

Dated the 12th day of July 2017

ROSY LANE INTERNATIONAL LIMITED
(盛途國際有限公司)
as the Purchaser

AND

UNITECH ENTERPRISES GROUP LIMITED
(卓科企業集團有限公司)
as the Vendor

AGREEMENT
for the sale and purchase of
a total of 322,326,500 issued and paid-up shares of
HIGHLIGHT CHINA IOT INTERNATIONAL LIMITED
(高銳中國物聯網國際有限公司)

LI & PARTNERS
SOLICITORS
22nd Floor, World Wide House
19 Des Voeux Road Central
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Tel. No.: (852) 2501 0088
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Our Ref :

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THIS AGREEMENT is made on this 12th day of July 2017.

AMONGST:

- (1) **ROSY LANE INTERNATIONAL LIMITED (盛途國際有限公司) (Company no. 1944490)**, a company incorporated in the British Virgin Islands, having its registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (the "**Purchaser**"); and
- (2) **UNITECH ENTERPRISES GROUP LIMITED (卓科企業集團有限公司) (Company no. 1564505)**, a company incorporated in the British Virgin Islands, having its registered office at OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands (the "**Vendor**").

WHEREAS:

- (A) As at the date hereof, the Vendor legally and beneficially owns 322,326,500 shares (the "**Sale Shares**") in Highlight China IoT International Limited (the "**LISTCO**"), representing approximately 62.01% of the total issued share capital of the LISTCO.
- (B) The LISTCO is incorporated in Bermuda with an authorised share capital of HK\$9,000,000 divided into 900,000,000 ordinary shares of HK\$0.01 each, of which 519,777,000 Shares (as defined below) have been issued, are fully paid as at the date of this Agreement and are listed on the main board of the Stock Exchange (as defined below) (stock code: 01682).
- (C) Particulars of the LISTCO as at the date hereof and as at the Completion Date (as defined below) is set out in Schedule 1. Particulars of its subsidiaries as at the date hereof and as at the Completion Date is set out in the annual report of the LISTCO published on 9 July 2017.
- (D) The Purchaser wishes to purchase and the Vendor wishes to sell the Sale Shares (as defined below) free from Encumbrances (as defined below) and together with all rights and benefits attaching thereto, on the terms of this Agreement.
- (E) On 12 July 2017, the Purchaser, the Vendor and Bloom Dragon entered into a deed of set off (the "**Deed of Set Off**"), pursuant to which the Purchaser, the Vendor and Bloom Dragon have agreed that the Consideration (as defined below) shall be set off against the subscription amount payable by Bloom Dragon to the Purchaser for senior secured 18% per annum note due 2018 of a principal amount of three hundred million Hong Kong dollars (HK\$300,000,000) ("**Series A Note**"), under the Notes Subscription Agreement (as defined below) and the principal amount of the loan owed by Vendor to Bloom Dragon under the Loan Agreement (as defined below) in accordance with the terms herein.

IT IS AGREED as follows:

1. Definitions and Interpretation

1.1 In this Agreement where the context so admits the following words and expressions shall have the following meanings:

“2017 Accounts”	the audited consolidated financial statements of the LISTCO for the accounting period ended on or as at Accounting Date, comprising a consolidated statement of financial position, a consolidated income statement, and notes (all prepared in accordance with the HKFRS in force on 31 March 2017) and directors’ report;
“Accounting Date”	31 March 2017;
“Bloom Dragon”	Bloom Dragon Finance Limited (興龍財務有限公司), a company incorporated in Hong Kong, having its registered office at Unit 3701, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong;
“Business Day(s)”	a day on which banks in Hong Kong and the PRC are open for normal banking business throughout their normal business hours (excluding Saturdays, Sundays, public holidays or a day on which tropical cyclone warning signal number 8 or above or a black rainstorm warning is in force at any time during such day in Hong Kong);
“BVI”	British Virgin Islands;
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (as amended from time to time);
“Completion”	completion of the sale and purchase of

