have in no way become void or voidable.
- 7.4 All covenants, obligations, conditions or restrictions imposed upon the relevant Target Company under the Tenancy Agreement have been duly and promptly observed and performed and complied with and save as mentioned in Paragraph 7.3 above, there has been no breach by the relevant Target Company's landlords of such covenants, obligations, conditions or restrictions or other obligations to which any such landlords are bound.
- 7.5 All rent and other charges payable under the Tenancy Agreement have been promptly paid as and when due and no rent has been paid in advance of the due date for payment and any consents required for the grant of the Tenancy Agreement, have been obtained from the mortgagee (if any).
- 7.6 The parties to the Tenancy Agreement have observed and performed all the terms and conditions therein and so far as the Vendor is aware after making all

reasonable enquiries there are no disputes or outstanding or expected claims in these agreements and there are no circumstances giving rise to such disputes or claims.

- 7.7 All leases and tenancies and all agreements (including the Tenancy Agreement) for lease and tenancies and all options for renewal of leases and tenancies to which any of the Target Companies is a party are on terms negotiated at arm's length.
- 7.8 None of the Target Companies has entered into any assignments of rental or other monies payable under any leases or tenancies in respect of the Leased Property.
- 7.9 There is no outstanding, unobserved or unperformed obligation necessary to comply with by any of the Target Companies under the Tenancy Agreement or any notice or other requirement given by the landlord under Tenancy Agreement.
- 7.10 There is no dispute with any governmental or local authority or with the owner or occupier of any adjoining or neighbouring property to the Leased Property or howsoever otherwise.
- 7.11 There is no notice or order in relation to resumption or compulsory acquisition of the Leased Property under any legislation the implementation of which would or could affect the occupation or enjoyment of the property.
- 7.12 So far as the Vendor is aware of, there is no event which may give rise to a right on the part of the landlord to re-enter the Leased Property.
- 7.13 Save as Disclosed, all requisite licences, certificates and authorities necessary for the existing use of the Leased Property by the relevant Target Company have been duly obtained and are in full force, validity and effect.
- 7.14 There is no breach of any applicable statutory, bye-law or regulatory requirement as to fire precaution, public health, pollution, discharge of effluents, environmental or any other matters to which, in respect of any of the Leased Property, compliance is required.

8. CORPORATE STATUS

- 8.1 The contents of Schedule I are up-to-date, true and accurate.
- 8.2 Each of the Target Companies has been duly incorporated and constituted, and is legally subsisting under the law of its place of incorporation, and there has been no resolution, petition or order for the winding-up of any of the Target Companies and no receiver has been appointed in respect thereof or any part of the assets thereof, nor are any such resolutions, orders and appointments imminent or likely.
- 8.3 No events or omissions have occurred whereby the constitution, subsistence or corporate status of any of the Target Companies have been or are likely to be adversely affected.

9. TRADE MARKS AND SERVICE MARKS

- 9.1 So far as the Vendor is aware (having made all reasonable enquiries), the business of each of the Target Companies as now carried on, does not, and is likely to, infringe any intellectual or industrial property right of any other person (or would not do so if the same were valid) and all licences to any of the Target Companies in respect of any such protection are in full force and effect and no claims have been made and no applications are pending which if pursued or granted may adversely affect any of the Target Companies or its business.
- 9.2 The processes employed and the products and services dealt in by each of the Target Companies do not use, embody or infringe any patents, registered designs, know-how or trade secrets, copyrights, trade marks, business name or other registerable or unregisterable intellectual property rights (whether registered or not) except to the extent that it is legally permissible or the relevant Target Company is authorised to use or embody the same.
- 9.3 All patents, registered designs, know-how or trade secrets, copyrights, trade marks, business names or other intellectual property rights (whether registered or not and whether registerable or not), and all pending applications therefor

which are or are likely to be material to the business of each of the Target Companies, are (or, where appropriate in the case of pending applications, will be):-

- (A) legally and beneficially vested in each of the Target Companies;
- (B) valid and enforceable;
- (C) not being infringed;
- (D) not subject to any licence or authority in favour of another.

10. THE TARGET COMPANIES AND THE LAW

- 10.1 Save as Disclosed, each of the Target Companies has conducted its business in all material respects in accordance with all applicable laws and regulations of Hong Kong and there is no order, decree or judgment of any court or any governmental agency of Hong Kong or of any foreign country outstanding against any of the Target Companies or its subsidiaries or which may have a material adverse effect upon the assets or business of any of the Target Companies.
- 10.2 Save as Disclosed, all necessary licences, consents, permits and authorities (public and private) have been obtained by each of the Target Companies to enable each of the Target Companies to carry on its business effectively in the places and in the manner in which such business is now carried on and all such licences, consents, permits and authorities are valid and subsisting and the Vendor knows of no reason why any of them should be suspended, cancelled or revoked or should not be renewed or reissued upon or prior to their expiry.
- 10.3 The licenses issued by the SFC to DA Capital for carrying out the regulated activities under the SFO are legally issued and validly subsisting.
- 10.4 The Money Lenders License held by DA Finance for carrying out the regulated activities under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) are legally issued and validly subsisting.

- 10.5 The Target Companies have not received any notice in relation to any investigation by any authority in the place where the business of the Target Companies is conducted.
- 10.6 Neither any of the Target Companies nor any of their officers, agents or employees (during the course of their duties in relation to each of the Target Companies) have committed, or omitted to do, any act or thing the commission or omission of which is, or could be, in contravention of any ordinance, order, regulation, enactment, statute or the like in Hong Kong or elsewhere which is punishable by fine or other penalty.
- 10.7 No order has been made or petition presented or resolution passed for the winding up of any of the Target Companies; nor has any distress, execution or other process been levied against any of the Target Companies.

