

Executed version

DATE: 22 March 2022

SONG CHENGLI
(as the **Vendor** and the **Guarantor**)

AND

HAO BAI INTERNATIONAL (CAYMAN) LIMITED
(as the **Purchaser**)

AGREEMENT FOR SALE AND PURCHASE IN

THE SHARES OF

CITY KEY GROUP LIMITED

THIS AGREEMENT is made on 22 March 2022

BETWEEN:

- (1) **SONG CHENGLEI**, holder of resident identity card of the People's Republic of China no. 220183199411105631, of Group 8, Yaolalaton, Lianhua Village, Chalukou Town, Dehui City, Jilin Province, the People's Republic of China (the "**Vendor**" and the "**Guarantor**"); and
- (2) **HAO BAI INTERNATIONAL (CAYMAN) LIMITED**, a company incorporated in the Cayman Islands with limited liability whose registered office is situate at Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman, KY1-1111 Cayman Islands (the "**Purchaser**").

WHEREAS:

- (A) City Key Group Limited (the "**City Key**") is a company incorporated in the British Virgins Islands with limited liability and has an authorised share capital of US\$50,000 divided into 50,000 ordinary shares of US\$1.00 each, of which 1 share has been issued and is fully paid up by the Vendor.
- (B) City Key owns 100% issue shares of Xin Fu Zheng Rading Limited, a company incorporated under the law of Hong Kong with limited liability, which in turn owns 100% issued shares of Shenzhenshi Xing Fu Zheng Information Consulting Co., Ltd.*(深圳市興富正信息諮詢有限公司) ("**Xing Fu Zheng**"), a private company incorporated in the PRC with limited liability.
- (C) The chain of shareholdings as described in (B) above formed a wholly foreign-owned enterprise (the "**WOFE**") structure. Under the WOFE structure, Xing Fu Zheng directly holds 51% of issued shares of Jiayou (Beijing) Commercial and Trading Limited*(嘉油(北京)商貿有限公司) ("**Jiayou (Beijing)**"), a company incorporated in the PRC with limited liability.
- (D) Jiayou (Beijing) is principally engaged in provision of engineering, procurement, construction and management (the "**EPCM**") services of commercial and residential infrastructures for property developers and private project owners in different regions of the PRC. As at the date of this Agreement, it has two ongoing EPCM projects in its order book with details set out in Schedule 2.
- (E) The Purchaser is an investment holding company, being listed on the GEM of the Stock Exchange. The Purchaser and its subsidiaries principally engages in provision of design, procurement and installation services of water circulation systems, and provides services, which are categorised as (i)

management contracting services – design, procurement and installation of water circulation systems, (ii) consultancy services – provision of consultancy services on water circulation systems, and (iii) maintenance services – provision of maintenance and repair services for water circulation systems, to developers, main contractors and subcontractors in various residential projects and hotel, casino, shopping and recreation complex projects in Hong Kong and Macau.

- (F) The Purchaser intends to purchase the entire issue shares of City Key from the Vendor (the “**Sale Shares**”).
- (G) The Vendor agrees to sell and the Purchaser, in reliance on the representations, undertakings, warranties and indemnities by the Vendor, agrees to purchase the Sale Share subject to and upon the terms and conditions of this Agreement.

NOW IT IS HEREBY AGREED as follows:

1. INTERPRETATION

- 1.1** In this Agreement (including the Recitals and Schedules), unless the context requires otherwise, the following expressions shall have the meanings ascribed to each of them respectively below:

“ Accounts ”	the unaudited consolidated management accounts of each of the Companies for the period from the date of its incorporation to 31 December 2021
“ Accounts Date ”	31 December 2021
“ Business Day(s) ”	any day(s) (other than Saturday, Sunday and other general public holidays in Hong Kong and any day(s) on which a tropical cyclone warning no.8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a black rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“ Companies ”	mean the list of companies as described in Recital (A) (B) and (C) above and in Schedule 1
“ Completion ”	completion of the sale and purchase of the Sales

	Shares in accordance with the terms and conditions of this Agreement
“Completion Date”	the date of falling fourteen (14) Business Days after the fulfilment (or waiver) of the conditions set out in Clause 3.2 or any other date as may be agreed by the parties
“Consideration”	the aggregate price payable by the Purchaser to the Vendor for the purchase of the Sale Shares in the amount stated in Clause 4.1
“Encumbrances”	any mortgage, pledge, charge, lien, option, right of first refusal, hypothecation, and all other third party rights and interests, adverse claims and other encumbrances of all kinds and descriptions
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Guaranteed Period”	the period from 1 January 2022 to 31 December 2024
“Hong Kong Dollars” or “HK\$”	the lawful currency of Hong Kong from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third part(ies) and their ultimate beneficial owner(s) which are independent of the Purchaser and its connected persons (as defined in the GEM Listing Rules)
“Promissory Note”	the promissory note in the aggregate principal amount of HK\$7,000,000 to be issued by the Purchaser to the Vendor or its nominee(s) in accordance with its terms and conditions of this Agreement
“PRC”	the People’s Republic of China
“SFC”	the Securities and Futures Commission

“ Stock Exchange ”	The Stock Exchange of Hong Kong Limited
“ this Agreement ”	this agreement for the sale and purchase of the Sale Shares as originally executed and amended from time to time
“ US\$ ”	United States dollars, the lawful currency of United States of America
“ Warranties ”	the representations, warranties and undertakings of the Vendor set out in Schedule 3 and all other representations, undertakings and warranties provided by the Vendor under this Agreement

- 1.2 References in this Agreement to clauses and schedules are references to clauses and schedule of this Agreement and reference to sub-clauses and paragraphs are unless otherwise stated, reference to sub-clauses and paragraphs of the clause, sub-clause or, as appropriate, the schedule in which the reference appears.
- 1.3 The expressions the “**Vendor**” and the “**Purchaser**” shall, where the context permits, include their respective successors and personal representatives.
- 1.4 The headings of this Agreement are inserted for convenience only and shall be ignored in constructing this Agreement.
- 1.5 Unless the context requires otherwise, reference in this Agreement to the singular shall be deemed to include references to the plural and vice versa; reference to one gender shall include all genders and references to any persons shall include an individual, firm, body corporate and unincorporate.
- 1.6 In this Agreement, any reference to a document in the “**agreed form**” is to a form of the relevant document which is in form and substance satisfactory to the Purchaser.

2. SALE AND PURCHASE OF THE SALE SHARES

- 2.1 Subject to and upon the terms and conditions of this Agreement, the Vendor shall as beneficial owner sell and the Purchaser shall purchase the Sale Shares free from all Encumbrances, if any, together with all rights now and hereafter attaching thereto including but not limited to all dividends paid, declared or made in respect thereof at any time on or before the Completion Date.

2.2 Neither the Purchaser nor the Vendor shall be obliged to purchase or sell the Sale Shares unless the sale and purchase of the Sale Shares are completed simultaneously.

3. CONDITIONS

3.1 The Purchaser shall and shall procure that its agents shall forthwith upon the signing of this Agreement conduct such review of, among other things, the assets, liabilities, operations and affairs of the Companies as it may reasonably consider appropriate and the Vendor shall provide and procure the Companies and their agents to provide such assistance as the Purchaser or its agents may reasonably require in connection with such review.

