

**DATED** 8 April **2024**

**PEAKFLOW PROFITS LIMITED**

**as Vendor**

**and**

**GRAND DESIGN DEVELOPMENT LIMITED**

**as Purchaser**

---

**SALE AND PURCHASE AGREEMENT**  
**relating to 10% of the**  
**issued share capital of**  
**BAYSHORE DEVELOPMENT GROUP LIMITED**

---

**Deacons**

5th Floor  
Alexandra House  
18 Chater Road  
Central, Hong Kong  
hongkong@deaconsllaw.com  
www.deacons.com  
Tel : +852 2825 9211  
Fax : +852 2810 0431  
LC:CHLCHA 24/597192

## SALE AND PURCHASE AGREEMENT

DATED THE 8th DAY OF April 2024

### PARTIES

- (1) **PEAKFLOW PROFITS LIMITED**, a limited liability company incorporated under the laws of the British Virgin Islands, the registered address of which is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands and registered as a non-Hong Kong company under Part 16 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) with its principal place of business situated at 11th Floor, Lai Sun Commercial Centre, 680 Cheung Sha Wan Road, Kowloon, Hong Kong ("**Vendor**"); and
- (2) **GRAND DESIGN DEVELOPMENT LIMITED**, a limited liability company incorporated under the laws of the British Virgin Islands, the registered address of which is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands and registered as a non-Hong Kong company under Part 16 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) with its principal place of business situated at Suites 5301-03, 53/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong ("**Purchaser**").

(The Vendor and the Purchaser shall collectively be referred to herein as the "**Parties**" and, individually, the "**Party**")

### RECITALS

- (A) The Company (as defined below) is a private company limited by shares incorporated in the British Virgin Islands. The Purchaser owns 90% and the Vendor owns 10% of the entire issued share capital of the Company respectively. Further details of the Company are set out in Schedule 1.
- (B) The Company is the sole registered and beneficial owner of the Property (as defined below). The Property is more particularly described in Schedule 2.
- (C) The Vendor is the legal and beneficial owner of the Sale Shares (as defined below).
- (D) The Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares free from Encumbrances and with all rights now and hereafter attaching thereto (including without limitation the right to all dividends paid, declared or made in respect thereof on or after the Completion Date), subject to the terms and conditions contained herein.

NOW IT IS HEREBY AGREED as follows:

#### 1. INTERPRETATION

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

**“Accounts Date”**

means 31 December 2023;

**“Affiliate”**

means in relation to any person or entity, any corporation, company, partnership, association or other business entity (i) that is controlled by such person or entity, (ii) that controls such person or entity; or (iii) that is under common control with such person or entity. For the purposes of this Agreement, “**control**” means:

- (a) the power, directly or indirectly, to direct or cause the direction of the management and policies of such person or entity whether through the ownership of voting shares or securities, by contract, credit arrangement or proxy, as trustee, executor, agent or otherwise; or
- (b) the possession, directly or indirectly, of more than one half of the voting power of such person or entity; or
- (c) the power, directly or indirectly, to appoint a majority of the members of, or otherwise control, the board of directors or similar governing body of such person or entity;

**“Agreed Property Value”**

means HK\$17,750,000,000.00 being the value of the Property as agreed between the Parties;

**“AIA”**

means **AIA INTERNATIONAL LIMITED** 友邦保險(國際)有限公司, a limited liability company incorporated in Bermuda, the registered address of which is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and registered as a non-Hong Kong company under Part 16 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) with its principal place of business situated at 1/F, AIA Hong Kong Tower, 734 King’s Road, Quarry Bay, Hong Kong;

**“AIA Debenture”**

means the Debenture executed by the Company pursuant to the AIA Facility Agreement over, inter alia, the Property, in favour of AIA Group Limited and registered in the Land Registry by Memorial No.15042901200048;

**“AIA Facility Agreement”**

means the facility agreement dated 17 April 2015 entered into between the Company as borrower and AIA Group Limited as lender;

**“Audited Completion Accounts”**

means the Audited Completion Accounts prepared, reviewed, audited, signed and issued by the Auditor in accordance with Clause 8;

**“Auditor”**

means *PricewaterhouseCoopers*;

**“Business Day”**

means a day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning No.8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are generally open for business in Hong Kong;

**“Companies Ordinance”**

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

**“Company”**

means Bayshore Development Group Limited, further details of which are set out in **Schedule 1**;

**“Completion”**

means completion of the sale and purchase of the Sale Shares in accordance with the provisions of Clause 6;

**“Completion Accounts”**

means the unaudited management accounts of the Company ending on the Completion Date, comprising balance sheets (or statement of financial position), together with all the notes thereto which are prepared in accordance with HKFRS;

**“Completion Date”**

means 31 May 2024 or any other later date which may be mutually agreed by the Vendor and the Purchaser in writing;

**“Completion Deliverables”**

means the items referred to in Clause 6.2(a) and an undated board resolution of the Company approving the items set out in Clause 6.2(c) and signed by the directors of the Company nominated by the Vendor;

**“Conditions”**

means the conditions precedent for Completion set out in Clause 3.1;

**“Confidential Information”**

has the meaning set out in Clause 11.2;

**“Deed of Taxation Indemnity”**

means the deed of taxation indemnity to be executed by the Vendor and Lai Sun in favour of the Purchaser (and/or its designated entity) and the Company, substantially in the form contained in **Schedule 4**;

**“Encumbrance”**

means any mortgage, charge, pledge, lien, restriction, assignment, hypothecation, equity, adverse claim, priority, security interest, deferred purchase, title retention, leasing, sale and purchase, sale-and-leaseback arrangement over or in any property, assets or rights of whatsoever nature or interest or any other agreement or arrangement the effect of which is the creation of security; or any other interest, equity or other right of any person (including any right to acquire, option, right of first refusal or right of pre-emption); or any agreement or arrangement to create or

grant any of the aforesaid and “**encumbered**” shall be construed accordingly;

**“Final Consideration”**

means the total amount of the purchase price payable by the Purchaser to the Vendor for the Sale Shares pursuant to the terms of this Agreement;

**“Government”**

means (a) any government (whether supranational, national or local) in any relevant jurisdiction (including the Governments of Hong Kong and PRC or any bureau department or official of any of the above), (b) any statutory or public authority or body in any relevant jurisdiction, (c) any court tribunal or other judicial authority in any relevant jurisdiction; and the expression “**Government**” shall also include: (d) any person to whom any power or authority of any of the above is delegated; and (e) any person engaged by any of the above for the purpose of exercising any of its powers or authorities or assisting in the exercise of any of its powers or authorities;

**“Hong Kong”**

means the Hong Kong Special Administrative Region of the PRC;

**“Initial Consideration”**

means the amount equivalent to 10% of the Net Asset Value based on the Proforma Completion Accounts and calculated in accordance with Clause 9;

**“Lai Sun”**

means **LAI SUN DEVELOPMENT COMPANY LIMITED** 麗新發展有限公司, a limited liability company incorporated under the laws of Hong Kong, the registered address of which is at 11th Floor, Lai Sun Commercial Centre, 680 Cheung Sha Wan Road, Kowloon, Hong Kong, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 488);