11. THE BUSINESS

11.1 Since the Audited Accounts Date and save as Disclosed:

- (A) each of the Target Companies has carried on its business in the ordinary and usual course without having entered into any material transaction, assumed any material liability, or made any material payment not provided for in the Accounts which is not in the ordinary course of its business, and there has not been any material adverse interruption or alteration in the nature, scope or manner of its business;
- (B) each of the Target Companies has paid its creditors within the time agreed with such creditors and there are no debts outstanding by any of the Target Companies which have been due for more than six months;
- (C) none of the Target Companies has entered into, or agreed to enter into, any capital commitments;
- (D) no share or loan capital has been issued or agreed to be issued by the respective companies;
- (E) no distribution of capital or income has been declared, made or paid in

respect of any share capital of any of the Target Companies and no new loans have been entered into by any of the Target Companies;

- (F) no unusual trade discounts or other special terms have been incorporated into any contract entered by any of the Target Companies inconsistent with the previous practice of each of the Target Companies; and
- (G) there has been no material deterioration in the business condition, financial condition, financial position, prospects or turnover of each of the Target Companies (taken as a whole).
- (H) each of the Target Companies has not paid, discharged or satisfied any claims, liabilities or obligations other than the payment, discharge or satisfaction in the ordinary course of business and consistent with past practice of liabilities and obligations reflected or reserved against in the Accounts or liabilities an obligations incurred in the ordinary course of business and consistent with past practice since the Audited Accounts Date;
- (I) each of the Target Companies has not incurred any material liabilities or obligations except in the ordinary course of business and consistent with past practice;
- (J) no significant change in any method of accounting or accounting practice;
- (K) each of the Target Companies has not changed any method of management or operation in respect of the business, undertaking or assets of the Company except in manner consistent with proper prior practice.

11.2 No one is entitled to receive from any of the Target Companies any finder's fee, brokerage, or other commission in connection with the purchase of the Sale Shares.

11.3 The acquisition of Sale Shares by the Purchaser and compliance with the terms

of this Agreement will not:

- (A) cause any of the Target Companies to lose the benefit of any right or privilege it presently enjoys or cause any person who normally does business with any of the Target Companies not to continue to do so on the same basis as previously;
- (B) relieve any person of any obligation to any of the Target Companies (whether contractual or otherwise) or enable any person to determine any such obligation or any right or benefit enjoyed by each of the Target Companies or to exercise any right whether under an agreement with or otherwise in respect of any of them;
- (C) result in any present or future indebtedness of each of the Target Companies becoming due or capable of being declared due and payable prior to its stated maturity;
- (D) give rise to or cause to become exercisable any right of pre-emption;
- (E) adversely affect each of the Target Companies' relationships with its clients, customers, suppliers or employees;
- (F) result in any revocation or suspension of any licence, permit or consent held by or granted to any of the Target Companies; or
- (G) the termination of any contract to which any of the Target Companies is a party.

12. THE TARGET COMPANIES' CONTRACTS

12.1 All documents to which each of the Target Companies is a party and other documents owned by or which ought to be in the possession of each of the Target Companies have been properly stamped and are in the relevant Target Company's possession and true and complete copies thereof have been delivered to the Purchaser's solicitors.

12.2 Save as Disclosed, none of the Target Companies is a party to any agreement,

transaction, obligation, commitment, understanding, arrangement or liability in which it:

- (A) is incapable of complete performance in accordance with its terms within six months after the date on which it was entered into or undertaken;
- (B) is known or is likely to result in a loss to any of the Target Companies on completion of performance;
- (C) cannot readily be fulfilled or performed by the relevant Target Company on time without undue or unusual expenditure of money and effort;
- (D) involves or is likely to involve obligations, restrictions, expenditure or receipts of an unusual, onerous or exceptional nature;
- (E) is a lease or a contract for hire or rent, hire purchase or purchase by way of credit sale or periodical payment;
- (F) is a contract with any trade union or body or organisation representing the Target Companies' employees;
- (G) requires an aggregate consideration payable by any of the Target Companies in excess of HK\$50,000 otherwise than in the ordinary course of business of each of the Target Companies;
- (H) involves or is likely to involve the provision of services by or to any of the Target Companies the aggregate sales value of which will represent in excess of five per cent. of the combined turnover of the Target Companies for the year ending on the Management Accounts Date;
- (I) requires the Target Companies or any of their subsidiaries to pay any commission, finders' fee, royalty or the like;
- (J) in any way restricts any of the Target Companies' freedom to carry on the whole or any part of its business in any part of the world in such manner as it thinks fit; or

(曹伯強)											
TSANG Chun Man (曾晉文)	AMU470	X			X						
YEN Chanan (霍震南)	ARM750						X				
ZHOU Xu Xiang (周栩翔)	APM161	X			X		X				

14. THE TARGET COMPANIES AND THEIR EMPLOYEES

- 14.1 Save as Disclosed, there is no claim by any person or his/her estate or dependents who is or had been an employee, director or other officer of the Target Companies whether for any damages, compensation (whether under the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), or otherwise) or other payments and there are no circumstances likely to give rise to such claim.
- 14.2 The Target Companies and their employees are not involved in any industrial dispute, and there are no facts known, or which would on reasonable enquiry be known to the Target Companies which might suggest that there may be any industrial dispute involving the Target Companies.
- 14.3 Save for any such scheme which the Target Companies are obliged to join or subscribe under any applicable laws or regulations, the Target Companies are not under any legal liability or obligation, nor is it a party to any ex-gratia arrangement or promise, to pay retirement benefits, pensions, gratuities, superannuation allowances or the like, to or for the benefit of any past or present officers or employees or their dependents and there are no retirement benefit or pension or death benefits or employment scheme or arrangement in relation to or binding on the Target Companies or to which the Target Companies has to make contribution.
- 14.4 Save as Disclosed and as regards any scheme which each of the Target Companies is or may become obliged to join or subscribe under any applicable

law or regulations, there is no scheme or fund in respect of retirement, pension, health insurance, housing, bonus, incentive, share option or other benefits to directors, officers, staff, employees or any other party to which any of the Target Companies is a party or in respect of which there is any obligations or liabilities, present or future, actual or contingent.

15. INVESTMENTS, ASSOCIATIONS AND BRANCHES

15.1 Each of the Target Companies is not the holder or beneficial owner of and has not agreed to acquire any class of shares or other capital of any other company or corporation (whether incorporated in Hong Kong or elsewhere) other than its subsidiaries (if any) set out in Schedule I.

15.2 Save as Disclosed, none of the Target Companies is or has agreed to become a member of any partnership, joint venture, consortium or other unincorporated association.