3.2 Completion shall be conditional upon and subject to:

- (a) the Purchaser being satisfied with the results of the due diligence review on the Companies to be conducted under Clause 3.1;
- (b) all the necessary approvals, consents and permits from the PRC government or other applicable authorities in respect of the sale of the Sale Shares and the transaction contemplated thereunder having been obtained and the necessary changes in the registration (including but not limited to the changes of director(s), legal representative(s), articles and associations and relevant information) having been filed with the relevant authorities;
- (c) the Warranties remaining true, accurate and not misleading in all respects at Completion and at all times between the date of this Agreement and Completion; and
- (d) the Purchaser shall be satisfied that, from the date of this Agreement to Completion that there has not been any change which has a material and adverse effect on the business and financial position of the Companies as a whole.

3.3 The Vendor shall use its best endeavours to assist the Purchaser in connection with the due diligence review to be conducted under Clause 3.1 and procure the fulfilment of the conditions set out in 3.2 (a), (b), (d) and (e).

3.4 The Purchaser may at its absolute discretion at any time waive in writing any of the conditions set out in Clause 3.2 (a) to (e) (to the extent it is capable of being waived) and such waiver may be made subject to such terms and conditions as are determined by the Purchaser. If the conditions set out in Clause 3.2 have not been satisfied (or as the case may be, waived) on or before 4:00 p.m. on 11 April 2022, or such later date as the Vendor

and the Purchaser may agree (the "**Long Stop Date**"), this Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms hereof and the full amount of Deposit (as defined hereafter) will be dealt with the manner provided in this Agreement.

4. CONSIDERATION AND PROFIT GUARANTEE BY THE VENDOR

4.1 The aggregate Consideration payable by the Purchaser for the sale and purchase of the Sale Shares shall be Nine Million Hong Kong Dollars (HK\$9,000,000).

4.2 The Consideration shall be satisfied by the Purchaser in the following manner:

(a) an initial deposit of Two Million Hong Kong Dollars (HK\$2,000,000) (the "**Deposit**"), payable by the Purchaser to the Vendor within 14 days after signing of this Agreement; and

(b) the balance of the Consideration of Seven Million Hong Kong Dollars (HK\$7,000,000), payable within 21 days after Completion by way of issuance of the Promissory Notes by the Purchaser to the Vendor or its nominees on terms and condition as set out on Schedule 4 attached hereto.

4.3 (a) In respect of the payment of the Consideration or any part hereof, the Purchaser shall deliver to the Vendor at or before the time for which such payment is required to be made a cashier's order issued by a licensed bank in Hong Kong, a solicitors' cheque or a cheque in favour of the Vendor for the relevant amount.

(b) For the avoidance of doubt, the payment made by the Purchaser to the Vendor under Clause 4.2 (a) above shall be deposits paid in advance of the Completion. If Completion does not occur, such deposits will be dealt with the manner as provided under this Agreement.

(c) The Purchaser shall for all intents and purposes be deemed to have discharged its obligation to make payment hereunder if in making such payment, the Purchaser also complies with the provision of this Clause.

4.4 (a) The Vendor irrevocably and unconditionally warrant and guarantee to the Purchaser that, during the Guarantee Period, the aggregate audited net profit after tax of Jiayou (Beijing) will not be less than RMB27,000,000.

(b) The Vendor agrees that the Purchaser shall not need to pay itself where

the Guaranteed Profit is achieved during the Guarantee Period.

(c) Where the Guaranteed Profit is not achieved during the Guaranteed Period (i.e. the Guaranteed Profit is less than the actual profit of Jiayou (Beijing) for the three years ending 31 December 2024 (the “**Actual Profit**”), the compensation amount which shall be paid from the Vendor to the Company is calculated based on the below formula:

$$\text{Compensation} = (\text{Guaranteed Profit} - \text{Actual Profit}) \times 1.9$$

(d) The Purchaser and the Vendor agrees that the maximum amount of compensation shall not be more than the principal amount of the Consideration.

(e) The Purchaser shall not need to pay to the Vendor if the Actual Profit is higher than the Guaranteed Profit during the Guaranteed Period.

5. COMPLETION

5.1 Upon compliance with or fulfilment (or waiver) of all the conditions set out in Clause 3.2, Completion shall take place at 4:00 p.m. on the Completion Date, or such later date as the Vendor and the Purchaser may agree, at the office of the Purchaser at Unit 1B, 10/F, Elite Industrial Centre, No. 883 Cheung Sha Wan Road, Kowloon, Hong Kong when all the acts and requirements set out in this Clause 5 shall be complied with.

5.2 At Completion, the Vendor shall deliver or cause to be delivered to the Purchaser:

- (a) instrument(s) of transfer and bought and sold notes in respect of the transfer of the Sale Shares duly completed and executed by the Vendor in favour of the Purchaser and/or its nominee(s);
- (b) original share certificate(s) in respect of the Sale Shares;
- (c) copy, certified by a director of the Companies as true and complete, of the resolutions of the board of directors of each of the Companies referred to Clause 5.3;
- (d) where requested by the Purchaser, resignation letter(s) duly signed by the respective director(s), secretary(ies) or legal representative(s) of each of the Companies (if any) stating that he/she has no claim of whatever nature against the respective Company;
- (e) such other documents as may be required to give to the Purchaser good title to the Sale Shares and to enable the Purchaser or its nominees to become the registered owner thereof;

- (f) the original certificate of good standing and encumbrance of each of the Companies dated not more than seven (7) days immediately prior to the Completion Date;
- (g) evidence reasonably satisfactory to the Purchaser that the conditions set out in Clause 3.2 (a) to (e) have been satisfied (or, as appropriate, waived and the Purchaser will issue evidence in writing for waiver of such conditions set out in such clauses prior to the Completion Date in such event);
- (i) the original of a confirmation signed by the Vendor, confirming there being no breach of any of the Warranties, such confirmation to be in a form and substance satisfactory to the Vendor and the Purchaser;

5.3 The Vendor shall procure a meeting of the board of directors of each of the Companies to be held at which resolutions shall be passed for:

- (a) the execution of this Agreement, and all relevant documents, deeds, or instruments effecting the sale of the Sale Shares;
- (b) the approval for the transfer of the Sale Shares from the Vendor to the Purchaser (or its nominees) and the registration of the Purchaser (or its nominees) as holder of the Sale Shares with effect from the Completion;
- (c) the issue of a share certificate in accordance with the laws of British Virgin Islands in respect of the Sale Shares in the name of the Purchaser (or its nominees);
- (d) the appointment of such persons nominated by the Purchaser as director(s) of the Companies (save for Jiayou (Beijing)) with effect from Completion so that immediately after Completion, the directors nominated by the Purchaser would control the board of directors of the Companies;
- (e) the amendment of all existing mandates for operation of all the bank accounts maintained by the Companies (save for Jiayou (Beijing)) in such manner as the Vendor and the Purchaser may agree to the effect that the signatory for all cheques and drawings shall be two (2) directors which shall be nominated by the Purchaser;
- (f) the appointment of such person nominated by the Purchaser as director(s) of Jiayou (Beijing) with effect from Completion so that immediately after Completion, the director(s) nominated by the

Purchaser would comprise at least 75% of the board of directors of Jiayou (Beijing);

- (g) the amendment of all existing mandates for operation of all the bank accounts maintained by Jiayou (Beijing) in such manner as the Vendor and the Purchaser may agree to the effect that the signatory for all cheques and drawings shall be two (2) directors, one of which shall be nominated by the Vendor and the other shall be nominated by the Purchaser;
- (h) such other matters as the Purchaser may reasonably request in writing at least seven (7) Business Days before Completion.