**“Lai Sun Garment”**

means **LAI SUN GARMENT (INTERNATIONAL) LIMITED** 麗新製衣國際有限公司, a limited liability company incorporated under the laws of Hong Kong, the registered address of which is at 11th Floor, Lai Sun Commercial Centre, 680 Cheung Sha Wan Road, Kowloon, Hong Kong, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 191), which is the ultimate holding company of Lai Sun;

**“Listing Rules”**

means collectively, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong and such rules or regulations governing the Vendor and its Affiliates and/or the Purchaser’s Affiliates by virtue of they being a listed company in the Stock Exchange of Hong Kong;

**“Material Adverse Change (or Effect)”**

means any change (or effect), the consequence of which is to materially and adversely affect the financial position, business, operation, prospect

and/or asset of the Company and/or the Property;

**“Net Asset Value”**

means the total assets less the total liabilities of the Company as set out in Clause 9.1;

**“PRC”**

means the People’s Republic of China, excluding Taiwan, Hong Kong and the Macau Special Administrative Region of the PRC for the purpose of this Agreement;

**“Proforma Completion Accounts”**

means the unaudited management accounts of the Company projected / forecasted on the Completion Date, comprising balance sheets (or statement of financial position), together with all the notes thereto which are prepared in accordance with HKFRS;

**“Property”**

means the property described in **Schedule 2**;

**“Purchaser’s Group”**

means the Purchaser, its holding company(ies) and any subsidiaries of the Purchaser or such holding company(ies) from time to time;

**“Purchaser’s Solicitors”**

means Deacons of 5th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong;

**“Relevant Authority”**

means any government, government department or governmental, quasi-governmental, supranational, federal, statutory, regulatory or investigative body, authority (including any national or supranational anti-trust or merger control authority), court, tribunal, stock exchange, trade agency, professional association or institution, environmental body or any other person or body whatsoever in any jurisdiction;

**“Relief”**

means any loss, relief, allowance, exemption, set-off, deduction, right to repayment or credit in relation to any Taxation pursuant to any legislation or otherwise;

**“Requirements”**

has the meaning set out in Clause 3.3;

**“Sale Shares”**

means 10 ordinary shares of the Company to be sold by the Vendor to the Purchaser (and/or its designated entity), constituting 10% of all the issued shares of the Company as at the date hereof and as at Completion;

**“Security Deposits”**

means the rental deposits, licence fee deposits and/or other security deposits held by the Company immediately before Completion paid by the tenants or licensees or any other occupiers of the Property;

**“Shareholders’ Agreement”**

means the property joint venture agreement dated 27 July 2000 entered into amongst the Purchaser, the Vendor, CRL (HK) Pte Ltd (formerly known as Pidemco Land (HK) Pte. Ltd), AIA, Lai Sun and the Company, as supplemented and amended by a Supplemental Agreement dated 3 April 2007 entered into amongst the Purchaser, the Vendor, Somerset Mall Pte Ltd, CRL (HK) Pte Ltd, AIA, Lai Sun and the Company and as supplemented and amended from time to time;

**“Surviving Clauses”**

means those provisions pursuant to Clauses 11 (Confidentiality), 13 (Notices), 14 (Governing Law and Jurisdiction), 15 (Contracts (Rights of Third Parties) Ordinance) of this Agreement (and all provisions relevant to the interpretation and enforcement thereof);

**“Stock Exchange”**

has the meaning set out in Clause 3.3;

**“Taxation”** means:

- (i) all forms of taxation including both local and overseas taxation and, without limitation, shall include all forms of income tax, 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 governmental or municipal authority whatsoever whether of Hong Kong, the British Virgins Islands, PRC or elsewhere; and
- (ii) all penalties, charges, fines and interest incidental or relating to the liability to all forms of taxation;

**“Taxation Authority”**

means any revenue, customs, fiscal governmental, statutory, central, regional, state, provincial, local governmental or municipal authority, body or person, or any non-revenue and non-fiscal governmental institutions responsible for assessing and/or collecting Taxation on behalf of taxation authorities, whether of Hong Kong, the British Virgins Islands, or elsewhere;

**“Taxation Claims”**

means any claim, counterclaim, assessment, notice, demand or other documents issued or action taken by or on behalf of any Taxation Authority whereby the Company is liable or is sought to be made liable for any payment of any Taxation or is denied or sought to be denied any Relief;

**“Transaction Documents”**

means collectively, this Agreement, the Deed of Taxation Indemnity and other agreements and deeds contemplated hereunder to which the Parties are the parties;

**“Vendor’s Group”**

means the Vendor, its holding company(ies) and any subsidiaries of the Vendor or such holding company(ies) from time to time; and

**“Warranties”**

means the representations, warranties, indemnities and undertakings of the Vendor contained in this Agreement (including but not limited to Clause 7 and **Schedule 3**).

- 1.2 In this Agreement where the context admits:
- (a) words and phrases the definitions of which are contained or referred to in the Companies Ordinance as at the date hereof shall be construed as having the meanings thereby attributed to them;
  - (b) references in this Agreement to the singular shall be deemed to include references to the plural and vice versa; and references to one gender shall include all genders and references to any person shall include an individual, firm, body corporate or unincorporated;
  - (c) references to Clauses, Schedules and Recitals (if any) are references to clauses hereof, schedules and recitals (if any) hereto, references to paragraphs are, unless otherwise stated, references to paragraphs of the relevant Schedule and references to this Agreement include the Schedules;
  - (d) references to this Agreement shall be construed as references to this Agreement as it may be amended or supplemented from time to time;
  - (e) to a **“holding company”** shall have the same meaning as defined in section 13 of the Companies Ordinance; and
  - (f) to a **“subsidiary”** shall have the same meaning as defined in section 15 of the Companies Ordinance.
- 1.3 The headings and sub-headings are inserted for convenience only and shall not affect the construction of this Agreement.
- 1.4 Each of the Schedules shall have effect as if set out herein.

**2. SALE AND PURCHASE**

- 2.1 Subject to the terms and conditions of this Agreement, the Vendor (as the legal and beneficial owner of the Sale Shares) shall sell, and the Purchaser (and/or its designated entity) shall purchase, the Sale Shares free from all Encumbrances and with all rights now and hereafter attaching thereto (including without limitation the right to all dividends paid, declared or made in respect thereof on or after the Completion Date).
- 2.2 The Vendor confirms that the Company does not owe any money (including the principal and interest) and other sums and indebtedness to the Vendor or any of its Affiliates as at the date of this Agreement.



### 3. CONDITIONS

3.1 Completion shall be subject to and conditional upon the Purchaser being satisfied with the following:-

- (a) the Company being and as at Completion remaining the sole legal and beneficial owner of the Property and the title to the Property (subject to the AIA Debenture) being good and free from all Encumbrances;
- (b) the Vendor being and as at Completion remaining the sole legal and beneficial owner of the Sale Shares and the title to the Sale Shares being good and free from all Encumbrances;
- (c) there being no compulsory acquisition or notice, demand, direction or order of intended resumption and acquisition by the Relevant Authority affecting the Property or any part(s) thereof or otherwise materially and adversely affecting the Property or any part(s) thereof;
- (d) all the Warranties remaining true and accurate and not misleading as at Completion and there being no circumstance which results in a Material Adverse Change (or Effect) on (i) the Property, (ii) the Company; and/or (iii) the transactions contemplated under this Agreement;
- (e) there being no outstanding claims, proceedings or any other legal procedures having a Material Adverse Change (or Effect) on the Company and/or on the Property (or any part thereof); and
- (f) all necessary consents, confirmations, permits, approvals, licences and authorisations from all Relevant Authority or otherwise required from any third parties in connection with the transactions contemplated under this Agreement having been obtained.

