

DATE: 6 JUNE 2022

TSOI WAI

(as the Vendor)

AND

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

**AGREEMENT FOR SALE AND PURCHASE OF
THE SHARES IN
POWERFUL LEADER MINING SDN BHD**

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THIS AGREEMENT is made on 6 June 2022

BETWEEN:

- (1) **TSOI WAI**, holder of Hong Kong Identity Card no. Z708531(2) of Flat C 30/F, South Court, 1 Mei Tin Road, Festival City, Phase 1, Tai Wai, Shatin NT, Hong Kong (the “**Vendor**”);
- (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) **POWERFUL LEADER MINING SDN BHD** (the “**Company**”) is a company incorporated in the Malaysia having a company number as 1354106-D, with limited liability and as at the date hereof, has an authorized capital of MYR\$10.00 divided into 10 ordinary shares of MYR\$1.00 each (each a “**Powerful Share**”), of which 10 Shares have been issued and are fully paid up or credited as fully paid and are wholly and beneficially owned by the Vendor, the sale shares being 10 Shares (the “**Powerful Sale Shares**”) representing 100% issued share capital of the Company. Further particulars of the Company are set out in Schedule 1.
- (B) The Company is interested in a iron ore mining property located in Lot 48158 (Part of Lot 16554),19312,3016 and 2417 a private land in Senai District of Malaysia.
- (C) The Purchaser is a company listed on the Hong Kong Stock Exchange and the controlled by the Purchaser’s Guarantor.
- (D) The Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares (as defined herein) 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 Schedule), unless the context requires otherwise, the following words and expression shall have the meanings ascribed to each of them respectively below:

“ Business Day ”	any day(s) (other than Saturday, Sunday and other general public holidays in Hong
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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”	has the meaning ascribed thereto in Recital (A)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of this Agreement
“Completion Date”	the date of falling fourteen (14) Business Days after the fulfillment (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
“Encumbrance”	any mortgage, charge, pledge, lien, (otherwise than arising by statute or operation of law), hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same and “Encumber” shall be construed accordingly
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Malaysia”	the sovereign state of Malaysia

“Management Accounts”	the unaudited balance sheet of The Company as at the Management Accounts Date and the unaudited profit and loss accounts of The Company for the eleven months ended on the Management Accounts Date, a copy of which has been attached to this Agreement as Exhibit “A”
“Management Accounts Date”	31 March 2022
“Owned Properties”	all the properties (including the Property) owned by the Company as at the date hereof and as at Completion, brief details of which are set out in of Schedule 6
“Permits”	<p>refers to:</p> <p>(i) permit, licence, consent, approval, certificate, qualification, specification, registration or other authorisation; or</p> <p>(ii) a filing of notification , report or assessment,</p> <p>in each case necessary for the effective operation of the business of the Company Companies and their respective ownership possession, occupation or use of an asset</p>
“Property”	has the meaning ascribed thereto in Recital (D)
“Relevant Date”	has the meaning ascribed thereto in Clause 6
“Sale Shares”	has the meaning ascribed thereto in Recital (B)
“Shareholders Agreement”	the shareholders agreement (in the agreed form) to be entered into between the Vendor and the Purchaser regarding the management of the Company, a draft of which is set out in Schedule 5

“Shareholders’ Loan”	has the meaning ascribed thereto in Recital (C)
“Powerful”	has the meaning ascribed thereto in Recital (A)
“Powerful Business”	the holding of mining property as described in recital (B)
“this Agreement”	this agreement for the sale and purchase of the Sale Shares as amended from time to time
“Taxation”	all forms of taxation including overseas taxation and all forms of profits tax, interest tax, estate duty and stamp duty and all levies, imposts, duties, charges, fees, deductions and withholdings whatsoever charged or imposed by any statutory, governmental state, provincial, local government or municipal authority whatsoever and the expression “Tax” shall be construed according
“Tax Indemnity”	the deed of indemnity (in the agreed form) to be made between the Vendor, the Companies and the Purchaser, a draft of which is set out in Schedule 3
“Title Deeds”	represent all title deeds and documents necessary to prove the Companies' title to the Powerful Mining Property and the documents of title consist of the original document and/or properly certified copies thereof
“Warranties”	the representations, warranties and undertakings set out in Schedule 2 and all other representations, undertakings and warranties provided by the Vendor under this Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“MYRS”	Malaysian Ringgit, the lawful currency of Malaysia