	the Sale Shares in accordance with Clause 4;
“Completion Date”	the date of this Agreement;
“Consideration”	the consideration for the Sale Shares, being the sum specified in Clause 3.1;
“Encumbrances”	any mortgage, charge, pledge, lien, hypothecation, priority of security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-lease back arrangement or similar encumbrance(s) over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same;
“Executive”	as defined in the Takeovers Code;
“Existing Officers”	has the meaning ascribed to it in Clause 6.5;
“Group” or “LISTCO Group”	the LISTCO and its subsidiaries. The expressions “Group Member” and “Group Members” shall be construed accordingly;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants;
“holding company”	has the meaning ascribed to it in the Companies Ordinance;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Intellectual Property”	includes patents, knowhow, trade secrets and other confidential information, registered designs, copyrights, internet domain names and internet and wireless keywords of any level, trademarks, service marks, business names, registrations of, applications to register and rights to apply for registration of any of the

	aforesaid items, rights in the nature of any of the aforesaid items in any country, rights in the nature of unfair competition rights and rights to sue for passing off;
“Licences”	all of the licences maintained or required to be maintained by each of the Group Members to carry on its business in the ordinary course;
“LISTCO”	has the meaning ascribed to it in Recital (A);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan Agreement”	the loan agreement entered into between the Vendor and Bloom Dragon dated 7 June 2017, pursuant to which Bloom Dragon agrees to grant a secured loan in the aggregate amount of up to HK\$300,000,000 to the Vendor subject to the terms and conditions therein;
“Notes”	two series of the notes as defined in the Note Subscription Agreement;
“Notes Subscription Agreement”	the note subscription agreement entered into between the Purchaser and Bloom Dragon dated 12 July 2017, pursuant to which the Purchaser agrees to issue and Bloom Dragon agrees to subscribe for the Notes, subject to the terms and conditions therein;
“Offer Document”	the composite offer and response document containing, among others, the Share Offer and the offeree board circular of the LISTCO;
“Parties”	the named parties to this Agreement and their respective successors and permitted assigns;
“PRC”	the People’s Republic of China (excluding, for the purpose of this Agreement, Hong Kong, the Macau

	Special Administrative Region of the PRC and Taiwan);
“Purchaser Warranties”	the representations, warranties and undertakings made or given by the Purchaser contained or referred to in Clause 5 and Part II of Schedule 2;
“Sale Shares”	322,326,500 Shares, representing approximately 62.01% of the total issued share capital of the LISTCO as at the date of this Agreement and Completion, legally and beneficially owned by the Vendor as at the date of this Agreement;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time);
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the LISTCO (and each a “Share”);
“Share Offer”	the unconditional cash offer to be made by or on behalf of the Purchaser (subject to Completion) for all the issued Shares not already owned or agreed to be acquired by the Purchaser or parties acting in concert with it in compliance with the Takeovers Code;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Tax”	all forms of taxation, estate duties, deductions, withholdings, duties, imposts, levies, fees, charges, social security contributions and rates imposed, levied, collected, withheld or assessed by any local, municipal, regional, urban, governmental, state, federal or other authorities in Hong Kong or elsewhere and any interest,

additional taxation, penalty, surcharge or fine in connection therewith;

“US\$”

United States dollars, the lawful currency of the United States;

“Vendor Group”

the Vendor, the holding companies, subsidiaries and associated companies of either of the Vendor, and the subsidiaries and associated companies of any of its holding companies, excluding the LISTCO Group;

“Vendor Warranties”

the representations, warranties and undertakings made or given by the Vendor contained or referred to in Clause 5 and Part I of Schedule 2;

“Warranties”

together, the Vendor Warranties and the Purchaser Warranties; and

“%”

per cent.