3.2 The Purchaser may in its absolute discretion at any time waive in writing in whole or in part and conditionally or unconditionally any of the Conditions set out in Clause 3.1 or any part thereof on such terms as it may decide (except Clause 3.1(f)). Save as so waived, the Vendor shall use its best endeavours to ensure that all the Conditions set out in Clause 3.1 (except (subject to Clause 3.3) Clause 3.1(f)) shall be fulfilled as soon as possible prior to Completion.

3.3 As of the date of this Agreement, the Vendor is a wholly owned subsidiary of Lai Sun whose shares are listed on the main board of The Stock Exchange of Hong Kong Limited ("**the Stock Exchange**") and Lai Sun is a subsidiary of Lai Sun Garment, whose shares are also listed on the main board of the Stock Exchange.

Pursuant to the Listing Rules, the completion of the sale and purchase of the Sale Shares shall be conditional upon compliance of all necessary requirements which Lai Sun and Lai Sun Garment are required to comply with under the Listing Rules ("**Requirements**").

The Vendor shall use its best endeavour to procure Lai Sun and Lai Sun Garment to comply with the Requirements as soon as possible. Upon obtaining the same, the Vendor shall provide evidence of the same to the Purchaser forthwith. If the Requirements are not complied with at least five (5) Business Days prior to the Completion Date, notwithstanding the Vendor having used its best endeavour to

procure compliance by Lai Sun and Lai Sun Garment, the Parties shall terminate this Agreement and the Parties shall not have any claim against the other except antecedent breaches, save that the Vendor shall pay for the legal costs of the Purchaser in connection with the preparation, negotiation and execution of this Agreement and the said termination agreement, and all legal costs incurred in connection with the transactions contemplated under this Agreement.

- 3.4 Subject to Clause 3.3, if the Conditions set out in Clause 3.1 are (notwithstanding the Vendor having used its best endeavours) not satisfied or (as applicable) waived by the Purchaser on or before the Completion Date, then either the Purchaser or the Vendor may terminate this Agreement and all rights and obligations of the Parties hereunder shall cease and terminate, save and except for the Surviving Clauses which shall remain in full force and effect, and following such termination no Party shall have any claim against the other under this Agreement save for any antecedent breach by any Party, any claim arising from breach of any obligation contained in Clause 11 (Confidentiality).

#### **4. CONSIDERATION**

- 4.1 Subject to post-completion adjustment in accordance with Clause 8, the Initial Consideration for the sale and purchase of the Sale Shares under this Agreement payable by the Purchaser to the Vendor upon Completion shall be HK\$1,421,626,325.00.
- 4.2 The Initial Consideration and any amount payable after Completion in accordance with the provisions of this Agreement shall be paid by way of:
- (a) bank wire transfer or telegraphic transfer to a bank account nominated by the Vendor or the Purchaser (as the case may be) with a licensed bank in Hong Kong provided that the Vendor or the Purchaser (as the case may be) shall provide its bank account details in Hong Kong to the Purchaser or the Vendor (as the case may be) at least five (5) Business Days before the relevant date of payment; or
  - (b) cashier's order(s) drawn on a licensed bank in Hong Kong acceptable by the payee in favour of the Vendor (or as it may direct) or the Purchaser (or as it may direct) (as the case may be).
- 4.3 The obligations to pay the Initial Consideration or any amount payable after Completion under this Agreement (as the case may be) shall be fully discharged upon its payment in full pursuant to Clause 4.2.

#### **5. PRE-COMPLETION MATTERS**

- 5.1 Each of the Vendor and the Purchaser shall fully cooperate with the other Party for the purpose of providing such information and assistance as shall be reasonably required by the other Party for implementing and completing the transactions contemplated under this Agreement.
- 5.2 Each of the Vendor and the Purchaser agrees to take all necessary actions that the business of the Company will continue to be operated in the ordinary course of day-to-day operations consistent with past practice and it will not do or omit to

do any act or thing not in the ordinary course of day-to-day operations and the Vendor shall provide full assistance and co-operation in connection therewith.

- 5.3 On a date no later than five (5) Business Days prior to the Completion Date, the Vendor shall make available the Completion Deliverables for inspection by the Purchaser or the Purchaser's solicitors at the office of the Purchaser's solicitors. Upon inspection of the Completion Deliverables to the satisfaction of the Purchaser, the Completion Deliverables should be held in escrow by the Purchaser's solicitors pending Completion.

## **6. COMPLETION**

- 6.1 Subject to the terms and conditions of this Agreement, Completion shall take place at the office of the Purchaser's Solicitors at or before 4 p.m. on the Completion Date (or at such other location, time or date as may be mutually agreed between the Purchaser and the Vendor), whereat all the matters set out in Clause 6.2 shall take place simultaneously.

- 6.2 At Completion:

- (a) the Vendor shall deliver or procure to be delivered to the Purchaser (and/or its designated entity):
  - (i) valid share certificate(s) of the Sale Shares in the name of the Vendor;
  - (ii) valid instrument(s) of transfer duly executed by the Vendor in relation to the Sale Shares in favour of the Purchaser (and/or its designated entity);
  - (iii) written resignation (in a form satisfactory to the Purchaser) of the existing directors of the Company nominated by the Vendor (i.e. LAM Kin Ngok, Peter and LAU Shu Yan Julius), together with acknowledgement by each of such directors confirming that he has no claims whatsoever against the Company whether by way of compensation, remuneration, severance payments, pensions, expenses or otherwise;
  - (iv) the Deed of Taxation Indemnity duly executed by the Vendor and Lai Sun;
  - (v) a certified true copy of the resolutions of the board of directors of the Vendor approving this Agreement, the Deed of Taxation Indemnity, the other Transaction Documents and the transactions contemplated herein;
  - (vi) a certified true copy of the resolutions of the board of directors of Lai Sun approving this Agreement, the Deed of Taxation Indemnity, the other Transaction Documents and the transactions contemplated thereunder;
  - (vii) Certificate of Incumbency and Certificate of Good Standing of the Vendor issued not earlier than one (1) month prior to the Completion Date; and

- (viii) legal opinion dated the Completion Date issued by a practicing law firm of the British Virgin Islands (acceptable to the Purchaser) in such form satisfactory to the Purchaser which shall certify in respect of the Vendor as to its corporate existence, capacity to enter into and the validity of execution of this Agreement, the Deed of Taxation Indemnity and the other Transaction Documents, and the enforceability against the Vendor under the laws of the British Virgin Islands.
- (b) the Purchaser shall pay the Initial Consideration in full to the Vendor in accordance with Clause 4.2;
- (c) each of the Vendor and the Purchaser shall fully cooperate with the Company to procure that the following business is approved by way of board resolutions of the Company before the Completion Date:
  - (i) the transfer of the Sale Shares and the entry of the Purchaser (and/or its designated entity) as the transferee(s) in the register of members of the Company upon Completion shall be approved;
  - (ii) the share certificate(s) of the Sale Shares in the name of the Vendor shall be duly cancelled;
  - (iii) the sealing of new share certificate(s) for the Sale Shares in favour of the Purchaser (and/or its designated entity) shall be approved;
  - (iv) the resignation of the existing directors of the Company (i.e. LAM Kin Ngok, Peter and LAU Shu Yan Julius) nominated by the Vendor shall be accepted and approved;
  - (v) (if applicable) persons nominated by the Purchaser (and/or its designated entity) for appointment as directors of the Company shall be appointed; and
  - (vi) the revocation and replacement of all existing mandates for the operation of the bank accounts of the Company by new mandates giving authority to such person(s) nominated by the Purchaser (and/or its designated entity).