- 1.2 References herein to Clauses and the Schedule are to clauses in and the schedule to, this Agreement unless the context requires otherwise and the Schedule to this Agreement shall be deemed to form part of this Agreement.
- 1.3 The expressions the “**Vendor**”, the “**Purchaser**”, shall, where the context permits, include their respective successors and personal representatives.
- 1.4 The headings are inserted for convenience only and shall not affect the construction of this Agreement.
- 1.5 Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing a gender include every gender.
- 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 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 after the Completion Date.
- 2.3 The Purchaser shall not be obliged to complete the sale and purchase of the Sale Shares unless the same 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 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 to be conducted under Clause 3.1;
 - b) all necessary consents, licenses and approvals required to be obtained on the part of the Vendor and the Companies in respect of the Business and the transactions contemplated thereby having been obtained and remain in full force and effect;
 - c) all necessary consents, licenses and approvals required to be obtained on the part of the Purchaser in respect of this Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;

- d) the Warranties remaining true and accurate in all respects;
- 3.3 The Vendor shall use its best endeavors to assist the Purchaser in connection with the due diligence review to be conducted under Clause 3.1 and procure the fulfillment of the conditions set out in 3.2 (a), (b), (c), (d),
- 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), (d), (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 5 June 2022, being twenty four (24) months from the date of this Agreement or such later date as the Vendor and the Purchaser may agree (the “Long Stop Date”), this Agreement shall cease and determine (save and except Clauses 6, 15, 21 and 23 which shall continue to have full force and effect) and thereafter neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms hereof.

4. CONSIDERATION

- 4.1 The aggregate consideration for the sale and purchase of the Sale Shares shall be the sum of HK\$11,000,000.
- 4.2 The aggregate consideration for the sale and purchase of the Sale Shares shall be satisfied by the Purchaser in the following manner:
- (a) HK500,000, being the first deposit (the “**First Deposit**”) to be paid by the Purchaser to the Vendor upon signing of this Agreement;
- (b) HK\$10,500,000, being the balance of the Purchase Price to be paid by the Purchaser to the Vendor upon the completion of this Agreement by issuance of a promissory note by the Purchaser in the form .

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 Vendor 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 in respect of the transfer of the Sale Shares duly 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) the Tax Indemnity duly executed under seal by the Vendor and the Companies;

- (d) copy, certified by a director of the Company as true and complete, of the resolutions of the board of directors of the Company referred to in Clause 5.3;
- (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) copy, certified as true and complete by a director of the Vendor, of resolutions of the board of directors of the Vendor approving this Agreement, the Tax Indemnity and authorising the execution of the same (with seal, where appropriate) for or on its behalf;
- (g) the original certificate of good standing and encumbrance of the Companies dated not more than seven days immediately prior to the Completion Date;
- (h) evidence reasonably satisfactory to the Purchaser that the conditions set out in Clause 3.2 (a), (b), (c) and (d), 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);
- (j) 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 the Company to be held at which resolutions shall be passed for:

- (a) the approval for the transfer of the Sale Shares (as the case may be) to the Purchaser (or its nominees) and the registration of such transfer, subject to the relevant instruments of transfer being duly stamped and presented for registration (if necessary);
- (b) the approval of the Tax Indemnity and the Shareholders Agreement and authorisation of execution of the same under seal for and on behalf of the Companies;
- [(c) the appointment of such persons nominated by the Purchaser as director(s) of the Company with effect from Completion so that immediately after Completion, the directors nominated by the Purchaser would comprises 50% of the board of director of the Company; and
- [(d) the amendment of all existing mandates for operation of all the bank accounts maintained by the Companies 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.