- 1.2 Save where the context otherwise requires words and phrases the definitions of which are contained or referred to in the Companies Ordinance shall be construed as having the meaning thereby attributed to them.
- 1.3 Any references, express or implied, to statutes or statutory provisions shall be construed as references to those statutes or provisions as respectively amended or re-enacted or as their application is modified from time to time by other provisions (whether before or after the date hereof) and shall include any statutes or provisions of which they are re-enactments (whether with or without modification) and any orders, regulations, instruments or other subordinate legislation under the relevant statute or statutory provision. References to sections of consolidating legislation shall, wherever necessary or appropriate in the context, be construed as including references to the sections of the previous legislation from which the consolidating legislation has been prepared.
- 1.4 References to any Hong Kong legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, organisation, body, official or any legal concept, state of affairs or thing shall in respect of any jurisdiction other than Hong Kong be deemed to include that which most nearly approximates in that jurisdiction to the Hong Kong legal term or other legal concept, state of affairs or thing.
- 1.5 References in this Agreement to Recitals, Clauses and Schedules are to recitals, clauses in and schedules to this Agreement (unless the context otherwise requires). The Recitals of and Schedules to this Agreement shall be deemed to form part of this Agreement.

- 1.6 Headings are inserted for convenience only and shall not affect the construction of this Agreement.
- 1.7 The expressions “**the Vendor**” and “**the Purchaser**” shall, where the context permits, include their respective personal representatives, successors and permitted assigns.
- 1.8 References to “**persons**” shall include bodies corporate, unincorporated associations and partnerships (whether or not having separate legal personality).
- 1.9 References to writing shall include any methods of producing or reproducing words in a legible and non-transitory form.
- 1.10 The masculine gender shall include the feminine and neuter and the singular number shall include the plural and vice versa.
- 1.11 All warranties, representations, indemnities, covenants, agreements and obligations given or entered into by more than one person are given or entered into jointly and severally.
- 1.12 In construing this Agreement:
- 1.12.1 the rule known as the ejusdem generis rule shall not apply and, accordingly, general words introduced by the word “other” shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things; and
- 1.12.2 general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

2. Sale Shares

- 2.1 Subject to the terms of this Agreement, at Completion, the Vendor shall sell as legal and beneficial owner and the Purchaser shall purchase the Sale Shares free from all Encumbrances and together with all rights and benefits attaching to them on and after the date of Completion, including all rights to any dividend or other distribution declared, made or paid on and after the date of Completion;
- 2.2 The Parties hereto shall not be obliged to complete the sale and purchase of any of the Sale Shares hereunder unless the sale and purchase of all of the Sale Shares is completed simultaneously and nothing in this Clause shall be construed as waiving the liability of any Party in respect of any antecedent breach that is the cause of the inability to complete the sale and purchase of all the Sale Shares simultaneously.

3. Consideration

- 3.1 The Consideration is Hong Kong dollars three hundred million (HK\$300,000,000) (representing HK\$0.9307 per Sale Share).
- 3.2 The Consideration shall be set off against the subscription amount for the Series A Note payable by Bloom Dragon to the Purchaser under the Notes Subscription Agreement and the principal amount of the loan owed by Vendor to Bloom Dragon under the Loan Agreement in accordance with the terms of the Deed of Set Off.
- 3.3 The payment of the Consideration by the Purchaser in accordance with Clause 3.2 above shall constitute a complete discharge of the obligations of the Purchaser for payment of the Consideration for the Sale Shares hereunder.

4. Completion

- 4.1 Completion shall take place on the Completion Date at the office designated by the Purchaser (or on such other date and/or at such other place as the Purchaser and the Vendor may agree in writing) when all (but not some only) of the events described in this Clause 4 shall occur.
- 4.2 Without prejudice to other clauses herein, at Completion, the Vendor shall:
- 4.2.1 deliver to the Purchaser:
- 4.2.1.1 duly completed and executed bought and sold notes in respect of all of the Sale Shares in favour of the Purchaser or its nominees;
- 4.2.1.2 original certificates of good standing (or in case of the Group Member incorporated in the Cayman Islands (if any), certified electronic certificate of good standing, if original is not available) or certificates of compliance and certificates of incumbency in respect of each Group Member incorporated in BVI (if any), Cayman Islands (if any) and Bermuda, each dated not more than one month before the date of Completion;
- 4.2.1.3 the 2017 Accounts;
- 4.2.1.4 (where applicable) certified copies of any powers of attorney under which any of the documents referred to in this Clause 4.2 is executed or evidence reasonably satisfactory to the Purchaser of the authority of any person signing on behalf of the Vendor;
- 4.2.2 deliver to the Purchaser a certified true copy or a set of certified extracts of the resolutions or minutes of the board of directors of the