16. INSURANCE

16.1 Each of the Target Companies has maintained insurance covers in respect of all risks and up to an extent that may reasonably be expected of a prudent businessman operating a business similar to that of the such Target Company.

16.2 All insurance policies taken out by each of the Target Companies are valid, binding, in full force and effect and not voidable. There are no circumstances which might lead to any liability under any such insurance policies being avoided by the insurers or the premiums being increased and there is no claim outstanding under any such policy nor are there any circumstances likely to give rise to a claim.

16.3 Each of the Target Companies has not suffered any uninsured extraordinary or unusual losses nor waived any rights of material or substantial value nor allowed any insurance to lapse.

17. REPETITION OF WARRANTIES

If Completion does not take place forthwith upon the signing of this Agreement, the Warranties shall be deemed to be repeated immediately before Completion and to relate to the facts and circumstances then existing.

18. EVENTS SINCE THE ACCOUNTS DATE

Since the Management Accounts Date:

- (A) there has been no Material Adverse Change in any of the Target Companies and each of the Target Companies has entered into transactions and incurred liabilities only in the ordinary course of trading;
- (B) no resolution of any of the Target Companies in general meeting has been passed other than resolutions relating to the business of an annual general meeting which was not special business;
- (C) each of the Target Companies has not declared, paid or made nor is proposing to declare, pay or make any dividend or other distribution;
- (D) the financial year end of each of the Target Companies has continued to be and has not changed from 31 December;
- (E) no event has occurred which would entitle any third party (with or without the giving of notice) to call for the repayment of indebtedness prior to its normal maturity date;
- (F) the business of each of the Target Companies has been carried on in the ordinary and usual course and in the same manner (including nature and scope) as in the past, no fixed asset has been written up nor any debt written off, and no unusual or abnormal contract has been entered into by any of the Target Companies;
- (G) no asset of any of the Target Companies has been acquired or disposed of, or has been agreed to be acquired or disposed of, otherwise than in the ordinary course of business and there has been no disposal or parting with possession of any of its property, assets (including

know-how) or any payments by any of the Target Companies, and no contract involving expenditure by it on capital account has been entered into by any of the Target Companies, and no liability has been created or has otherwise arisen (other than in the ordinary course of business as previously carried on);

- (H) there has been no disposal of any asset (including stock) or supply of any service or business facility of any kind (including a loan of money or the letting, hiring or licensing of any property whether tangible or intangible) in circumstances where the consideration actually received or receivable for such disposal or supply was less than the consideration which could be deemed to have been received for tax purposes;
- (I) no event has occurred which gives rise to a tax liability to any of the Target Companies or deemed (as opposed to actual) income, profits or gains or which results in the relevant company becoming liable to pay or bear a tax liability directly or primarily chargeable against or attributable to another person, firm or company;
- (J) no remuneration (including bonuses) or benefit payable to any officer or employee of any of the Target Companies has been increased nor has any of the Target Companies undertaken any obligation to increase any such remuneration at any future date with or without retrospective effect;
- (K) such of the book debts shown in the Accounts and all other book debts arising since such time which have been realised since the Accounts Date have been realised at amounts not less than those shown in the Accounts or, in the case of subsequently arising book debts, their face amount, and no indication has been received that any debt now owing to any of the companies is bad or doubtful;
- (L) none of the Target Companies has created any mortgage or charge on the whole or any part of its assets now outstanding;
- (M) none of the Target Companies has borrowed or increased any secured

liability (except from bankers in the ordinary course of its day-to-day trading operations);

- (N) except in the ordinary course of day-to-day trading operations and for full value, none of the Target Companies has entered into any transaction or incurred any liabilities;
- (O) the assets of each of the Target Companies have not been depleted by an unlawful act on the part of any person;
- (P) none of the Target Companies has undertaken or authorised any capital commitment;
- (Q) none of the Target Companies has entered into any joint venture or partnership with any third party;
- (R) none of the Target Companies has given any guarantee or indemnity which has not been released or satisfied; and
- (S) none of the Target Companies has breached or defaulted under any contracts, commitments or transactions.

19. PENDING COMPLETION

- 19.1 The Vendor hereby undertakes with the Purchaser and that, except as required by this Agreement or in the ordinary and usual course of business of each of the Target Companies, no resolution of the directors or members of each of the Target Companies shall be passed prior to Completion without the prior written consent of the Purchaser.
- 19.2 The Vendor hereby undertakes with the Purchaser that until Completion each of the Target Companies shall carry on their businesses in a manner consistent with their existing practice and shall:
- (a) not without first obtaining the prior written consent of the Purchaser enter into any contract or commitment of an unusual or onerous nature or other than in the normal and ordinary course of business; and
 - (b) keep the Purchaser reasonably informed of all matters relating to each

of the Companies, its business, assets and prospects.

- 19.3 The Vendor hereby undertakes with the Purchaser that prior to Completion, DA Capital will maintain at all times paid-up share capital and liquid capital not less than the specified amounts required by the SFO and in compliance with the Securities and Futures (Financial Resources) Rules (Chapter 571N of the Laws of Hong Kong).
- 19.4 Without prejudice and notwithstanding Paragraphs 19.1 and 19.2, the Vendor undertakes that it shall pending Completion take all steps necessary to ensure that each of the Target Companies shall not carry out any of the following actions and no resolution of the board of directors of each of the Target Companies or of its general meeting shall be passed to carry out the same unless the written consent of the Purchaser is obtained (such consent shall not be unreasonably withheld):
- (A) the creation or issue of any shares in any of the Target Companies or the grant of any options over any shares or the uncalled capital of any of the Target Companies or the issue of any warrant, debentures, securities or other obligations convertible into shares in any of the Target Companies or enter into any agreement to do any of the same;
 - (B) the capitalisation, repayment or other distribution of any amount standing to the credit of any reserve any of the Target Companies on the redemption or purchase of any shares of any of the Target Companies or any other acquisition of share capital;
 - (C) borrow or otherwise raise money or incur or discharge any indebtedness or create any security other than in its ordinary course of business;
 - (D) the winding-up or liquidation of any of the Target Companies;
 - (E) the alteration of the rights attaching to any of the Sale Shares or the shares in any of the Target Companies;
 - (F) the alteration of the memorandum and articles of association of any of the Target Companies and the passing of any resolutions inconsistent with the provision of this Agreement;
 - (G) the acquisition or disposal of any lease or any other interests in real property owned or occupied by any of the Target Companies or the creation of any mortgage or other encumbrance over such property;
 - (H) the acquisition or disposal of any property or other asset by any of the Target Companies if the aggregate sum involved exceeds (or, in the case of a disposal, if the book value exceeds) HK\$50,000 other than acquisition or disposals in the ordinary course of business of any of the