5.4 Against compliance by the Vendor of all acts and requirements set forth under Clause 5.2 and 5.3, on Completion, the Purchaser shall:

- (a) deliver to the Vendor duly executed instruments of transfer and bought and sold notes in respect of the Sale Shares and procure the stamping of the same (if necessary);
- (b) deliver to the Vendor a copy, certified as true and complete by a director of the Purchaser, of resolutions of the boards of directors of the Purchaser approving this Agreement and other documents necessary for the purpose of purchase of the Sale Shares and authorising a person or persons to execute the same (with seal, where appropriate) for and on its behalf; and
- (c) deliver or procure delivery, to the Vendor of the necessary documents related to the Promissory Note.

5.5 In the event that the Vendor shall fail to do anything required to be done by them under Clauses 5.2, and 5.3, without prejudice to any other right or remedy available to the Purchaser, the Purchaser may:

- (a) defer Completion to a day not more than 28 days after the date fixed for Completion; or
- (b) proceed to Completion so far as practicable but without prejudice to the Purchaser's right to the extent that the Vendor and the Companies shall not have complied with their obligations hereunder; or
- (c) rescind this Agreement without liability on their part.

5.6 In the event after conditions as stated in Clause 3.2 are fulfilled or waived (to the extent they are capable of being waived) on or before the Long Stop Date but Completion does not take place due to the sole default of the

Vendor, the Vendor shall forthwith refund the Deposit to the Purchaser, and thereafter, neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms hereof.

- 5.7 In the event after conditions as stated in Clause 3.2 are fulfilled or waived (to the extent they are capable of being waived) on or before the Long Stop Date but Completion does not take place other than due to the sole default of the Vendor, the Vendor shall forfeit the Deposit, and thereafter, neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms hereof.

6. RESTRICTION ON ANNOUNCEMENTS

- 6.1 Each of the parties undertakes to the others that it will not, at any time after the date of this Agreement, divulge or communicate to any person other than to its professional advisers, or when required by law or any rule of any relevant stock exchange body, or to its respective officers or employees whose province it is to know the same any confidential information concerning the business, accounts, finance or contractual arrangements or other dealings, transactions or affairs of any of the others which may be within or may come to its knowledge and it shall use its best endeavours to prevent the publication or disclosure of any such confidential information concerning such matters.

- 6.2 No public announcement or communication of any kind shall be made in respect of the subject matter of this Agreement unless specifically agreed between the parties or unless an announcement is required pursuant to the applicable law and the regulations or the requirements of the Stock Exchange, the SFC or any other regulatory body or authority. Any announcement by any party required to be made pursuant to any relevant law or regulation or the requirements of the Stock Exchange, the SFC or any other regulatory body or authority shall be issued only after such prior consultation with the other party as is reasonably practicable in the circumstances.

7. WARRANTIES

- 7.1 The Vendor hereby represents and warrants to the Purchaser and 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 Completion Date.
- 7.2 Each of the Warranties is without prejudice to any other Warranty and, except where expressly or otherwise stated, no provision in any Warranty shall govern or limit the extent or application of any other provision in any Warranty. The Vendor hereby agrees that the Purchaser shall treat each of the Warranties as a condition of this Agreement.

7.3 The Vendor hereby agrees to fully indemnify and keeps the Purchaser and their assigns fully indemnified on demand from and against any depletion of assets, all losses, costs and expenses (including legal expenses) which the Purchaser may incur or sustain from or in consequence of any of the Warranties not being correct or fully complied with. This indemnity shall be without prejudice to any of the rights and remedies of the Purchaser and their assigns in relation to any such breach of Warranties and all such rights and remedies are hereby expressly reserved.

7.4 If it shall be found at any time after Completion that any of the Warranties is not true, correct and accurate or is not as represented, warranted or undertaken and:

- (a) the effect thereof is that the value of some assets of the each of the Companies including, without limitation, the value of any asset stated in the Accounts is less than its value would have been had there been no such breach or the matter warranted were as warranted; or
- (b) the Companies have incurred or is under any liability or contingent liability which would not have been incurred if such matter were as represented or warranted or the relevant undertaking were performed; or
- (c) the effect thereof is that the amount of a liability of the Companies are higher than its amount would have been had there been no such breach or the matter warranted were as warranted,

then, without prejudice to any other provisions of this Agreement, the Vendor shall indemnify the Purchaser on demand on a full indemnity basis, and holds them harmless from and against all liabilities, damages, costs, claims, reduction in net consolidated assets or increase in net consolidated liabilities and all reasonable expenses which the Purchaser may sustain, suffer, or incur as a result of any of the foregoing and the Vendor shall pay to the Purchaser on demand the full amount of any such loss as aforesaid in immediately available funds.

7.5 The Warranties shall survive until Completion and the rights and remedies of the Purchaser in respect of any breach of the Warranties shall not be affected by Completion or by the Purchaser rescinding, or failing to rescind this Agreement, or failing to exercise or delaying the exercise of any right or remedy, or by any other event or matter whatsoever, except a specific and duly authorised written waiver or release and no single or partial exercise of any right or remedy shall preclude any further or other exercise.

7.6 The Purchaser shall be entitled to take action both before and after

Completion in respect of any breach or non-fulfillment of any of the Warranties and Completion shall not in any way constitute a waiver of any right of the Purchaser.

7.7 The Vendor undertakes in relation to any Warranty which refers to the knowledge, information or belief of the Vendor that it has made full enquiry into the subject matter of that Warranty and that it does not have the knowledge, information or belief that the subject matter of that Warranty may not be correct, complete or accurate.

7.8 The Vendor shall immediately inform the Purchaser in writing of any fact, matter, event or circumstance which renders any of the Warranties untrue, inaccurate or misleading or will give rise to a breach of any of the Warranties on or before Completion.

8. CONDUCT OF BUSINESS PENDING COMPLETION

8.1 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 the Companies, no resolution of the directors or members of the Companies shall be passed prior to Completion without the prior written consent of the Purchaser.

8.2 The Vendor hereby undertakes with the Purchaser that until Completion the Companies shall carry on its business in a manner consistent with its existing practice and shall:

(1) procure that the Companies shall 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

(2) keep the Purchaser reasonably informed of all matters relating to the Companies their business, assets and prospects.

8.3 Without prejudice and notwithstanding Clauses 8.1 and 8.2, The Vendor undertakes that it shall pending Completion take all steps necessary to ensure that the Companies shall not carry out any of the following actions and no resolution of the board of directors of the Companies or of their general meeting shall be passed to carry out the same unless the written consent of the Purchaser is obtained:

(a) the creation or issue of any shares in the Companies or the grant of any options over any shares or the uncalled capital of the Companies or the issue of any warrant, debentures, securities or other obligations convertible into shares in the Companies or enter into any agreement to do any of the same;

- (b) the capitalisation, repayment or other form of distribution of any amount standing to the credit of any reserve of the Companies on the redemption or purchase of any shares in the Companies or any other reorganisation of share capital;
- (c) the winding-up or liquidation of the Companies;
- (d) the alteration of the rights attaching to any of the Sale Shares or the shares in the Companies;
- (e) the alteration of the memorandum and articles of association of the Companies and the passing of any resolutions inconsistent with the provision of this Agreement;
- (f) the acquisition or disposal of any lease or any other interests in real property owned or occupied by the Companies or the creation of any mortgage or other encumbrance over such property;
- (g) the acquisition or disposal of any property or other asset by the Companies;
- (h) the acquisition or formation by the Companies of any subsidiary or the acquisition of any share in any other company or the participation by the Companies in any partnership or joint venture;
- (i) the sale or disposal of the whole or a substantial part of the undertaking or the assets of the Companies;
- (j) the entering into of any material contract by the Companies other than in its ordinary course of business;
- (k) except in the ordinary and normal course of business of the 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;
- (l) the amalgamation or merger of the Companies with any other company or concern;
- (m) the alteration of the composition of any board of directors of the Companies;
- (n) the making of any capital commitment by the Companies;
- (o) the borrowing of any moneys or acceptance of credit facilities by the Companies from banks, financial institutions and any other third

parties;

- (p) the making, declaration or payment of any dividend or distribution;
- (q) doing, allowing or procuring any act or omission on or before Completion which will constitute a breach of any of the Warranties; or
- (r) doing anything which is likely to materially jeopardize or diminish the value of any tangible assets of the Companies.