6.3 Completion shall take place once all obligations in Clause 6.2 have been fulfilled.

6.4 If any Party fails to comply with any material obligations under Clause 6.2, the Purchaser (in case of non-compliance by the Vendor), or the Vendor (in the case of non-compliance by the Purchaser) shall be entitled (in addition to and without prejudice to all other rights or remedies available, including without limitation any claim for damages and/or specific performance) by written notice to the Vendor or the Purchaser (as the case may be), served on the Completion Date:

- (a) to terminate this Agreement other than the Surviving Clauses and without liability on its part or on the part of those on whose behalf such notice is served (save for antecedent breaches); or

- (b) to effect Completion so far as practicable having regard to the defaults which have occurred; or
- (c) to fix a new date for Completion in which case those provisions which are applicable to Completion shall apply to Completion as so deferred but provided such deferral may only occur once.

## **7. WARRANTIES BY THE VENDOR**

- 7.1 The Vendor hereby represents, warrants and undertakes to the Purchaser that all Warranties are true, accurate and not misleading as at the date of this Agreement and that the Warranties will continue to be true, accurate and not misleading in all respects up to and including the Completion Date.
- 7.2 Notwithstanding anything to the contrary herein contained, the Warranties are subject to the matters which have been fairly disclosed pursuant to or under this Agreement in such manner and with such sufficient details and specificity to enable the Purchaser to identify in all material respects the relevant facts, nature and scope of such matter disclosed and to assess the full impact thereof.
- 7.3 Each of the Warranties is separate and independent and is without prejudice to any other Warranty and, except where expressly stated otherwise, no provision contained in this Agreement shall govern or limit the extent or application of any other provision.
- 7.4 The Vendor shall promptly disclose to the Purchaser any matter, thing or circumstance which may render any of the Warranties to be false, untrue, inaccurate or misleading in any respect.
- 7.5 The rights and remedies of the Purchaser in respect of any breach of the Warranties shall not be affected by Completion.
- 7.6 The Vendor undertakes to indemnify and keep indemnified the Purchaser (and/or its designated entity) (for itself and as trustee for the Company) against any damages, losses, claims, actions, liabilities, expenses and costs (including without limitation all legal costs) or other liabilities which it may incur, arising from or in connection with:
  - (a) any claim arising from the breach of any of the terms of this Agreement (including but not limited to the Warranties);
  - (b) any legal proceedings in which the Purchaser claims that any of the terms of this Agreement (including but not limited to the Warranties) are untrue, inaccurate, misleading or have been breached and in which judgment is given for the Purchaser; or
  - (c) the enforcement of any such claim or judgment.

## **8. POST-COMPLETION ADJUSTMENT OF CONSIDERATION**

- 8.1 The Final Consideration shall be adjusted based on the amount equivalent to 10% of the Net Asset Value based on the Audited Completion Accounts and calculated in accordance with Clause 9, and:

- (a) if the Final Consideration exceeds the Initial Consideration, the Purchaser shall pay to the Vendor the amount exceeded; or
- (b) if the Initial Consideration exceeds the Final Consideration, the Vendor shall pay to the Purchaser the amount exceeded,

in each case within ten (10) Business Days after the date of issue of the Audited Completion Accounts in accordance with Clause 8.2.

8.2 The Vendor and the Purchaser shall procure:

- (a) after Completion, the Company to (i) prepare the Completion Accounts within twenty (20) Business Days after the Completion Date, and (ii) appoint the Auditor and to deliver to the Auditor the Completion Accounts for the Auditor's review and comment;
- (b) the Auditor, upon instructions of the Company, to audit the Completion Accounts in accordance with general accepted accounting principles in Hong Kong as soon as reasonably practicable and to complete and deliver to the Vendor and the Purchaser the Audited Completion Accounts and certify the Net Asset Value in any event within forty (40) Business Days (or as otherwise agreed by the Vendor and the Purchaser in writing) after Completion; and
- (c) the Company to give such information and assistance to the Auditor as soon as possible as the Auditor may require for the purposes of auditing the Completion Accounts.

8.3 The cost of appointment of the Auditor for the matters described in Clause 8.2(a) and (b) shall be borne by the Company.

8.4 The Vendor and the Purchaser shall, and shall procure the directors of the Company to, give such warranties and representations as are normally required by the Auditor in connection with the information relied upon by the Auditor in its audit as regards matters and information of the Company prior to Completion.

8.5 The Auditor shall act as an expert and not an arbitrator and the decision made by the Auditor shall, in the absence of manifest error, be final, binding and conclusive on the Parties.

8.6 Notwithstanding anything herein contained to the contrary, this Clause 8 shall survive Completion.

## **9. CALCULATION OF NET ASSET VALUE**

9.1 The Net Asset Value shall be calculated in accordance with the following formula:

$$A = B + C - D$$

where:

"A" means the Net Asset Value;

“B” means the Agreed Property Value;

“C” means the amount of all assets of the Company (including but not limited to (i) prepayments and/or deposits paid, in respect of government rent and rates, utilities and insurance premium for the Property made by the Company as at the Completion Date and (ii) all cash at banks owned by the Company, but excluding (iii) the Property) as at the Completion Date as shown in the Proforma Completion Accounts, the Completion Accounts or the Audited Completion Accounts (as the case may be). For the avoidance of doubt, “Property” includes the investment property and leasehold improvement but excludes furniture and fixtures, office equipment and computer equipment as shown in the audited financial statements of the Company;

“D” means the amount of all liabilities and provisions (including those for contingent liabilities) of the Company (including (i) all contractual obligations and capital commitments of the Company to make payment to any person, (ii) all Security Deposits held by the Company, (iii) all prepayment of rent or license fees received by the Company from tenants/licensees of the Property in respect of the period commencing from the day following the Completion Date, and (iv) all obligations, indebtedness and liabilities of the Company under the AIA Facility Agreement and/or the AIA Debenture) as at the Completion Date as shown in the Proforma Completion Accounts, the Completion Accounts or the Audited Completion Accounts (as the case may be).

- 9.2 For the avoidance of doubt, 10% of all rents, licence fees, income and profits (if any) of the Property and 10% of all Government rent and rates and all other outgoings of the Property up to and inclusive of the Completion Date shall be for the account of the Vendor and all rents, licence fees, income and profits (if any) of the Property and all Government rent and rates and all other outgoings as from but exclusive of the Completion Date shall be for the account of the Purchaser solely. All such rents, licence fees and all other outgoings shall be apportioned between the Vendor and the Purchaser by reference to the Audited Completion Accounts.