Target Companies;

- (I) the acquisition or formation by any of the Target Companies of any subsidiary or the acquisition of any share in any other company or the participation by any of the Target Companies in any partnership or joint venture;
- (J) the sale or disposal of the whole or a substantial part of the undertaking of any of the Target Companies;
- (K) the entering into of any material contract by any of the Target Companies other than in its ordinary course of business;
- (L) except in the ordinary and normal course of business of any of the Target Companies, the lending of any moneys (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposit), the granting of any credit or the giving of any guarantee or indemnity;
- (M) the amalgamation or merger of any of the Target Companies with any other company or concern;
- (N) the alteration of the composition of any board of directors of any of the Target Companies;
- (O) the making of any capital commitment or undertake or incur any contingent liability by any of the Target Companies;
- (P) the making, declaration or payment of any dividend or distribution save as Disclosed in the Accounts;
- (Q) appoint any directors other than as provided in this Agreement, and the Vendor shall procure that the Purchaser be kept fully, punctually and regularly informed of the affairs of each of the Target Companies until the Completion Date;
- (R) in any respect depart from the ordinary course of its day to day business;
- (S) doing, allowing or procuring any act or omission on or before Completion which will constitute a breach of any of the Warranties; or
- (T) creation or permit to arise any lien, charge, pledge, mortgage or other security interest or encumbrance over the Sale Shares or any of its undertaking, property or assets.

19.5 The Vendor warrants and undertakes with the Purchaser that the amounts (if

any) due to and from the directors and related companies of each of the Target Companies as set out in the Accounts shall be settled in full before the Completion Date and evidence of such settlement shall be produced to the Purchaser.

20. GENERAL

All information contained in this Agreement or in the documents referred to herein and therein and all other information concerning each of the Target Companies and/or any part or parts of its business operations assets and liabilities (actual or contingent) supplied in the course of the negotiations leading to this Agreement to the Purchaser or the Purchaser's solicitors or other professional advisers in relation to the sale and purchase of the Sale Shares was when given true, complete and accurate in all respects and there is no fact or matter which has not been disclosed which renders any such information or documents untrue, inaccurate or misleading at the date of this Agreement or which if disclosed might reasonably be expected to influence adversely a prudent purchaser's decision to purchase the Sale Shares on the terms of this Agreement.

SCHEDULE III

Limitation of liability of the Vendor

1. COMBINED EFFECTS LIMITATION

The Vendor shall not be liable for any Warranty Claim which would not have arisen but for an Event occurring after Completion or done, suffered or occurred prior to Completion at the direction or with the consent of the Purchaser.

2. PROVISIONS IN ACCOUNTS

2.1 The amount of any Warranty Claim shall be reduced by the amount (if any) by which:

(A) any liability of the Target Companies included in the Accounts has been discharged or satisfied at below the amount attributed thereto or included in respect thereof in the Accounts; and/or

(B) any contingency or other matter provided against in the Accounts had in the event been over-provided for.

2.2 No warranty Claim shall be brought in respect of any breach or alleged breach of any Warranty if and to the extent that provision is made for the circumstances giving rise there to in the Accounts.

3. DUTY TO NOTIFY THE VENDOR OF POTENTIAL CLAIMS

The Purchaser shall and shall procure that each of the Target Companies shall as soon as is practicable inform the Vendor in writing of any Event which comes to its notice or to the notice of the Target Companies whereby it appears that the Vendor is or may become liable to make any payment under any Warranty and shall not settle or compromise any such claim without the prior written consent of the Vendor, such consent not to be unreasonably withheld or

delayed and shall be provided to the Purchaser within 5 business days of receiving a notice from the Purchaser. The failure to provide such consent by the Vendor within the stipulated time entitles the Purchaser to take all reasonable actions to settle or defend such actions at the cost of the Vendor.

4. WARRANTY ONLY ACTIONABLE BY THE PURCHASER

The Warranties shall be actionable only by the Purchaser, its assigns or successor in title and no other person shall be entitled to make any direct claim or take any direct action whatsoever against the Vendor under, arising out of, or in connection with any of the Warranties.

5. VENDOR NOT TO BE LIABLE IN CERTAIN CIRCUMSTANCES

The Vendor shall not be liable under the Warranties to the extent that any depletion, diminution or reduction in the value or amount of any of the assets of any of the Target Companies occurs as a result of or is otherwise attributable to:

- (A) any legislation not in force at the date of this Agreement or any change of law or administrative practice which takes effect retroactively or occurs as a result of any increase in the rates of Taxation in force at the date of this Agreement;
- (B) any voluntary act of any of the Target Companies after the date of this Agreement at the direction of the Purchaser otherwise than in the ordinary course of business; or
- (C) the Purchaser or any of the Target Companies disclaiming any part of the benefit of any capital or other allowance or relief against Taxation claimed or proposed to be claimed on or before the date of this Agreement.