9. RESCISSION

9.1 If at any time before Completion, the Purchaser finds that any of the Warranties is incorrect or has not been or is incapable of being fulfilled, the Purchaser may rescind this Agreement by written notice to the Vendor. If the Purchaser shall elect to rescind this Agreement, the Vendor shall fully indemnify the Purchaser and keep the Purchaser fully indemnified in respect of all fees, costs and expenses (including legal fees) reasonably incurred by the Purchaser in connection with the negotiation, preparation, execution and rescission of this Agreement.

9.2 The Purchaser's rights under Clause 9.1 are in addition to and without prejudice to all other rights and remedies available to them and any partial exercise of or failure to exercise such rights shall not constitute a waiver of such rights or of any other rights whether conferred under this Agreement or otherwise.

9A. LIMITATION ON THE WARRANTIES AND INDEMNITY CLAIMS

9A.1 The liability of the Vendor in respect of any claims for breach of Warranties shall be limited as follows:

- (1) the maximum aggregate liability of the Vendor in respect of all claims for breach of Warranties shall not exceed the amount of the Consideration;
- (2) in respect of any claims for breach of Warranties, the Vendor shall not be liable for any individual claim which does not exceed HK\$500,000 provided that, where the amount or the aggregate amount of one or more of such individual claims exceeds HK\$500,000, the Vendor shall be liable for the full amount of all such claims; and
- (3) no claim may be brought against the Vendor in respect of a breach of Warranties after twenty four months from Completion ("**Warranty Expiry Date**") and each of the Vendor shall not be liable in respect

of a breach of Warranties unless it shall have received written notice from the Purchaser prior to the Warranty Expiry Date giving reasonable details of the relevant claim and any such claim shall (if not previously satisfied, settled or withdrawn) be deemed to have been waived or withdrawn at the expiry of a period of six months after the Warranty Expiry Date unless proceedings in respect thereof shall have already been commenced against the Vendor.

- 9A.2 The Vendor shall not be liable for the Warranties:
- (1) to the extent that provision or reserve in respect thereof has been made in the Accounts;
 - (2) which would not have arisen but for a default on the part of the Purchaser of any of the terms herein;
 - (3) which arises as a result of legislation which comes into force after the date hereof with retrospective effect; and
 - (4) which arises as a result of a change in accounting policies after Completion.
- 9A.3 The Purchaser shall, upon any claim, action, demand or assessment being made or issued against the Purchaser or the Companies which could lead to a claim by the Purchaser for breach of any of the Warranties, give notice thereof to the Vendor as soon as reasonably practicable.

- 9A.4 Where a claim for breach of any Warranty or undertakings is made under this Agreement and has been settled subsequently, save as expressly reserved in any settlement of such a claim, all other rights and remedies (if any) of the Purchaser in respect of the subject matter thereof, whether under this Agreement or otherwise, are hereby excluded
- 9A.5 The Purchaser shall (and shall procure that the Companies shall) take such action and give such information and assistance in connection with their respective affairs as the Vendor may reasonably request in writing to avoid, dispute, resist, mitigate, compromise, defend or appeal against any claim in respect thereof and any adjudication with respect thereto.
- 9A.6 The amount of any compensation or damages payable by the Vendor in respect of any claim for breach of any Warranty shall be computed after taking into account and giving full credit for:
- (1) any increase in the amount or value of any assets or discharge from or satisfaction of or reduction in any liability of the Companies as a result of or arising out of or arising out of or attributable to the fact, matter, event or thing giving rise to any relevant claim;
 - (2) any liability of the Companies included in the Accounts having been discharged or satisfied for less than the amount attributed thereto;
 - (3) any provision for Taxation, bad or doubtful debts or contingent or other liabilities of the Companies included in the Accounts having been proved to have been over provided for; and
 - (4) the amount of any taxation credits, taxation relief or setoffs due to or received by the Purchaser or the Companies except to the extent that the same shall have been taken into account in the Accounts.
- 9A.7 If the Vendor shall pay to the Purchaser any amount by way of compensation or damages for breach of the Warranties or any undertakings and the Purchaser or the Company subsequently recover from a third party an amount which represents the full or part of the compensation or damages paid by the Vendor and/or the Warrantor, the Purchaser shall repay to the Vendor such amount previously paid by the Vendor or so much thereof as does not exceed the amount received from the third party (subject to the deduction from the amount recovered all legal and other expenses reasonably incurred by the Purchaser in recovering from the third party such amount which legal and other expenses cannot also be recovered from such third party).
- 9A.8 None of the Warranties nor any benefit nor claim under this Agreement in

respect of any breach of Warranties may be assigned to any person without the prior written consent of the Vendor.

10. **FURTHER ASSURANCE**

The Vendor shall, at the cost of the Purchaser execute, do and perform or procure to be executed, done and performed by other necessary parties all such further acts, agreements, assignments, assurances, deeds and documents as the Purchaser may reasonably require to vest effectively the legal and beneficial ownership of the Sale Shares in the Purchaser.

11. **ACCESS TO INFORMATION**

The Vendor shall procure that, pending Completion, the Purchaser, their agents, representatives and professional advisers are given promptly on request full access to all such facilities and information regarding the business, assets, liabilities, contracts and affairs of the Companies and other evidence of ownership of the assets owned by the Companies as the Purchaser may require.

12. **NOTICES**

12.1 Each notice, demand or other communication given, made or serve under this Agreement shall be in writing and delivered or sent to the relevant party by prepaid postage (by airmail if to another country), facsimile transmission or personal delivery to its address or fax number as set out below (or such other address or fax number as the addressee has by five (5) days' prior written notice specified to the other parties):

To Vendor:	Mr. Song Chenglei
Address	Group 8, Yaolalaton, Lianhua Village, Chalukou Town, Dehui City, Jilin Province, the People's Republic of China
Telephone	(852) 3106 3456

To the Purchaser: Hao Bai International (Cayman) Limited

Address	Unit 1B, 10/F, Elite Industrial Centre, No. 883 Cheung Sha Wan Road, Kowloon, Hong Kong
Fax	(852) 2388 8396
Telephone	(852) 6681 3191 Mr. Nam Ho Kwan

- 12.2 Each notice, demand or other communication given, made or serve under this Agreement shall be deemed to have been given and received by the relevant parties (i) within two (2) days after the date of posting, if sent by local mail; four (4) days after the date of posting, if sent by airmail; (ii) when delivered, if delivered by hand; and (iii) on despatch, if sent by facsimile transmission.
- 12.3 The Vendor hereby irrevocably appoints the Ms. Winky Leung, holder of Hong Kong Identity Card no. D-602276(7) as its service agent to receive and acknowledge on its behalf service of any notice, writ, summons, order, judgment or communication in relation to this Agreement and further agrees that any such legal process or notice shall be sufficiently served on it if delivered during normal office hours to such agent for service at its address for the time being in Hong Kong. The Vendor further agrees to maintain a duly appointed agent in Hong Kong to accept service of process out of the courts of Hong Kong and to keep the Purchaser informed of the name and address of such agent.
- 12.4 The Purchaser hereby irrevocably appoints the Ms. Wong Wing Hung (“**Ms. Wong**”) , holder of Hong Kong Identity Card no. K227386(1) as its service agent to receive and acknowledge on its behalf service of any notice, writ, summons, order, judgment or communication in relation to this Agreement and further agrees that any such legal process or notice shall be sufficiently served on it if delivered during normal office hours to such agent for service at its address for the time being in Hong Kong. The Purchaser further agrees to maintain a duly appointed agent in Hong Kong to accept service of process out of the courts of Hong Kong and to keep the Vendor informed of the name and address of such agent. Service on Ms. Wong (or such agent as may be notified by the Purchaser from time to time) shall be deemed to be service on its appointer.