## **10. FURTHER ASSURANCE**

- 10.1 The Vendor and the Purchaser shall, execute such documents and perform such further acts as may reasonably be required to vest effectively in the Purchaser (and/or its designated entity) the legal and beneficial ownership of the Sale Shares, free from all Encumbrances and with all rights now and hereafter attaching thereto (including without limitation the right to all dividends paid, declared or made in respect thereof on or after the Completion Date).
- 10.2 The Vendor confirms that:
- (a) subject to Clause 3.3, it has obtained all consents, approvals, and/or authorizations that are required to be obtained on the part of the Vendor and/or its Affiliates (as may be required) as a result of or in connection with the Transaction Documents and the implementation and completion of the transactions hereunder including but not limited to consents, approval and/or authorizations from any relevant third parties, Government or governmental department or regulatory authorities governing the Vendor and/or its Affiliates which are necessary in

connection with the transfer of the Sale Shares under the Transaction Documents, and that such consents, approvals and authorizations are and shall remain in full force and effect and have not been and shall not be revoked;

- (b) it has full capacity and power to enter into the Transaction Documents and to exercise its rights and perform its obligations under the Transaction Documents and (where relevant) all corporate and other actions required for its execution of the Transaction Documents and the performance of its obligations thereunder have been duly taken and each of the Transaction Documents will, when executed by it, be a legal, valid and binding agreement on it and enforceable in accordance with the terms thereof;
- (c) the execution, delivery and performance of the Transaction Documents (or to ensure the validity or enforceability thereof) by the Vendor does not and will not violate in any respect any provision of (i) any law or regulation or any order or decree of any governmental authority, agency or court of the jurisdiction (including the Listing Rules) prevailing as at the date of this Agreement and as at Completion; (ii) the laws and documents incorporating and constituting any of the Vendor or the Company prevailing as at the date of this Agreement and as at Completion or (iii) any mortgage, contract or other undertaking or instrument to which any of the Vendor or the Company 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; and
- (d) subject to Clause 3.3, each of the Vendor and/or its Affiliates has complied with all applicable and relevant regulatory requirements (including the Listing Rules) in relation to the Transaction Documents and all transactions contemplated hereunder and that no shareholders' or third parties' approval is required in relation to the valid execution, delivery or performance of the Transaction Documents (or to ensure the validity or enforceability thereof) by it.

#### 10.3 The Purchaser confirms that:

- (a) subject to Clause 3.1(f), it has obtained all consents, approvals, and/or authorizations that are required to be obtained on the part of the Purchaser and/or its Affiliates (as may be required) as a result of or in connection with the Transaction Documents and the implementation and completion of the transactions hereunder including but not limited to consents, approval and/or authorizations from any relevant third parties, Government or governmental department or regulatory authorities governing the Purchaser and/or its Affiliates which are necessary in connection with the transfer of the Sale Shares under the Transaction Documents, and that such consents, approvals and authorizations are and shall remain in full force and effect and have not been and shall not be revoked;
- (b) it has full capacity and power to enter into the Transaction Documents and to exercise its rights and perform its obligations under the Transaction Documents and (where relevant) all corporate and other actions required



for its execution of the Transaction Documents and the performance of its obligations thereunder have been duly taken and each of the Transaction Documents will, when executed by it, be a legal, valid and binding agreement on it and enforceable in accordance with the terms thereof;

- (c) the execution, delivery and performance of the Transaction Documents (or to ensure the validity or enforceability thereof) by the Purchaser does not and will not violate in any respect any provision of (i) any law or regulation or any order or decree of any governmental authority, agency or court of the jurisdiction (including the Listing Rules) prevailing as at the date of this Agreement and as at Completion; (ii) the laws and documents incorporating and constituting any of the Purchaser or the Company prevailing as at the date of this Agreement and as at Completion or (iii) any mortgage, contract or other undertaking or instrument to which any of the Purchaser or the Company 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; and
- (d) subject to Clause 3.1(f), each of the Purchaser and its Affiliates has complied with all applicable and relevant regulatory requirements (including the Listing Rules) in relation to the Transaction Documents and all transactions contemplated hereunder and that no third parties' approval is required in relation to the valid execution, delivery or performance of the Transaction Documents (or to ensure the validity or enforceability thereof) by it.

10.4 To the actual present knowledge of the Purchaser and the Vendor, the Company has not caused any wilful and fraudulent concealment or wilful and fraudulent non-disclosure or fraud and the Company has been acting reasonably in the course of preparation of the accounts and financial statements of the Company by adopting generally accepted accounting principles and practices in Hong Kong.

10.5 Notwithstanding anything herein contained to the contrary, this Clause 10 shall survive Completion.

## **11. CONFIDENTIALITY**

11.1 No public announcement or communication of any kind shall be made or issued in respect of the subject matter of this Agreement by any Party, the Vendor's Group or the Purchaser's Group, save:

- (a) with the prior written consent of the other Party which may not be unreasonably withheld or delayed; or
- (b) to the extent required by applicable laws and regulations or by the rules of any securities exchange or supervisory or regulatory or governmental body to which the relevant Party is subject (including the Listing Rules), provided the Party which is required to make or issue an announcement or communication has, if and to the extent practicable, first consulted (giving a reasonable amount of information and time to) the other Party

(including the content of such announcement or communication) and taken into account the reasonable requirements of the other Parties.

- 11.2 Each Party shall at all times keep confidential, treat as privileged, and not directly or indirectly make or allow to be made any disclosure or use of any information relating to the other Party (including any aspect of that Party's businesses or customers or the existence or subject matter of this Agreement) ("**Confidential Information**"), except to the extent:
- (a) required by applicable laws and regulations or by the rules of any securities exchange or supervisory or regulatory or governmental body to which the relevant Party is subject (including the Listing Rules) and then (if permissible under the law and regulations) only after advising the other relevant Party or Parties of that requirement and consulting (giving a reasonable amount of information and time to) that other Party or Parties in respect of the relevant matter and taking into account the reasonable requirements of the other Party;
  - (b) necessary to obtain the benefit of, or to carry out obligations under, this Agreement, which shall include the ability to disclose Confidential Information to any employees or advisers who need to have it for purposes connected with the transactions provided for in this Agreement, provided that the relevant disclosing Party shall advise such employees or advisers of the confidential nature of the Confidential Information and shall use all reasonable endeavours to procure that such persons keep the relevant Confidential Information strictly confidential; or
  - (c) that the information is or comes into the public domain without breach by a Party of its confidentiality obligations under this Clause 11 or at law.
- 11.3 Notwithstanding anything herein contained to the contrary, this Clause 11 shall survive Completion.

## **12. GENERAL**

- 12.1 This Agreement contains the entire agreement between the Parties, and supersedes all previous agreements between them, in relation to the sale and purchase of the Sale Shares, and the other matters contemplated under this Agreement. There are no other representations, warranties, conditions or terms whatsoever applicable thereto whether express or implied. The Parties acknowledge that no claim shall arise in respect of any agreement so superseded.
- 12.2 Any variation to this Agreement shall be binding only if recorded in a document signed by the Parties.
- 12.3 No failure by any Party to exercise, and no delay on its part in exercising, any right hereunder will operate as a waiver thereof, nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise of it or the exercise of any right, or prejudice or affect any right against any person under the same liability whether joint, several or otherwise.
- 12.4 None of the Parties may assign or transfer any of their rights or obligations under this Agreement without the prior written consent of the other Parties, except that

the Purchaser may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the other Parties.