5.4 Against compliance by the Vendor of its obligation under Clause 5.2 and 5.3, on Completion, the Purchaser shall:

- (a) deliver to the Vendor duly executed instruments of transfer 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, the Tax Indemnity, and the Shareholders Agreement and other documents necessary for the purpose of effecting this transaction and authorising a person or persons to execute the same (with seal, where appropriate) for and on its behalf;
- (c) deliver to the Vendor the Tax Indemnity duly executed under seal by the Purchaser;
- (d) deliver to the Vendor of the necessary documents related to the Consideration Shares;
- (e) pay HK\$11,000,000 to the Vendor in the manner provided in Clause 4.2(c); and
- (f) the Shareholders Agreement duly executed by the Purchaser.

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, 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.

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 time of Completion.

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 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 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.

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 Company of its 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 capitalization, 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 and the Vendor's Guarantor in respect of any claims for breach of Warranties shall be limited as follows:

- (1) the maximum aggregate liability of the Vendor and the Vendor's Guarantor in respect of all claims for breach of Warranties shall not exceed HK\$1,000,000;
- (2) no claim may be brought against the Vendor and/or the Vendor's Guarantor in respect of a breach of Warranties after twelve months from Completion ("**Warranty Expiry Date**") and each of the Vendor and the Vendor's Guarantor 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 and/or the Vendor's Guarantor.

- 9A.2 The Vendor and the Vendor's Guarantor shall not be liable for the Warranties:
- (1) to the extent that provision or reserve in respect thereof has been made in the Management 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 and the Vendor's Guarantor 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 and/or the Vendor's Guarantor 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 and/or the Vendor's Guarantor 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 Management 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 Management 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 Management Accounts.

9A.7 If the Vendor and/or the Vendor's Guarantor 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 and/or the Vendor's Guarantor such amount previously paid by the Vendor or the Vendor's Guarantor 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 and the Vendor's Guarantor.

9A.9 If any claim for breach of any Warranty is brought under this Agreement in relation to any liability of the Purchaser and/or the Company which is contingent only, the Vendor and/or the Vendor's Guarantor shall not be liable to make any payment in respect thereof unless and until such contingent liability becomes an actual liability.

10. VENDOR'S GUARANTEE

10.1 The Vendor's Guarantor hereby irrevocably and unconditionally guarantees to the Purchaser the due and punctual performance of the Vendor under this Agreement.

10.2 The obligations of the Vendor's Guarantor shall be continuing obligations and shall not be satisfied, discharged or affected by any intermediate payment or settlement of account or any change in the constitution or control of, or the insolvency of or any bankruptcy, winding up or analogous proceedings relating to any of the parties to this Agreement.

10.3 The liability of the Vendor's Guarantor hereunder shall be unaffected by any arrangement which the Purchaser may make with the Vendor or with any other person which (but for this provision) might operate to diminish or discharge the liability of or otherwise provide a defense to a surety. Without prejudice to the generality of the foregoing, the Purchaser is to be at liberty at any time and without reference to the Vendor's Guarantor to give time for payment or grant any other indulgence and to give up, deal with, vary, exchange or abstain from perfecting or enforcing any other securities or guarantees held by the Purchaser at any time and to discharge any party thereto and to realise such security or guarantees or any of them, as the Purchaser think fit and to compound with, accept compositions from and make any other arrangements with the Vendor or any person or persons liable on other securities or guarantees held by or by the Purchaser without affecting the liability of the Vendor's Guarantor hereunder.

10.4 As a separate and independent stipulation it is hereby agreed by the Vendor's Guarantor that any obligation and undertaking under this Clause 9 which may not be enforceable against the Vendor's Guarantor on the footing of a guarantee, whether by reason of any legal limitation (other than any limitation imposed by this Agreement), disability or incapacity on or of the Vendor or any other fact or circumstance and whether or not known to the Purchaser shall nevertheless be enforceable against the Vendor's Guarantor as sole or principal obligor in respect thereof.