13. TIME AND NO WAIVER

Time shall in every respect be of the essence of this Agreement but no failure on the part of any party hereto to exercise, and no delay on its part in exercising any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise of it or the exercise of any other right(s) or prejudice or affect any right(s) against any other parties hereto 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.

14. INVALIDITY

If at any time any one or more of the provisions of this Agreement is/are or become(s) illegal, invalid or unenforceable in any respect under laws of any jurisdiction, the legality, validity or enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

15. AMENDMENTS

- 15.1 Subject to Clause 17.2, this Agreement shall not be amended, supplemented or modified except by instruments in writing signed by each of the parties hereto.

16. ASSIGNMENT

This Agreement shall be binding on and enure to the benefit of each party hereto and its respective successors and permitted assigns provided that none of the parties hereto shall assign or transfer or purport to assign or transfer any of its rights or obligations hereunder without the prior written consent of the other parties.

17. ENTIRE AGREEMENT

This Agreement constitutes an entire agreement between the parties hereto with respect to the matters dealt with herein and supersedes any previous agreements, arrangements, statements or transactions between the parties hereto in relation to the subject matters hereof.

18. COSTS AND STAMP DUTY

18.1 Each party shall bear 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.

18.2 All stamp duty (if any) payable in respect of the sale and purchase of the Sale Shares shall be borne by the Vendors and the Purchaser in equal shares.

19. COUNTERPART

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of parties hereto may execute this Agreement by signing any such counterparts.

20. GOVERNING LAW AND JURISDICTION

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

20.2 The parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong.

SCHEDULE 1

Details of the Companies

Company Name: City Key Group Limited
Place of incorporation: British Virgins Island

Company no: 2092653
Date of incorporation: 28 February 2022
Registered office: Vistra Corporate Services Centre Wickhams Cay II Road Town Tortola
VG1110 British Virgin Islands

Authorised capital: USD50,000
Issued capital: 1
Shareholder(s): Song Chenglei
Director(s): Song Chenglei
Residential address: Group 8, Yaolalaturun, Lianhua Village, Chalukou Town, Dehui City, Jilin
Province

Email address: 1247652293@qq.com
Telephone: (86) 1 851 0111 616
Nature of Business: Investment holding

Company Name: Xin Fu Zheng Rading Limited
Place of incorporation: Hong Kong
Company no: 2664791
Date of incorporation: 12-Mar-18
Registered office: Room 803, 8/F, Easey Commercial Building, 253-261 Hennessy Road,
Wanchai, Hong Kong

Authorised capital: HKD10,000
Issued capital: 10,000
Shareholder(s): City Key Group Limited
Director(s): Nam Ho Kwan
Nature of Business: Trading

Company Name: 深圳市興富正信息諮詢有限公司
Place of incorporation: PRC
Company no: 440300280277870
Date of incorporation: 26 February 2019
Registered office: Room 25K, Block 1, Mingjin Plaza, Yuheng Road, Yunong Shequ, Futian Street, Shenzhen, PRC
Registered capital: HK\$10,000,000 Shareholder(s):
Xin Fu Zheng Rading Limited
Director(s): Cai Wei
Nature of Business: Investment holding

Company Name: 嘉油(北京)商貿有限公司
Place of incorporation: PRC
Company no: 110106031580430
Date of incorporation: 30 July 2021
Registered office: No. 650, Room 601, 6th floor, Qiyibainian 24, Fengtai District, Beijing, PRC
Authorised capital: RMB50,000,000
Shareholder(s): 深圳市興富正信息諮詢有限公司
Director(s): Song Xiancai
Nature of Business: provision of engineering, procurement, construction and services of commercial and residential infrastructures for property developers and private project owners in different regions of the PRC

SCHEDULE 2

Details of Jiayou (Beijing) and EPCM projects

Jiayou (Beijing) Commercial and Trading Limited*(嘉油(北京)商貿有限公司) (“**Jiayou (Beijing)**”) is a company incorporated under the laws of the PRC on 30 July 2021 with a registered share capital of RMB50.0 million, whose registered office is situated at No. 650, Room 601, 6th floor, Qiyibainian 24, Fengtai District, Beijing, PRC. Jiayou (Beijing) is principally engaged in provision of engineering, procurement, construction and management (the “**EPCM**”) services of commercial and residential infrastructures for property developers and private project owners in different regions of the PRC.

EPCM project - Gaobeidianshi (高碑店市) is located in the central part of Hebei Province and the southwest of Beijing. It is located in the hinterland of the triangle of Beijing, Tianjin and Baoding, surrounding the capital Beijing-Tianjin economic circle. It is also a transit place for people in surrounding counties and cities and a wholesale distribution centre for agricultural and related products in Baobei.

EPCM project – Yibin (宜賓) is located in southeast of Sichuan Province, the PRC. A trading centre of agricultural by-products will be constructed in Taiping Industrial Park of Xingwen County, the PRC.

SCHEDULE 3

Warranties

Unless the context otherwise requires and save and except otherwise specified, the representations, warranties and undertakings contained in this Schedule 3 shall be deemed to be repeated mutatis mutandis in relation to, each of the Companies.

Save as disclosed and/or any facts, circumstances, matters or information having been disclosed on or prior to the Completion Date:

1. The Vendor, the Sale Shares

- 1.1 The Vendor has the full power to enter into and perform this Agreement and all documents which are necessary for the Completion, and this Agreement constitutes binding obligations on the Vendor in accordance with its terms.
- 1.2 The Vendor is the legal and beneficial owner of the Sale Shares, and the Sale Shares are free from all Encumbrances and will be sold and transferred to the Purchaser free from all Encumbrances together with all rights and entitlements now and hereafter attaching thereto and the Sale Shares are freely transferable to the Purchaser without the consent, approval, permission, license or concurrence of any third party.
- 1.3 The Sale Shares represent entire issue shares of City Key whose registered shareholder is the Vendor.
- 1.4 The Vendor has the full power to enter into and perform this Agreement, and all documents which are necessary for completion of the transaction contemplated thereunder, and this Agreement constitutes binding obligations on the Vendor in accordance with its terms.