- 12.5 If any term in or provision of this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, under any enactment or rule of law, the term or provision shall to that extent be deemed not to form a part of this Agreement and the legality, validity and enforceability of the remainder of this Agreement shall not be affected.
- 12.6 Save as expressly provided herein, each Party shall bear its own legal, accountancy and other costs and expenses incurred in connection with the negotiation, preparation and completion of this Agreement and all transactions contemplated hereunder, except that the stamp duty payable in respect of the transactions contemplated hereunder (if any) shall be borne by the Parties in equal shares.
- 12.7 Subject to the limitations expressly set out in this Agreement, the Completion or termination of this Agreement shall not affect any provision herein which is expressly or by implication provided or intended to have effect or continue to have effect after Completion or termination.
- 12.8 This Agreement may be executed in any number of counterparts and by the different Parties on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

### **13. NOTICES**

- 13.1 Any notice required or permitted to be given hereunder shall be given in writing in English delivered personally or sent by pre-paid registered post or by facsimile or by email to the Party due to receive such notice at its address or facsimile number set out herein (or such other address or facsimile number as it may have notified to the other Party in accordance with this Clause 13).

#### Vendor

Address : 11th Floor, Lai Sun Commercial Centre, 680 Cheung Sha Wan Road, Kowloon, Hong Kong  
Attention : Lai Sun Corporate Services Limited, Company Secretary  
Facsimile : 2743 8459  
Email : lscmsec@laisun.com

#### Purchaser

Address : Suites 5301-03, 53/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong  
Attention : Ms. Wendy Tse  
Facsimile : +852 2836 5091  
Email : wendy-sw.tse@aia.com

- 13.2 Any notice delivered personally shall be deemed to be received when delivered and any notice sent by pre-paid registered post shall be deemed (in the absence of evidence of earlier receipt) to be received forty-eight (48) hours after posting and in proving the time of despatch it shall be sufficient to show that the envelope

containing such notice was properly addressed, stamped and posted. Any notice sent by facsimile shall be deemed to have been received upon production of a transmission report by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient. Any notice sent by email shall be deemed to have been received after the email is sent. Any notice received or deemed to be received on a Saturday, Sunday or public holiday in Hong Kong shall be deemed to have been received on the next Business Day.

13.3 Notwithstanding anything herein contained to the contrary, this Clause 13 shall survive Completion.

#### **14. GOVERNING LAW AND JURISDICTION**

14.1 This Agreement shall be governed by and construed in accordance with the laws of Hong Kong and the Parties irrevocably submit to the sole and exclusive jurisdiction of the courts of Hong Kong in respect of this Agreement.

14.2 Notwithstanding anything herein contained to the contrary, this Clause 14 shall survive Completion.

#### **15. CONTRACTS (RIGHTS OF THIRD PARTIES) ORDINANCE**

Notwithstanding that a term of this Agreement purports to confer a benefit on any person who is not a party to this Agreement, a person who is not a party to this Agreement shall have no rights under the Contracts (Rights of Third Parties) Ordinance (Cap.623 of the Laws of Hong Kong) to enforce or enjoy the benefit of any provisions of this Agreement.

## **SCHEDULE 1**

### **DETAILS OF THE COMPANY**

<b>Company name</b>	:	Bayshore Development Group Limited
<b>Company no.</b>	:	388307
<b>Place of incorporation</b>	:	British Virgin Islands
<b>Date of incorporation</b>	:	18 May 2000
<b>Total issued shares</b>	:	100 ordinary shares
<b>Directors</b>	:	(1) LAM Kin Ngok, Peter (2) Mark KONYN (3) LEE Mo Chi Myra (4) FUNG Wai Cheong (5) LEUNG Fung Pik Belinda (6) LAU Shu Yan Julius
<b>Registered Agent</b>	:	Vistra (BVI) Limited
<b>Registered office</b>	:	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands
<b>Shareholders</b>	:	

<u>Shareholder</u>	<u>No. of Shares</u>	<u>Percentage</u>
Peakflow Profits Limited	10	10%
Grand Design Development Limited	90	90%

## **SCHEDULE 2**

### **THE PROPERTY**

ALL THOSE pieces or parcels of land respectively registered in the Land Registry as Marine Lot No.275, Section A of Marine Lot No.278 and The Remaining Portion of Marine Lot No.278 together with all messuages, erections and buildings thereon now known as "AIA Central", No.1 Connaught Road Central, Hong Kong.

## **SCHEDULE 3**

### **WARRANTIES**

#### **1. GENERAL INFORMATION AND POWERS OF THE VENDOR**

1.1 The Vendor was duly incorporated and validly existing under the laws of its place of incorporation. The Vendor has full capacity and power to enter into this Agreement and other Transaction Documents to which it is a party and to exercise its rights and perform its obligations under the Transaction Documents and (where relevant) other actions required to execute the Transaction Documents and the performance of its obligations thereunder have been duly taken and each of the Transaction Documents will, when executed by the Vendor, be a legal, valid and binding agreement on the Vendor and enforceable in accordance with the terms thereof.

1.2 The execution, delivery and performance of the Transaction Documents by the Vendor and/or Lai Sun do not and will not violate and will not cause the Vendor's Group to violate in any respect any provision of (a) any law or regulation (including the Listing Rules) or any order or decree of any governmental authority, agency or court of the jurisdiction prevailing as at the date of this Agreement and as at Completion; or (b) the laws and documents incorporating and constituting the Vendor, Lai Sun and the Company prevailing as at the date of this Agreement and as at Completion; or (c) any mortgage, contract or other undertaking or instrument to which the Vendor 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 their assets pursuant to the provisions of any such mortgage, contract or other undertaking, or instrument.

1.3 Consent of or filings or registration with or other requirement of any governmental department authority or agency or third parties is not required in relation to the valid execution, delivery or performance of the Transaction Documents (or to ensure the validity or enforceability thereof) and the sale of the Sale Shares and the transactions contemplated under any of the Transaction Documents.

#### **2. SHARE CAPITAL AND SALE SHARES**

2.1 The Vendor is the sole legal and beneficial owner of the Sale Shares free from all Encumbrances whatsoever, and has the right, power and authority to enter into and perform its obligations under the Transaction Documents and sell and transfer the Sale Shares.

2.2 The Sale Shares constitute 10% of all the issued shares of the Company which are legally and/or beneficially owned by the Vendor and are fully paid up.

2.3 There is no indebtedness (whether actual or contingent) due, owing or payable by the Company to the Vendor or any Affiliate of the Vendor.

#### **3. LITIGATION, INVESTIGATIONS, DISPUTES AND WINDING UP**

3.1 The Vendor is not engaged in any claims or legal proceedings (including litigation, arbitration and prosecution whether as plaintiff, defendant or otherwise) and no such claims or proceedings are pending or threatened.