6. VENDOR'S RIGHT TO TAKE OVER WARRANTY RELATED LITIGATION

- 6.1 At the request in writing by the Vendor and on the Vendor providing indemnities reasonably satisfactory to the Purchaser or, as the case may be, the Target Company concerned, in respect of all losses (including additional Taxation), penalties, fines, interest, damages, costs and expenses which may thereby be incurred, the Purchaser shall procure that the Target Companies concerned shall take such action as the Vendor may reasonably require and allow him to take such steps to avoid, dispute, resist, compromise or defend any claim or liability for which the Vendor may be or become directly or indirectly liable or responsible and render or cause to be rendered to the Vendor all such assistance as he may reasonably require in connection with the foregoing.
- 6.2 The action which the Vendor may reasonably require under Paragraph 6.1 shall include (without limitation) the Purchaser and/or the relevant Target Company (the “**Relevant Beneficiaries**”) applying to postpone (so far as legally possible) the payment of any Taxation and allowing the Vendor to take or take over at his own expense the conduct of all proceedings and the relevant beneficiaries providing such information and assistance as the Vendor may reasonably require in connection with the preparation for and conduct of such proceeding PROVIDED THAT the Vendor shall keep the Relevant Beneficiaries fully informed as to any action taken or proposed to be taken in connection with the conduct of all proceedings of whatever nature arising in connection with such dispute and all other relevant matters.
- 6.3 If the Vendor decides to take over any Warranty related litigation pursuant to Paragraph 6.1 and 6.2, the Vendor shall notify the Purchaser in writing within 5 business days of being notified of such Warranty related litigation.

7. RIGHT TO REPAYMENT OF AMOUNTS RECOVERED

The Purchaser shall reimburse to the Vendor an amount (after deduction of all the costs and expenses incurred thereto) equal to any sum paid by him under any of the Warranties which is subsequently recovered by or paid to the Purchaser or any of the Target Companies by any third party.

8. NO DOUBLE CLAIMS UNDER WARRANTIES AND INDEMNITY

No liability shall attach to the Vendor by reason of a breach of any of the Warranties to the extent that the loss occasioned to the Purchaser also gives rise to an equivalent claim under the Tax Indemnity and the Vendor has settled such equivalent claim and no liability shall attach to the Vendor by reason of a claim under the Tax Indemnity to the extent that an equivalent claim has been made under the Warranties and the Vendor has settled such equivalent claim.

SCHEDULE IV

Form of Tax Indemnity

Dated

CHEN NINGDI

and

TOPPER ALLIANCE HOLDING LIMITED

TAX INDEMNITY

THIS TAX INDEMNITY is made on

BETWEEN:-

CHEN NINGDI (陳宁迪) (Holder of HKID Card No. R103991(0)) of Flat A, 30/F Tower 1, Marinella, No. 9 Welfare Road, Hong Kong (the “**Vendor**”);

IN FAVOUR OF:-

TOPPER ALLIANCE HOLDING LIMITED, a company incorporated in Hong Kong and whose place of business is at 5/F, AIA Financial Centre, 112 King Fuk Street, San Po Kong, Hong Kong (the “**Company**”).

WHEREAS this Deed is entered into pursuant to an agreement dated and made between, among others, the Vendor and the Purchaser (the "Agreement") providing for the sale and purchase of the entire issued share capital of the Target Companies.

NOW THIS DEED WITNESSETH AND IT IS AGREED AND DECLARED as follows:-

1. INTERPRETATION

(A) In this Deed:-

"Claim for Tax" includes a claim, counterclaim, assessment, notice, demand or other document issued or action taken by or on behalf of any Tax Authority by which any company is liable (or is sought to be made liable) to make any payment, or increased or further payment, to such Tax Authority or to any other person (whether or not the payment is primarily payable by that company and whether or not that company has or may have any right of reimbursement against any other person) or is denied or sought to be denied any Relief or is subject to any reduction, modification, cancellation or deprivation of any Relief (including any Relief which would, but for the Claim for Tax, have been available to that company);

"Event" means an event, act, transaction or omission and including, without limitation, a receipt or accrual of income or gains, distribution, failure to distribute, acquisition, disposal, transfer, payment, loan or advance;

"Relief" includes any loss, relief, allowance, exemption, set-off, deduction, right to repayment or credit or other relief of a similar nature granted by or available in relation to Tax pursuant to any legislation or otherwise;

“Target Companies” means DA Capital (HK) Limited and DA Finance (HK) Limited

"Tax" or "Taxation" means any liability to any form of taxation, levy, duty, charge, contribution or impost of whatever nature (including any related fine, penalty, surcharge or interest) whenever created, imposed or arising and payable to any Tax Authority; and

"Tax Authority" means any local, municipal, governmental, state, federal or other fiscal, revenue, customs or excise authority, body or official of any places in which the Company is incorporated or carrying on business.

- (B) Words and expressions defined in the Agreement shall, unless the context otherwise requires, have the same meanings in this Deed as in the Agreement.
- (C) In this Deed, a reference to:-
 - (i) an Event includes an Event deemed to have occurred for the purposes of any Tax;
 - (ii) an Event on or before the date of this Deed includes an Event which is deemed by the Tax Authority for the purposes of any Tax to have occurred on or before the date of this Deed;
 - (iii) the masculine gender shall include the feminine and neuter, and the singular number shall include the plural, and vice versa;
 - (iv) persons shall include bodies corporate, unincorporated associations and partnerships; and
 - (v) Clauses, Paragraphs and Schedule are to clauses and paragraphs of and the schedule to this Deed.
- (D) The headings in this Deed are for convenience only and shall not affect the interpretation of this Deed.
- (E) The Recital and the Schedule set out in this Deed form part of this Deed and shall have the same force and effect as if expressly set out in the body of this Deed and any reference to this Deed shall include the Recital and the Schedule.
- (F) References to statutes or statutory provisions shall be construed as references to those statutes or provisions as amended, extended, consolidated or replaced from time to time (whether before or after the date of this Deed) and any orders, regulations, instruments or subordinate legislation under the relevant statute or statutory provision (whether made before or after the date of this Deed).

2. THE VENDOR OBLIGATIONS AND GUARANTEE

- (A) Subject to the other provisions of this Deed, the Vendor covenants with the Purchaser and the Company at Completion to indemnify them and to keep them indemnified on demand from and against:-
 - (i) any liability for Tax in relation to the Target Companies which arises in consequence of an Event occurring before the date of this Deed whether or not the Tax is chargeable against or attributable to any other person;
 - (ii) any liability for Tax in relation to the Target Companies which arises in consequence of a series of related Events only the first or some of which have taken

place before the date of this Deed whether or not the Tax is also chargeable against or attributable to any other person, but only to the extent that the liability for Tax is also attributable to such Event or Events occurring before the date of this Deed;

(iii) any liability for Tax in relation to the Target Companies which would have been saved but for the loss, reduction, modification or cancellation of some Relief in consequence of an Event occurring before the date of this Deed where the availability of the Relief has been shown as an asset in, or referred to in the notes to, the Management Accounts of the relevant member of the Target Companies or has been taken into account in computing (and so reducing) any provision (whether for deferred Tax or otherwise) which appears in the Management Accounts of the relevant member of the Target Companies or has resulted in no provision for deferred Tax being shown in the Management Accounts of the relevant member of the Target Companies;

(iv) any liability for Tax in relation to the Target Companies which would have arisen in consequence of an Event occurring before the date of this Deed and which is not and will not be payable in consequence of the utilisation or set-off of some Relief, where the Relief arises in respect of an Event occurring after the date of this Deed; and

(v) any liability to pay an amount in respect of Tax in relation to any member of the Target Companies under an indemnity, guarantee, mortgage or charge created before the date of this Deed.