2. Shares

- 2.1 There is no option, right to acquire, mortgage, charge, pledge, lien or other form of security, encumbrance or third party rights on, over or affecting any part of the unissued share capital or loan capital of the each of the Companies or over any part of the issued or unissued share capital or loan capital of each of the Companies and there is no agreement or commitment to give or create any of the foregoing and no claim has been made by any person to be entitled to any of the foregoing which has not been waived in its entirety or satisfied in full.
 - 2.2 There is no agreement or commitment outstanding which calls for the allotment of or issue or accords to any person the right to call for the allotment or issue of any shares in or securities or debentures of the Companies.
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3. Compliance and Corporate Matters

- 3.1 Each of the Companies has duly and properly complied with all filing and registration requirements in respect of corporate or other documents imposed under the relevant laws of the jurisdiction in which it was incorporated or any other jurisdiction to which each of the Companies is subject.
 - 3.2 The statutory books and minute books of each of the Companies have been properly written up and compliance has been made with all applicable legal requirements concerning each of the Companies and all issues of shares, debentures or other securities thereof.
 - 3.3 The register of members of each of the Companies is correct and each of the Companies has not received any claim, application or request for rectification of its register of members and, so far as the Vendor is aware, no circumstances which might lead to any such claim, application or request for rectification of such register to be made have arisen or occurred.
 - 3.4 Each of the Companies and its directors (in their capacity as such) have complied with all relevant and applicable legislation and obtained and complied with all necessary licenses and consents to carry on business whether in the country, territory or state in which it is incorporated or elsewhere, including applicable legislation relating to companies and securities, real property, Taxation and prevention of corruption and have complied with all applicable legal requirements in relation to any transactions to which it is or has been a party prior to Completion.
 - 3.5 The minute books of directors' meetings and of shareholders' meetings respectively contain properly written up records of all resolutions passed by the directors and the shareholders respectively of each of the Companies and no resolutions have been passed by either the directors or the shareholders of each of the Companies which are not recorded in the relevant minute books.
 - 3.6 All charges in favour of each of the Companies (if any) have (if appropriate) been registered in accordance with the provisions of the applicable legislation and regulations and at the relevant registries or authorities.
 - 3.7 All of the documents necessary to prove the ownership of material assets of each of the Companies, and an executed copy of all agreements which are material to each of the Companies and to which each of the Companies is a party, and the original copies of documents which are material to each of the Companies and which are owned by, or which ought to be in the possession of each of the Companies are in its possession, custody or control.
 - 3.8 No governmental or official investigation or inquiry on each of the Companies is in progress or threatened and, to the best knowledge of the Vendor having made all reasonable enquiries, there are no circumstances which are likely to give rise to any such investigation or inquiry.
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- 3.9 Each of the Companies is not and has not agreed to become, a member of any partnership, joint venture, consortium or other unincorporated association.
- 3.10 Each of the Companies does not have any subsidiary or any investment in any other company.

4. Accounts

4.1 The Accounts:

- (A) are complete and accurate in all material respects and give a true and fair view of the state of affairs and financial position of each of the Companies at the dates to which they respectively relate;
- (B) comply with all the requirements of the relevant companies' laws of Hong Kong and other relevant statutes based on place of incorporation of each of the Companies;
- (C) have been prepared in accordance with financial reporting standards of Hong Kong and the PRC (the "**Reporting Standards**") subject to the place of incorporation of the Companies and comply with all relevant Reporting Standards issued by the relevant institute of certified public accountants for the time being in force;
- (D) are not affected by any extraordinary, exceptional or non-recurring item (except as disclosed in the Accounts);
- (E) fully disclose all the assets of each of the Companies as at their respective financial year end dates;
- (F) make full provision or reserve or note in accordance with the Reporting Standards for all liabilities and capital commitments of each of the Companies outstanding at the date to which they relate, including contingent, unqualified, deferred or disputed liabilities present; and
- (G) make provision or reserve, in accordance with the principles set out in the notes respectively included in them, for all taxation liable to be assessed on each of the Companies, or for which each of the Companies may be accountable, in respect of the period ended on the Accounts Date as regards the Accounts and such provision will be sufficient to cover all Taxation assessed or liable to be assessed on each of the Companies or for which the Company, is, may be or may become accountable in respect of profits, income earnings, receipts, transfers, events and transactions up to and including the last day to which they relate.

4.2 The Accounts:

- (A) were prepared on a recognised and consistent basis in accordance with applicable recognised accounting standards commonly adopted by companies carrying on businesses similar to that carried on by each of the Companies;
 - (B) correctly include all the assets of each of the Companies as at the Accounts Date and the rate of depreciation adopted therein is sufficient for each of the fixed assets of each of the Companies to be written down to nil by the end of its useful life;
 - (C) give a true and fair view of the state of affairs and financial position of each of the Companies at the Accounts Date, and of each of the Companies' results for the financial period ended on that date and no event has occurred that has resulted in the results of each of the Companies in respect of the period covered by the Accounts being abnormally high or low; and
 - (D) are not adversely affected by an unusual, exceptional, extraordinary or non-recurring items which are not disclosed in the Accounts.
- 4.3 The accounting and other books and records of each of the Companies are in its possession or control, have been properly written up and accurately present and reflect in accordance with generally accepted accounting principles and standards all the transactions entered into by each of the Companies or to which each of the Companies has been a party and there are at the date hereof no material inaccuracies or discrepancies of any kind contained or reflected in any of the said books and records, and that at the date hereof they give and reflect a true and fair view of the financial, trading and contractual position of each of the Companies and of its fixed and current and contingent assets and liabilities and debtors and creditors.
- 4.4 The Accounts give a consistent and fairly reflect the state of affairs of each of the Companies as at the Accounts Date, and of the results and financial position of each of the Companies for the financial period ended on the Accounts Date, and no event has occurred that has resulted in the results of each of the Companies in respect of the period covered by the Accounts being abnormally high or low.
- 4.5 Since the Accounts Date:
- (A) each of the Companies has not entered into any material contracts or commitments binding on it (other than contracts entered into in the ordinary course of its business) and there has not been any acquisition or disposal by each of the Companies of material fixed or capital assets or any agreement to effect the same;
 - (B) there has not been any creation of liabilities by each of the Companies of a
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material nature (other than on normal commercial terms in the ordinary and proper course of its business);

- (C) no event has occurred as regards each of the Companies which would entitle any third party to terminate any material contract or any material benefit enjoyed by each of the Companies or call in any material amount of money before the normal due date therefor or indebtedness; each of the Companies has not created any mortgage or charge on the whole or any part of its assets;
 - (D) each of the Companies has not borrowed except from bankers in the ordinary course of its day to day trading operation or increased any secured liability;
 - (E) the business of each of the 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 or stock has been written up nor any debt written off, and no unusual or abnormal contract has been entered into by each of the Companies; and
 - (F) there has been no material adverse change in the financial or trading position of each of the Companies.
- 4.6 No part of the amounts included in the Accounts or subsequently recorded in the books of each of the Companies, as owing by any debtors, has been released on terms that any debtor pays less than the full book value of the its debt, or has been written off, or has been proven to any extent to be irrecoverable, or is now regarded by each of the Companies (as the case may be) as irrevocable in whole or in part.
- 4.7 All debts due to each of the Companies included in the Accounts (being debts in excess of bad or doubtful debts for which provision has been made in the Accounts) have either prior to the date hereof been realised or will within six months from the Completion Date be realised in their full amount in cash.
- 4.8 No transaction of any material importance to which each of the Companies is a party has taken place which if it had taken place would have required to be disclosed in writing to the Purchaser or reflected in the Accounts.
- 4.9 Since the Accounts Date, no dividend has been declared or paid or other distributions of capital made in respect of any share capital of each of The Companies.
- 4.10 There has been no Material Adverse Change (or Effect) of each of the Companies as a whole since the Accounts Date.
- 4.11 Each of the Companies has no present intention to discontinue or write down
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investments in any other businesses nor is any such write down, in the reasonable opinion of the directors of each of the Companies, is required.