3.2 No distress, execution or other process has been levied in respect of the Vendor which remains undischarged; nor is there any unfulfilled or unsatisfied judgment or court order outstanding against the Vendor. The Vendor is not the subject of any existing or pending rulings, orders or decrees of any court or governmental authority or any expert determination or arbitration proceedings.

3.3 The Vendor is not the subject of any investigation, enquiry or enforcement proceedings by any governmental, regulatory or administrative body, and no such investigations, enquiries, or enforcement proceedings are pending or threatened.

3.4 The Vendor has not received any notification that any investigation or enquiry into any illegal or improper act or breach of obligation is being or will be made by any governmental, regulatory or administrative body.

3.5 No administrator, administrative receiver or any other receiver or manager has been appointed by any person in respect of the Vendor or all or any of its assets and no steps have been taken to initiate any such appointment. No analogous appointments have been made or initiated under the laws of any applicable jurisdiction.

#### **4. COMPLIANCE WITH LAWS**

4.1 Each Vendor's Group company has conducted its business in compliance with applicable laws and regulations (including without limitation the Listing Rules) in all material aspects and has not been in material breach of any such laws and regulations (including without limitation the Listing Rules).

4.2 Each Vendor's Group company is not engaged in any activity or conduct that has resulted or will result in a violation of any anti-corruption laws, sanctions laws and regulations in all applicable jurisdictions. Each Vendor's Group company has complied in all material respects with all applicable anti-money laundering, anti-corruption and anti-terrorist financing laws and sanctions laws.



**SCHEDULE 4**  
**DEED OF TAXATION INDEMNITY**

**THIS DEED OF TAXATION INDEMNITY** is made on

**BY:**

- (1) **PEAKFLOW PROFITS LIMITED**, a limited liability company incorporated under the laws of British Virgin Islands, the registered address of which is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands and registered as a non-Hong Kong company under Part 16 of the Companies Ordinance (Cap. 622) of the Laws of Hong Kong its principal place of business situated at 11th Floor, Lai Sun Commercial Centre, 680 Cheung Sha Wan Road, Kowloon, Hong Kong (the “**Vendor**”); and
- (2) **LAI SUN DEVELOPMENT COMPANY LIMITED** 麗新發展有限公司, a limited liability company incorporated under the laws of Hong Kong, the registered address of which is at 11th Floor, Lai Sun Commercial Centre, 680 Cheung Sha Wan Road, Kowloon, Hong Kong (“**Lai Sun**”);

(The Vendor and Lai Sun shall collectively be hereinafter referred to as the “**Covenantors**” and each a “**Covenantor**”.)

**IN FAVOUR OF:**

- (3) **GRAND DESIGN DEVELOPMENT LIMITED**, a limited liability company incorporated under the laws of the British Virgin Islands, the registered address of which is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands and registered as a non-Hong Kong company under Part 16 of the Companies Ordinance (Cap. 622) of the Laws of Hong Kong its principal place of business situated at Suites 5301-03, 53/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (the “**Purchaser**”); and
- (4) **BAYSHORE DEVELOPMENT GROUP LIMITED**, a limited liability company incorporated under the laws of the British Virgin Islands, the registered address of which is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110 and registered as a non-Hong Kong company under Part 16 of the Companies Ordinance (Cap. 622) of the Laws of Hong Kong its principal place of business situated at 18<sup>th</sup> Floor, AIA Central, 1 Connaught Road, Central, Hong Kong.

(The Purchaser and the Company shall collectively be referred to herein as the “**Covenantees**”.)

**WHEREAS:**

- (A) This Deed is made pursuant to a sale and purchase agreement dated \_\_\_\_\_ 2024 (the “**Principal Agreement**”) entered into between the Vendor and the Purchaser providing for, amongst other things, the sale and purchase of the Sale Shares.

- (B) The Covenantors have agreed to give certain indemnities in respect of Taxation in favour of the Covenantees upon the terms and subject to the conditions set out in this Deed.

**NOW THIS DEED WITNESSES AND IT IS HEREBY AGREED** as follows:-

**1. INTERPRETATION**

1.1 In this Deed, terms capitalised in this Deed but not otherwise defined have the meaning given to them in the Principal Agreement except where the context otherwise requires.

1.2 In the event of deprivation or reduction of any Relief or of a right to repayment of any form of Taxation available to the Company, there shall be treated as an amount of Taxation for which a liability has arisen:-

(a) the amount of such Relief or repayment so deprived or the amount by which such Relief or repayment is so reduced (as the case may be); or

(b) if the amount of Taxation being reduced by virtue of any such Relief is smaller than the amount of such Relief, the amount by which the liability equal to any such Taxation of the Company would have been reduced by virtue of such Relief if there had been no such deprivation or reduction, applying the relevant rates of Taxation in force in the period or periods in respect of which such Relief would have applied or (where the rate has at the relevant time not been fixed) the last known rate and assuming that the Company had sufficient profits, turnover or other assessable income or expenditure against which such Relief might be set off or given.

1.3 In this Deed:-

(a) the masculine gender shall include the feminine gender and neuter and the singular number shall include the plural and vice versa;

(b) references to persons shall include individuals, bodies corporate (wherever incorporated), unincorporated associations, partnerships and all forms of governmental body or authority; and

(c) the headings are inserted for convenience only and shall not affect the interpretation of this Deed.

1.4 The recitals form part of this Deed and shall be construed and shall have the same force and effect as if expressly set out in the body of this Deed.

**2. TAXATION INDEMNITY**

2.1 Without prejudice to each of the foregoing provisions of this Deed and subject as hereinafter provided, the Covenantors jointly and severally agree and undertake to indemnify and at all times keep the Covenantees (fully indemnified from and against:-

- (a) ten percent (10%) of the amount of any and all Taxation falling on the Company resulting from or by reference to any income, profits, gains, transactions, events, matters or things earned, accrued, received, entered into, existing or occurring up to the Completion Date, whether alone or in conjunction with any other circumstances whenever occurring and whether or not such Taxation is chargeable against or attributable to any other person, firm or company including any and all Taxation resulting from the receipt by the Company of any amounts paid by the Covenantors under this Deed, provided that such Taxation were not taken into account for the post-completion adjustment in clause 8 of the Principal Agreement; and
- (b) ten percent (10%) of all actions, claims, losses, damages, costs (including all legal costs), expenses or other liabilities which the Company may make, suffer or incur in respect of or arising from or on the basis of or in connection with any Taxation which is covered by the indemnities given under Clause 2.1(a), including without limitation to the generality of the foregoing:-
  - (i) the investigation, audit, assessment or the contesting or appeal, whether before a court, tribunal, or review board or otherwise of any Taxation Claim;
  - (ii) the settlement of any claim under this Deed;
  - (iii) any legal proceedings in which the Company claim(s) under or in respect of this Deed and in which judgment is given for the Company; and
  - (iv) the enforcement of any such settlement or judgment referred to in (ii) and (iii) above.