- (B) Any Tax which would have been repaid but for the loss, reduction, set-off or cancellation of any right to repayment of the Tax in consequence of an Event occurring before the date of this Deed is for the purposes of Clause 2(A)(iii) deemed to be Tax for which the Target Companies is liable and which arises in consequence of the Event.
- (C) Subject to the other provisions of this Deed, the Vendor hereby covenants with the Purchaser and the Company at Completion to indemnify them and to keep them indemnified, on demand, from and against any action, claims, proceedings, losses and damage which may be made against or suffered by and costs (including but not limited to legal costs), charges and expenses reasonably and properly incurred by them in connection with or in consequence of the indemnities given under this Clause 2.
- (D) No claim under this Deed shall be made by any of the Purchaser or the Company unless written notice of such claim, specifying in detail the Event to which the claim relates and the amount claimed, has been given by them to the Vendor. Such written notice shall be made no later than two (2) years from the date of this Deed.

3. NO DOUBLE CLAIM

No Claim for Tax may be brought under this Deed if a Claim for Tax in respect of the subject matter thereof has been made under the Agreement.

4. PAYMENTS FREE OF WITHHOLDING, ETC,

- (A) Subject to Clause 4(B), all payments made by the Vendor under this Deed shall be made gross, free of any rights of counterclaim or set-off and without any deduction or withholding of any nature.

- (B) The Vendor shall make any deduction or withholding required by law from any payment under this Deed and the sum due from the Vendor in respect of the payment shall be increased to the extent necessary to ensure that, after the making of any deduction or withholding, the Purchaser and/or the Company receives a sum equal to the sum it would have received had no deduction or withholding been required to be made.
- (C) If the Vendor is satisfied that any payment under Clause 2 or 4(B) will be or has been subject to Tax, the Purchaser and/or the Company may demand in writing from the Vendor from time to time such amount (after taking into account any Tax payable in respect of the amount) as will ensure that the Purchaser and/or the Company receives and retains a net sum equal to the sum it would have received and retained had the payment not been subject to Tax.

5. APPEALS AND CLAIMS

- (A) As regards any Claim for Tax which, in the reasonable opinion of the Company or the Purchaser, is capable of being defended or resisted, the Company or the Vendor shall take such actions (if any) as the relevant member of the Company or the Purchaser may deem appropriate to cause the Claim for Tax to be withdrawn, or to dispute, resist, appeal against, compromise or defend the Claim for Tax and any determination in respect thereof.
- (B) The Purchaser shall use its reasonable endeavours (and, where appropriate, with the assistance of professional advisers) to ensure that no liability to Tax arising from the Claims for Tax is accepted or discharged prematurely or without just cause.

6. DATE FOR PAYMENT AND INTEREST

- (A) The Purchaser and/or the Company shall give the Vendor twenty-one (21) days' prior written notice of any amount payable under Clauses 2(A)(i) to 2(A)(v), 2(C) or 4(C).
- (B) If the Vendor request within fourteen (14) days of receipt of the notice referred to in Clause 6(A), the amount referred to in Clause 6(A) shall be confirmed by the Company's auditors whose decision shall be confirmed by an internationally reputable firm of accountants (the "Accountants") to be mutually agreed by the Purchaser and the Vendor at the cost of the parties in equal proportion. The Accountants shall act as expert and not as arbitrator and the confirmation shall (except for manifest error) be conclusive and binding on the Vendor and the Purchaser. If the Accountants fail or refuse to give the confirmation referred to above and notwithstanding anything herein contained to the contrary, the Vendor shall not be liable, hereunder or otherwise, to pay the amount referred to in Clause 6(A).
- (C) Subject to the provisions in Clause 6(B), the Vendor shall pay the amount referred to in Clause 6(A) to the Purchaser in cleared funds on or before the tenth (10th) Business Day following the date of receipt of the notice referred to in Clause 6(A) or, if later, the confirmation referred to in Clause 6(B).

- (D) Subject to the provisions in Clause 6(B), any amount not paid under this Deed by the Vendor on the due date for payment of the amount shall bear interest (which will accrue from day to day after as well as before judgement) at the best lending rate of The Hongkong and Shanghai Banking Corporation Limited's Hong Kong Dollars loans from the day following the due date for payment of the amount to and including the day of actual payment of the amount compounded quarterly.

7. RECOVERY

- (A) If, after the Vendor has made a payment pursuant to Clause 2(B), the Purchaser shall receive a refund of all or part of the relevant Tax or subsequently recover from a third party any amount in relation to the payment of the relevant Tax, the Purchaser shall repay, within ten (10) Business Days of the receipt of such amount, to the Vendor who has made a payment in respect of that Tax under Clause 2(A) a sum equal to the refund less:
- (i) any expenses, costs and charges properly and reasonably incurred by the Purchaser or the Target Companies in recovering such refund; and
 - (ii) the amount of any additional Tax which shall not have been taken into account in calculating any other payment made or to be made pursuant to this Deed but which is suffered by the Purchaser or the Target Companies in consequence of such refund.
- (B) The Purchaser ensure that Claims for Tax are dealt with separately from claims and queries to which they do not apply.