4.12 No dividends nor any other distributions declared to shareholders of each of the Companies remains (if any) unpaid as at the date hereof.

5. Financial Matters

5.1 The aggregate amount of the long-term borrowings of each of the Companies as at the date hereof is not and as at Completion shall be nil;

5.2 Since the Accounts Date, there has not been:

(A) any damage, destruction, or loss, whether covered by insurance or not, materially adversely affecting the properties, assets or business of each of the Companies (taken as a whole);

(B) save as contemplated under this Agreement, any sale or transfer by each of the Companies of any material tangible or intangible asset other than in the ordinary course of business, any mortgage or pledge or the creation of any security interest, lien, or encumbrance on any such asset, or any lease of property, including equipment, other than tax liens with respect to taxes not yet due and statutory rights of customers in inventory and other assets;

(C) save as contemplated under this Agreement, any material transaction not in the ordinary course of business of each of the Companies;

(D) the lapse of any patent, utility models, design, trademark, trade name, service mark, copyright, or license or any application with respect to the foregoing by each of the Companies which is material in the context of the business of the Company as a whole;

(E) the making of any material loan, advance, indemnity or guarantee by each of the Companies to or for the benefit of any person except the creation of accounts receivable in the ordinary course of business; or

(F) an agreement to do any of the foregoing.

5.3 The accounting books and records of each of the Companies have been maintained in accordance with the applicable accounting principles adopted in the jurisdictions where each of the Companies' business is conducted and comply with the relevant statutory provisions of such jurisdictions and have been properly written up and properly reflect all the transactions to which that each of the Companies has been a party and there are at the date hereof no material inaccuracies or discrepancies of any kind contained or reflected in the said books and records.

- 5.4 Each of the Companies does not have any material obligations or liabilities other than those which have arisen in the ordinary course of its business which shall not exceed HK\$50,000 as at Completion or by operation of law or disclosed in the Accounts.
- 5.5 Each of the Companies has not as at the date hereof and will not, as at Completion, have outstanding:
- (A) any borrowing or indebtedness in the nature of borrowing or other credit facility;
 - (B) any mortgage, charge or debenture or any obligation (including a conditional obligation) to create a mortgage, charge or debenture; nor
 - (C) any liabilities outstanding under any guarantee or other contingent obligation.
- 5.6 As at the Completion Date, each of the Companies has sufficient working capital for its existing business and operation and each of the Companies has sufficient financial resources to meet the funding requirements for the operation of each of the Companies from the date of this Agreement to the Completion Date.

6. Taxation

- 6.1 Each of the Companies has complied in all material respects with all relevant and applicable legal requirements relating to registration or notification for Taxation purposes.
- 6.2 Each of the Companies has:
- (A) paid all Taxation (if any) due to be paid before the date of this Agreement; and
 - (B) to the knowledge of the Vendor, taken all necessary steps to obtain any repayment of or relief from Taxation available to it.
- 6.3 The returns for Taxation purposes which ought to have been made by or in respect of each of the Companies in Hong Kong, China and British Virgin Island or any other part of the world, have been duly made and all such returns are up to date, correct and on a proper basis and are not the subject of any material dispute with the relevant Taxation, revenue or other appropriate authorities.
- 6.4 The provisions (if any) included in the Accounts are sufficient to cover all Taxation (as the case may be) for which each of the Companies was then or might at any time thereafter become or have become liable in respect of all periods ending on or before the Accounts Date.
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6.5 Each of the Companies is not in dispute with any Taxation or revenue authority and, so far as the Vendor is aware, no such dispute is pending or threatened.

7. **Business**

7.1 Since the Accounts Date:

- (A) the business of each of the Companies has been continued in the ordinary and normal course of business;
 - (B) each of the Companies has been paying its creditors in respect of all of its debts which have become due and payable in its ordinary course of business and in accordance with the normal industry practice generally accepted in the markets in which each of the Companies carries on its business;
 - (C) each of the Companies has not entered into, or agreed to enter into, any material capital commitments exceeding HK\$50,000 (other than in the ordinary course of business as previously carried on);
 - (D) there has been no material adverse change in the financial or trading positions or prospects of or each of the Companies and each of the Companies has entered into transactions and incurred liabilities only in the ordinary course of business;
 - (E) no resolution of each of the Companies in general meeting has been passed other than resolutions relating to the business of an annual general meeting which was not special business;
 - (F) each of the Companies has not declared, paid or made or is proposing to declare, pay or make any dividend or other distribution;
 - (G) the financial year end of each of the Companies has continued to be and remains the same as the Account Date;
 - (H) 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;
 - (I) the business of each of the 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 or stock has been written up nor any debt written off, and no unusual or abnormal contract has been entered into by each of the Companies;
 - (J) save as contemplated under this Agreement, no asset of each of the
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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 stock in trade or any payments by each of the Companies, and no contract involving expenditure by it on capital account has been entered into by each of the Companies, and no liability has been created or has otherwise arisen (other than in the ordinary course of business as previously carried on);

- (K) 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;
- (L) no event has occurred which gives rise to a tax liability of each of the 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;
- (M) no remuneration (including bonuses) or benefit payable to any officer or employee of each of the Companies has been increased nor has each of the Companies undertaken any obligation to increase any such remuneration at any future date with or without retrospective effect; and
- (N) 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.

8. Litigation and contingent liabilities

- 8.1 Each of the Companies is not and has not been a party to any litigation, arbitration, prosecutions or other legal or contractual proceedings or hearings before any statutory, regulatory or governmental body, department, board of agency or to any material disputes or to or the subject of any investigation by any authority in the place where the business of each of the Companies is conducted.
 - 8.2 No litigation, arbitration, prosecution or other legal or contractual proceedings or investigations are threatened or pending either by or against each of the Companies and there are no facts or circumstances, so far as the Vendor is
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aware, which might give rise to any such proceeding, investigation, hearing or to any dispute or to any payment.

8.3 There is no unfulfilled or unsatisfied judgment or court orders against each of the Companies.

8.4 Each of the Companies does not have any contingent liabilities.

9. Contracts and Commitments

9.1 Since the Accounts Date, each of the Companies has carried on its business in the ordinary course and, save as mentioned in or as contemplated by this Agreement, each of the Companies has entered into any transaction or incurred any material liabilities except in the ordinary course of its day-to-day business and on an arm's length basis for full value.

9.2 There is no now outstanding nor, will there be outstanding at Completion with respect to each of the Companies:

(A) any agreement (whether by way of guarantee, indemnity, warranty, representation or otherwise) under which each of the Companies is under any actual or contingent material liability in respect of the obligations of any person other than each of the Companies;

(B) any contract to which each of the Companies is a party which is of a long-term (i.e. more than one year) and non-trading nature or contains any unusual or unduly onerous provision disclosure of which could reasonably be expected to influence the decision of the Purchaser in purchasing any or all of the Sale Shares;

(C) any sale or purchase option or similar agreement affecting any assets owned or used by each of the Companies;

(D) any material agreement in excess of HK.\$50,000 entered into by each of the Companies otherwise than by way of bargain at arm's length; and

(E) any management agreements, joint venture agreements, agency agreements, processing agreements, construction agreements or any form of agreement whatsoever which entitles any person to bind each of the Companies contractually, to settle, negotiate or compromise any accounts or claims or to collect, receive or share in any balances or sums payable to each of the Companies save in the ordinary course of business.

9.3 Each of the Companies has not received any formal or informal notice to repay under any agreement relating to any borrowing (or indebtedness in the nature of borrowing) except for the Previous Legal Charge.