10.5 The Vendor's Guarantor hereby waives any right to require a proceeding first against the Vendor or any other person.

11. PURCHASER'S GUARANTEE

11.1 The Purchaser's Guarantor hereby irrevocably and unconditionally guarantees to the Vendor the due and punctual performance of the Purchaser under this Agreement.

11.2 The obligations of the Purchaser's Guarantor shall be continuing obligations and shall not be satisfied, discharged or affected by any intermediate payment or settlement of account or any change in the constitution or control of, or the insolvency of or any bankruptcy, winding up or analogous proceedings relating to any of the parties to this Agreement.

11.3 The liability of the Purchaser's Guarantor hereunder shall be unaffected by any arrangement which the Vendor may make with the Purchaser or with any other person which (but for this provision) might operate to diminish or discharge the liability of or otherwise provide a defense to a surety. Without prejudice to the generality of the foregoing, the Vendor is to be at liberty at any time and without reference to the Purchaser's Guarantor to give time for payment or grant any other indulgence and to give up, deal with, vary, exchange or abstain from perfecting or enforcing any other securities or guarantees held by the Vendor at any time and to discharge any party thereto and to realise such security or guarantees or any of them, as the Vendor think fit and to compound with, accept compositions from and make any other arrangements with the Purchaser or any person or persons liable on other securities or guarantees held by or by the Vendor without affecting the liability of the Purchaser's Guarantor hereunder.

11.4 As a separate and independent stipulation it is hereby agreed by the Purchaser's Guarantor that any obligation and undertaking under this Clause 10 which may not be enforceable against the Purchaser's Guarantor on the footing of a guarantee, whether by reason of any legal limitation (other than any limitation imposed by this Agreement), disability or incapacity on or of the Purchaser or any other fact or circumstance and whether or not known to the Vendor shall nevertheless be enforceable against the Purchaser's Guarantor as sole or principal obligor in respect thereof.

11.5 The Purchaser's Guarantor hereby waives any right to require a proceeding first against the Purchaser or any other person.

12. 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 and the Sale Loan in the Purchaser.

13. 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.

14. NOTICES

14.1 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: TSOI WAI

Address : Flat C, 30/F Tower 5 1 Mei Tin Road,
Festival City Phase I, Tai Wai N.T.

Fax Number : 852-23535621

Attention : TSOI WAI

To the Purchaser: HAO BAI INTERNATIONAL (CAYMAN)LIMITED

Address : Rm 1B, 10/F Elite Industrial Building,
883 Cheung Sha Wan Road, Lai Chi
Kok, Kowloon

Fax Number : 852-23888396

Attention : NAM HO KWAN

14.2 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.

14.3 The Vendor hereby irrevocably appoints the Vendor's Guarantor 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. Service on the Vendor's Guarantor (or such agent as may be notified by the Vendor from time to time) shall be deemed to be service on its appointer.

14.4 The Purchaser hereby irrevocably appoints the Purchaser's Guarantor 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 the Purchaser's Guarantor (or such agent as may be notified by the Purchaser from time to time) shall be deemed to be service on its appointer.

15. 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.

16. 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.

17. AMENDMENTS

This Agreement shall not be amended, supplemented or modified except by instruments in writing signed by each of the parties hereto.

18. 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.

19. 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.

20. COSTS AND STAMP DUTY

20.1 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.

[20.2 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.]

21. 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.

22. GOVERNING LAW AND JURISDICTION

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

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

IN WITNESS WHEREOF this Agreement has been executed on the day and year first above written.

THE VENDOR

SIGNED by [•]

for and on behalf of

TSOI WAI

in the presence of:


ALEX M. VANDERPOL



THE PURCHASER

SIGNED by [•]

for and on behalf of

HAO BAI INTERNATIONAL
(CAYMAN)LIMITED

in the presence of:


WONG WING
HUNG

For and on behalf of
Hao Bai International (Cayman) Limited
浩柏國際(開曼)有限公司

.....
Authorized Signature(s)

NAH HO KWAN