8. GENERAL

- (A) No variation of this Deed shall be valid unless it is in writing and signed by or on behalf of each of the parties to this Deed.
- (B) No failure to exercise or delay in exercising a right or remedy under this Deed shall constitute a waiver of such right or remedy or a waiver of any other right or remedy and no single or partial exercise of any right or remedy or the exercise of any other right or remedy. Without limiting the foregoing, no waiver by a party of any breach by the other of any provision of this Deed shall be deemed to be a waiver of any subsequent breach of that or any other provision of this Deed.
- (C) The rights and remedies of the Purchaser contained in this Deed are cumulative and not exclusive of any rights or remedies provided by law.
- (D) Any liability to the Purchaser or any of them hereunder may in whole or in part be released, compounded or compromised (and time or indulgence may be given) by the Purchaser or any of them in their or its absolute discretion as regards the Vendor under such liability.
- (E) In any event that any claim subject to the indemnities hereunder is or has been discharged by the Purchaser or any of them, the indemnities given hereunder shall take

effect as covenants by the Vendor forthwith to reimburse the Purchaser or such of them for the amount of any loss or payment so discharged.

9. ASSIGNMENT

The whole or any part of the benefit of this Deed may not be assigned by any party without the written consent of the other party.

10. NOTICE

(A) Any notice or other communication under or in connection with this Deed shall be in writing and shall be delivered personally or sent by pre-paid post by facsimile, to the party due to receive the notice or communication at her/its address set out in the Agreement or such other address as any party may specify by notice in writing to the other.

(B) In the absence of evidence of earlier receipt, any notice or other communication is deemed to have been duly given:

- (i) if delivered personally, when left at the address referred to in Clause 10(A);
- (ii) if sent by mail other than air mail, two days after posting it;
- (iii) if sent by air mail, six days after posting it; and
- (iv) if sent by facsimile, on completion of its transmission.

11. GOVERNING LAW AND JURISDICTION

(A) This Deed is governed by, and shall be construed in accordance with, the laws of Hong Kong.

(B) The parties to this Deed irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong in relation to any claim, dispute or difference which may arise out of or in connection with this Deed.

12. COUNTERPARTS

This Deed may be executed in any number of counterparts and by the parties to this Deed on separate counterparts, each of which when executed and delivered shall be an original, but all the counterparts together shall constitute one and the same instrument.

IN WITNESS whereof this Deed has been duly executed and delivered by the parties hereto or their duly authorised representatives on the day and year first above written.

SIGNED SEALED and DELIVERED by)
MR. CHEN NINGDI)
in the presence of:)

SCHEDULE V

Provisions for construction of "Taxation"

1. Words and expressions defined or used in the Estate Duty Ordinance (Cap. 111 of the Laws of Hong Kong) shall (unless the context otherwise requires) have the same meanings in this Schedule.

2. In this Schedule:

"Relief" includes any relief, allowance, concession, set off or deduction in computing profits or credit granted by or pursuant to any legislation or otherwise relating to all forms of Taxation;

"Taxation" means:

- (a) any liability to any form of taxation whenever created or imposed and whether of Hong Kong or of any other part of the world and without prejudice to the generality of the foregoing includes profits tax, provisional profits tax, business tax on gross income, income tax, value added tax, salaries tax, property tax, estate duty, death duty, capital duty, stamp duty, payroll tax, withholding tax, rates, customs and excise duties and generally any tax duty, impost, levy or rate or any amount payable to the revenue, customs or fiscal authorities of local, municipal, governmental, state, provincial, federal level whether of Hong Kong or of any part of world;
- (b) such an amount or amounts as is or are referred to in Paragraph 3; and
- (c) all costs, interest, penalties, charges and

expenses incidental or relating to the liability to Taxation or the deprivation of Relief or of a right to repayment of Taxation to the extent that the same is/are payable or suffered by any of the Target Companies.

3. In the event of any deprivation of any Relief or of a right to repayment of any form of Taxation there shall be treated as an amount of Taxation for which a liability has arisen the amount of such Relief or repayment (if smaller) the amount by which the liability to any such Taxation of any of the Target Companies would have been reduced by such Relief if there had been no such deprivation as aforesaid, applying the relevant rates of Taxation in force in the period or periods in respect of which such Relief would have applied or (where the rate has at the relevant time not been fixed) the last known rate and assuming that such Target Company had sufficient profits, turnover or other assessable income or expenditure against which such Relief might be set off or given.

SCHEDULE VI

PRC Co Indemnity

Dated

CHEN NINGDI

and

TOPPER ALLIANCE HOLDING LIMITED

PRC CO INDEMNITY

THIS TAX INDEMNITY is made on

BETWEEN:-

CHEN NINGDI (陳宁迪) (Holder of HKID Card No. R103991(0)) of Flat A, 30/F Tower 1, Marinella, No. 9 Welfare Road, Hong Kong (the “**Vendor**”);

IN FAVOUR OF:-

TOPPER ALLIANCE HOLDING LIMITED, a company incorporated in Hong Kong and whose place of business is at 5/F, AIA Financial Centre, 112 King Fuk Street, San Po Kong, Hong Kong (the “**Company**”).

WHEREAS

- (A) this Deed is entered into pursuant to an agreement dated _____ and _____ made between, among others, the Vendor and the Purchaser (the "Agreement") providing for the sale and purchase of the entire issued share capital of the Target Companies.
- (B) at the date of the Agreement, DA Capital (HK) Limited, held all the issued and paid up capital in the PRC Co (as defined below) and the Vendor has undertaken to take all necessary measures to arrange for the disposal of the issued and paid up capital of the PRC Co.

NOW THIS DEED WITNESSETH AND IT IS AGREED AND DECLARED as follows:-

1. INTERPRETATION

(A) In this Deed:-

“PRC Co” means 上海砚安企业管理咨询有限公司

“Target Companies” means DA Capital (HK) Limited and DA Finance (HK) Limited

(B) Words and expressions defined in the Agreement shall, unless the context otherwise requires, have the same meanings in this Deed as in the Agreement.

(C) In this Deed, a reference to:-

- (i) the masculine gender shall include the feminine and neuter, and the singular number shall include the plural, and vice versa;
- (ii) persons shall include bodies corporate, unincorporated associations and partnerships; and
- (iii) Clauses, Paragraphs and Schedule are to clauses and paragraphs of and the schedule to this Deed.