### **3. TAXATION CLAIM**

- 3.1 In the event of any Taxation Claim arising, the Covenantees or any of them will (but not as a condition precedent to the liability of the Covenantors hereunder) as soon as practicable give notice of such claim to the Covenantors and will supply the Covenantors with all information and particulars necessary to enable the Covenantors at their own expenses and in the name of the Company to object to or contest such claim and (subject to the Company being indemnified to its reasonable satisfaction against all costs and disbursements of and in relation to any legal proceedings which may be instituted in respect of such claim) the Company will not accept, pay or compromise any such claim without giving the Covenantors an opportunity to resist it.
- 3.2 Without the prior approval of the Covenantees, the Covenantors shall not make any settlement of any Taxation Claim nor agree to any matter in the course of disputing any Taxation Claim likely to affect the future taxation liability of the Company.
- 3.3 No claim may be brought against the Covenantors under this Deed after the expiry of seven (7) years from the date hereof and the Covenantors shall not be liable for any Claim unless the Covenantors shall have received written notice

from any Covenantee prior to the expiry of seven (7) years from the date hereof giving reasonable details of the relevant Taxation or Taxation Claim.

#### **4. PAYMENTS**

- 4.1 Any payments made by or due from the Covenantors under this Deed shall be free and clear of all Taxation whatsoever save only for any deductions or withholdings required by law.
- 4.2 If any deductions or withholdings are required by law, or any payments made by or due from the Covenantors under this Deed are liable for Taxation (whether in the hands of any of the Covenantees or otherwise), the Covenantors shall be jointly and severally liable under this Clause 4.2 to pay to the Covenantees to which the payments are made or due by virtue of Clause 2 above such further sums as will ensure that the aggregate of the sums paid or payable under this Clause 4.2 and Clause 2 above shall, after deducting therefrom all deductions or withholdings from or liabilities for Taxation in respect of, such sums, leave the Covenantees with the same amount as they would have been entitled to receive under Clause 2 above in the absence of any such deductions, withholdings or liabilities to Taxation.
- 4.3 Any payments due by the Covenantors under this Deed shall be increased to include such interest and/or penalty on unpaid Taxation as the Company or any of them shall have been required to pay pursuant to the applicable laws and regulations.
- 4.4 Any sums payable by the Covenantors under this Deed shall become due on the fifth (5<sup>th</sup>) Business Day prior to the date on which the relevant liabilities for Taxation become due.
- 4.5 No payment shall be treated as made by the Covenantors under this Deed until and to the extent that cleared funds are available in respect of it to the Company.
- 4.6 For the avoidance of doubt, the Covenantors shall remain liable in accordance with the terms of this Deed notwithstanding that any Taxation giving rise to a liability to make a payment under Clause 2 of this Deed is or has been discharged or suffered by the Company, whether before or after the date hereof and whether by payment or by loss or utilisation of any relief or right to repayment of Taxation.

#### **5. BINDING EFFECT**

The indemnities, agreements and undertakings herein contained shall bind the respective successors of the Covenantees and the Covenantors and shall enure for the benefit of each party's successors and permitted assigns.

#### **6. FURTHER UNDERTAKING**

The Covenantors jointly and severally undertake with the Covenantees that the Covenantors will on demand do all such acts and things and execute all such deeds and documents as may be necessary to carry into effect or to give legal effect to the provisions of this Deed and the indemnities hereby contemplated.

**7. ASSIGNMENT**

Unless with the Covenantors' prior written consent, the Covenantees may not assign the whole or any part of the benefit of this Deed to a party other than their respective Affiliates.

**8. SEVERABILITY**

Any provision of this Deed prohibited by or which is unlawful or unenforceable under any applicable law shall, to the extent required by such law, be severed from this Deed and rendered ineffective so far as is possible without modifying the remaining provisions of this Deed.

**9. NOTICES**

The address of the Covenantors for service of any notice or other document under this Deed are the same as that under the Principal Agreement. The provisions of clause 13 of the Principal Agreement apply to this Deed mutatis mutandis.

**10. GENERAL PROVISIONS**

- 10.1 This Deed constitutes the entire agreement between the parties in relation to the subject of this Deed and supersedes any previous agreement between or representation by any party to any other in relation to the subject matter.
- 10.2 No variation of any of the terms of this Deed will be effective unless it is made or confirmed in writing and signed by or on behalf of each of the parties.
- 10.3 No relaxation, forbearance, indulgence or delay of any party in exercising any right under this Deed shall affect the ability of that party subsequently to exercise such right or to pursue any remedy, nor shall such failure or delay constitute a waiver of any other right.
- 10.4 No breach of any provision of this Deed shall be capable of being waived or discharged except with the express written consent of the Purchaser.
- 10.5 Time shall be of the essence as regards any date or period mentioned in this Deed, or any date or period substituted for the same by the agreement of the parties hereto or otherwise.
- 10.6 Each and every obligation, covenant, representation, warranty and undertaking of the Covenantors provided herein shall be the joint and several obligation, covenant, representation, warranty and undertaking of the Covenantors and the Covenantees shall be at liberty to release, compound with or otherwise vary or agree to vary the liability of, or grant time or other indulgence, or make other arrangements with any of the Covenantors without the consent or notice to the other and without prejudicing, affecting the rights, remedy and power of the Covenantees.

**11. COUNTERPARTS**

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

**12. LAW AND JURISDICTION**

This Deed shall be governed by and construed in accordance with the laws of Hong Kong. The courts of Hong Kong shall have non-exclusive jurisdiction to settle any disputes or claims that arise out of or in connection with this Deed.

**13. CONTRACTS (RIGHTS OF THIRD PARTIES) ORDINANCE**

Notwithstanding that a term of this Deed purports to confer a benefit on any person who is not a party to this Deed, a person who is not a party to this Deed shall have no rights under the Contracts (Rights of Third Parties) Ordinance (Cap.623 of the Laws of Hong Kong) to enforce or enjoy the benefit of any provisions of this Deed.

**IN WITNESS** whereof the Covenantors executed this Deed the day and year first above written.

**SEALED** with the Common Seal of )  
**PEAKFLOW PROFITS LIMITED** )  
and **SIGNED** by )  
)  
)  
in the presence of: )

**SEALED** with the Common Seal of )  
**LAI SUN DEVELOPMENT COMPANY** )  
**LIMITED** 麗新發展有限公司 )  
and **SIGNED** by )  
)  
)  
in the presence of: )

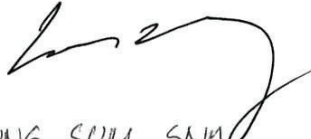
IN WITNESS whereof this Agreement has been executed by the Parties on the year and date first written above.

**The Vendor**

SIGNED by LAU SHU YAN JULIUS )

For and on behalf of )  
**PEAKFLOW PROFITS LIMITED** )  
in the presence of: )

  
LAU SHU YAN JULIUS

  
CHEUNG SUM, SAM

**The Purchaser**

SIGNED by )

For and on behalf of )  
**GRAND DESIGN DEVELOPMENT LIMITED** )  
in the presence of: )



**IN WITNESS** whereof this Agreement has been executed by the Parties on the year and date first written above.

**The Vendor**

**SIGNED** by )

For and on behalf of )

**PEAKFLOW PROFITS LIMITED** )

in the presence of: )

**The Purchaser**

**SIGNED** by Kevin BROCKLEHURST )

For and on behalf of )

**GRAND DESIGN DEVELOPMENT LIMITED** )

in the presence of: )



Colette Sin Lok Chi