- 9.4 Each of the Companies is not under any obligation, or party to any contract, which cannot readily be fulfilled or performed by it on time and without undue or unusual expenditure of money or effort and which is material in the context of each of the Companies' business as a whole.
- 9.5 No party to any contractually binding agreement or arrangement with or under an obligation to each of the Companies is in default under it, being a default which would be material in the context of each of the Companies' financial or trading position and, so far as the Vendor is aware, there are no circumstances likely to give rise to such a default.
- 9.6 Each of the Companies is not in default under any agreement or obligation to which it is party or in respect of any other obligations or restrictions binding upon it.
- 9.7 In respect of each of the Companies, there are no outstanding contracts, engagements or liabilities, whether quantified or disputed, save for (i) as shown in the Accounts or (ii) entered into in the ordinary course of each of the Companies' day to day business operations.
- 9.8 With respect to each of the Companies there are no:
- (A) contractual arrangements between each of the Companies and any party (including but not limited to financiers of each of the Companies) which will or may be legally terminated as a result of the execution or completion of this Agreement; or
 - (B) liabilities for any statutory or governmental levy or charge other than for Taxation provision for which has been made in the Accounts; or
 - (C) powers of attorney or other authorities (express or implied) which are still outstanding or effective to or in favour of any person to enter into any contract or commitment or to do anything on its behalf, or
 - (D) agreements or arrangements entered into by it otherwise than by way of bargain at arm's length: or
 - (E) contracts which are unusual or of a long-term nature or involving or which may involve obligations on it of a nature or magnitude calling for special mention or which cannot be fulfilled or performed on time or without undue or unusual expenditure of money or effort; or
 - (F) contracts or arrangements between itself and the parties hereto or their associates other than contracts in the ordinary course of their day to day trading operations.
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- 9.9 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 by the Vendor will not, require any approval by or in respect of, or filing of, or filing with, any relevant governmental body, agency or official (whether at the national, provincial, municipal, local or any other level) on the part of the Vendor.
- 9.10 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 the relevant law or regulations, (ii) the constitutional documents of the Company, or (iii) any agreement, judgement, injunction, order, decree or other instrument binding upon the Company.

10. Insolvency

- 10.1 No order has been made or petition presented or resolution passed for the winding up of each of the Companies, nor has any distress, execution or other process been levied against each of the Companies or action taken to repossess goods in the possession of each of the Companies.
- 10.2 No steps have been taken for the appointment of an administrator or receiver of any part of the property or undertaking of each of the Companies.
- 10.3 No floating charge created by each of the Companies (if any) has crystallised and there are no circumstances likely to cause such a floating charge to crystallise.
- 10.4 Each of the Companies is not and has not been a party to any transaction which may be avoided in a winding up.
- 10.5 Each of the Companies has not made or proposed any arrangement or composition with its creditors or any class of its creditors.

11. Miscellaneous

- 11.1 All representations, warranties and undertakings contained in the foregoing provisions of this Schedule shall be deemed to be repeated immediately before Completion and to relate to the facts then existing.
- 11.2 Other than payment of annual fee, each of the Companies has not:
- (A) committed any breach of any statutory provision, order, bye-law or regulation binding upon it or of any provision of its memorandum of association or articles of association or of any trust deed, agreement or license to which it is a party or of any covenant, mortgage, charge or debenture given by it;
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- (B) entered into any transaction which is still executory and which is or may be unenforceable by reason of the transaction being voidable at the instance of any other party or ultra vires, void or illegal; or
 - (C) omitted to do anything required or permitted to be done by it necessary for the protection of its respective title to or for the enforcement or the preservation of any order or priority of any properties or rights owned by it.
 - 11.3 The Vendor has full power, capacity and authority to enter into this Agreement and to exercise its rights and perform its obligations hereunder and this Agreement will, when executed by it, be a legal, valid and binding agreement on it and enforceable in accordance with the terms thereof.
 - 11.4 The execution, delivery and performance of this Agreement by the Vendor do not and will not violate in any material respect any applicable provision of (i) any law or regulation or any order or decree of any governmental authority, agency or court of Hong Kong and the Marshall Islands or any jurisdiction in which it is incorporated or resides or any part thereof prevailing as at the date of this Agreement and as at Completion; (ii) the laws and documents incorporating and constituting the Company prevailing as at the date of this Agreement and as at Completion; (iii) any mortgage, contract or other undertaking or instrument to which it is a party or which is binding upon it or any of its assets, and does not and will not result in the creation or imposition of any encumbrance on any of its assets pursuant to the provisions of any such mortgage, contract or other undertaking or instrument.
 - 11.5 No consent, licence, approval or authorisation of or filing or registration with or other requirement of any governmental department authority or agency in the jurisdiction in which the Vendor reside is required by the Vendor in relation to the valid execution, delivery or performance of this Agreement (or to ensure the validity or enforceability thereof) and (as the case may be) the sale of the Sale Shares.
 - 11.6 Save as expressly provided or contemplated by this Agreement, no waivers, consents or approvals of any relevant governmental or regulatory authorities or other relevant third parties in Hong Kong or elsewhere are required by the Vendor in connection with the entry into and the implementation and completion of this Agreement by the Vendor, and no filings with any governmental regulatory authorities or other relevant third parties in Hong Kong, the Marshall Islands or elsewhere are required on the part of the Vendor for the entering into and the implementation of this Agreement.
 - 11.7 The information relating to the Vendor as set out in this Agreement (including the Recitals and the Schedules) are true, accurate and complete in all material respects and not misleading in any material respect.
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11.8 All written information given to the Purchaser and its professional advisers by the professional advisers, officers and employees of each of the Companies and the Vendor during the negotiations prior to this Agreement was when given and is at the date hereof true and accurate.

All information disclosed or contained in this Agreement are true, accurate and non-misleading in all material respects and there is no material fact or material matter which has not been disclosed, which may render any such information or documents untrue, inaccurate or misleading at the date of this Agreement.

SCHEDULE 4

Terms of Promissory Notes

The main terms of the bond are outlined below:

Issuer:	Hao Bai International (Cayman) Limited
Holder of the Promissory Note	Vendor or its nominee(s)
Issue Amount:	HK\$7,000,000
Maturity Date	the 2nd anniversary date of the date of issue of the Promissory Note (the “ Maturity Date ”)
Interest	13.5% per annum on the outstanding principal amount of the Promissory Note, payable semi-annually
Adjustment for Change of Control	If there is a change in control or management that affects the company's main business, the issuer must notify the holder of the Promissory Note within 7 days of becoming aware of the change in control. After the relevant notice is issued, the creditor has the right to demand the Purchaser to repay the full amount of the bond and the interest owed within 14 days after the occurrence of the above incident.
Transferability	Freely transferable to any Independent Third Party upon five (5) Business Days prior notice in writing to the Purchaser.
Early redemption	The Purchaser may by giving of not less than five (5) Business Days prior notice in writing to the holder of the Promissory Note to redeem the whole or any part of the Promissory Note and the accrued interest before the Maturity Date
Status	The Promissory Note will constitute direct, unsubordinated and unsecured contractual obligations of the Purchaser which will at all times rank pari passu with all other present and future unsecured and unsubordinated obligations of the Purchaser
Listing of the Promissory Note	No application will be made for the listing of the Promissory Note on the Stock Exchange
Default and Cross Default	Any default on the payment of the interest are both defaults and cross-defaults. In the event of a cross default, the creditor has the right to immediately recover all the monies and related interest.