- (D) The headings in this Deed are for convenience only and shall not affect the interpretation of this Deed.
- (E) The Recital and the Schedule set out in this Deed form part of this Deed and shall have the same force and effect as if expressly set out in the body of this Deed and any reference to this Deed shall include the Recital and the Schedule.
- (F) References to statutes or statutory provisions shall be construed as references to those statutes or provisions as amended, extended, consolidated or replaced from time to time (whether before or after the date of this Deed) and any orders, regulations, instruments or subordinate legislation under the relevant statute or statutory provision (whether made before or after the date of this Deed).

2. THE VENDOR OBLIGATIONS AND GUARANTEE

- (A) Subject to the other provisions of this Deed, the Vendor hereby covenants with the Purchaser after the date of this Deed to indemnify it and to keep it indemnified, on demand, from and against all out-of-pocket costs, demands, losses, out-of-pocket expenses and liabilities, any action, claims, proceedings, losses and damage which may be made against or suffered by and costs (including but not limited to legal costs), charges and expenses reasonably and properly incurred by the Purchaser arising out of or in connection with the PRC Co including but not limited to any objections to the transfer of the paid up capital in the PRC Co from DA Capital (HK) Limited to Kingway Asia Pacific Limited pursuant to share transfer agreement dated 30 December 2018.
- (B) No claim under this Deed shall be made by the Purchaser unless written notice of such claim, specifying in detail the Event to which the claim relates and the amount claimed, has been given by them to the Vendor. Such written notice shall be made no later than two (2) years from the date of this Deed.

3. PAYMENTS FREE OF WITHHOLDING, ETC.

- (A) Subject to Clause 3(B), all payments made by the Vendor under this Deed shall be made gross, free of any rights of counterclaim or set-off and without any deduction or withholding of any nature.
- (B) The Vendor shall make any deduction or withholding required by law from any payment under this Deed and the sum due from the Vendor in respect of the payment shall be increased to the extent necessary to ensure that, after the making of any deduction or withholding, the Purchaser receives a sum equal to the sum it would have received had no deduction or withholding been required to be made.

5. DATE FOR PAYMENT AND INTEREST

- (A) The Purchaser shall give the Vendor twenty-one (21) days' prior written notice of any amount payable under Clauses 2.
- (B) If the Vendor requests within fourteen (14) days of receipt of the notice referred to in Clause 5(A), the amount referred to in Clause 5(A) shall be confirmed by the Purchaser's auditors whose decision shall be confirmed by an internationally reputable

firm of accountants (the "Accountants") to be mutually agreed by the Purchaser and the Vendor at the cost of the parties in equal proportion. The Accountants shall act as expert and not as arbitrator and the confirmation shall (except for manifest error) be conclusive and binding on the Vendor and the Purchaser. If the Accountants fail or refuse to give the confirmation referred to above and notwithstanding anything herein contained to the contrary, the Vendor shall not be liable, hereunder or otherwise, to pay the amount referred to in Clause 5(A).

- (C) Subject to the provisions in Clause 5(B), the Vendor shall pay the amount referred to in Clause 5(A) to the Purchaser in cleared funds on or before the tenth (10th) Business Day following the date of receipt of the notice referred to in Clause 5(A) or, if later, the confirmation referred to in Clause 5(B).
- (D) Subject to the provisions in Clause 5(B), any amount not paid under this Deed by the Vendor on the due date for payment of the amount shall bear interest (which will accrue from day to day after as well as before judgement) at the best lending rate of The Hongkong and Shanghai Banking Corporation Limited's Hong Kong Dollars loans from the day following the due date for payment of the amount to and including the day of actual payment of the amount compounded quarterly.

7. RECOVERY

- (A) If, after the Vendor has made a payment pursuant to Clause 2, the Purchaser shall receive a refund of all or part of any amount paid by the Vendor from a third party, the Purchaser shall repay, within ten (10) Business Days of the receipt of such amount, to the Vendor who has made a payment in respect of that amount under Clause 2 a sum equal to the amount paid by the Vendor less any expenses, costs and charges properly and reasonably incurred by the Purchaser in recovering such amount.

8. GENERAL

- (A) No variation of this Deed shall be valid unless it is in writing and signed by or on behalf of each of the parties to this Deed.
- (B) No failure to exercise or delay in exercising a right or remedy under this Deed shall constitute a waiver of such right or remedy or a waiver of any other right or remedy and no single or partial exercise of any right or remedy or the exercise of any other right or remedy. Without limiting the foregoing, no waiver by a party of any breach by the other of any provision of this Deed shall be deemed to be a waiver of any subsequent breach of that or any other provision of this Deed.
- (C) The rights and remedies of the Purchaser contained in this Deed are cumulative and not exclusive of any rights or remedies provided by law.
- (D) Any liability to the Purchaser or any of them hereunder may in whole or in part be released, compounded or compromised (and time or indulgence may be given) by the Purchaser or any of them in their or its absolute discretion as regards the Vendor under such liability.

- (E) In any event that any claim subject to the indemnities hereunder is or has been discharged by the Purchaser or any of them, the indemnities given hereunder shall take effect as covenants by the Vendor forthwith to reimburse the Purchaser or such of them for the amount of any loss or payment so discharged.

9. ASSIGNMENT

The whole or any part of the benefit of this Deed may not be assigned by any party without the written consent of the other party.

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- (A) Any notice or other communication under or in connection with this Deed shall be in writing and shall be delivered personally or sent by pre-paid post by facsimile, to the party due to receive the notice or communication at her/its address set out in the Agreement or such other address as any party may specify by notice in writing to the other.

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- (i) if delivered personally, when left at the address referred to in Clause 10(A);
- (ii) if sent by mail other than air mail, two days after posting it;
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- (B) The parties to this Deed irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong in relation to any claim, dispute or difference which may arise out of or in connection with this Deed.

12. COUNTERPARTS

This Deed may be executed in any number of counterparts and by the parties to this Deed on separate counterparts, each of which when executed and delivered shall be an original, but all the counterparts together shall constitute one and the same instrument.

IN WITNESS whereof this Deed has been duly executed and delivered by the parties hereto or their duly authorised representatives on the day and year first above written.

SIGNED SEALED and DELIVERED by)
MR. CHEN NINGDI)
in the presence of:)