Vendor approving and authorising the entering into of this Agreement and the sale of the Sale Shares;

- 4.2.3 deliver to the Purchaser a certificate of incumbency and certificate of good standing of the Vendor;
- 4.2.4 subject to the consent of the Executive under Rule 7 of the Takeovers Code (if required), deliver to the Purchaser the executed resignation letters of Mr. Gao Zhiyin and Mr. Gao Zhiping from the position of the executive directors and authorised representative (as applicable) of the LISTCO (with the person so resigning confirming that he has no disagreement with the board of directors of the LISTCO and no claim outstanding whatsoever against the LISTCO in respect of fees, remuneration, expenses, compensation for loss of office, or otherwise in this connection, such resignations to take effect upon the later of (i) the date immediately after the closing date of the Share Offer in compliance with the Takeovers Code; and (ii) the earliest time permitted under (or pursuant to any dispensation from) the Takeovers Code, the Listing Rules or other rules or regulations applicable to the LISTCO or by the SFC together with the power of attorney from Mr. Gao Zhiyin and Mr. Gao Zhipin;
- 4.2.5 deliver to the Purchaser a certified true copy of the board resolutions of the LISTCO approving the resignation of directors, and the resignation and appointment of authorised representative of the LISTCO and, in particular, the appointment as new authorised representative of the LISTCO of such persons as are nominated and notified to the Vendor in writing by the Purchaser prior to the date of this Agreement, such appointment to take effect upon the resignation of Mr. Gao Zhiyin from the position of authorised representative of the LISTCO taking effect pursuant to Clause 4.2.4;
- 4.2.6 deliver to the Purchaser original duly signed Deed of Set Off and
- 4.2.7 procure that its designated Participant (as defined in the General Rules of CCASS by Hong Kong Securities Clearing Company Limited (“HKSCC”) from time to time (the “**General Rules**”) give an irrevocable delivery instruction to effect a book-entry delivery of the relevant Sale Shares on a free of payment basis to the credit of the stock accounts (as defined in the General Rules) of the Participant designated by the Purchaser in accordance with the General Rules and the CCASS Operational Procedures issued by HKSCC from time to time and the details of the stock accounts are as follows:

securities account held in the name of Rosy Lane International Limited with Kingston Securities Limited with the account number 55320

- 4.3 At the Completion, the Purchaser shall execute the Deed of Set Off.
- 4.4 The Vendor and the Purchaser shall use their best endeavours to complete each of its respective obligations in Clauses 4.2 or 4.3 above. None of the

Parties shall be obliged to complete this Agreement unless each of the Parties complies with their respective obligations in Clauses 4.2 or 4.3.

- 4.5 If in any respect the provisions of Clauses 4.2.1.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5 and/or 4.2.6 are not complied with by the Vendor at Completion, the Purchaser shall have the right (which shall be in addition to and without prejudice to any other remedies available to the Purchaser, including but not limited to the right to claim damages under this Agreement for any breach (including any antecedent breach) by the Vendor and other rights and remedies available to the Purchaser under this Agreement), by serving a written notice to the Vendor, to terminate this Agreement, whereupon this Agreement shall cease to be of any effect and all rights and obligations of the Parties shall cease forthwith, except that such termination shall be without prejudice to the Purchaser's other remedies and rights as aforesaid and the continued application of Clauses 7 to 13 (and all provisions relevant to the interpretation and enforcement thereof) which shall remain in full force and effect.
- 4.6 Upon Completion, the Parties shall procure the payment of the stamp duty (if any) and penalty in relation to the stamp duty (if any) payable by them respectively as necessary for the transactions contemplated under this Agreement in accordance with the relevant legal requirements.

5. Warranties and Undertakings

- 5.1 The Vendor hereby represents and warrants to the Purchaser that the Vendor Warranties are true and correct in all material respects and not misleading in any material respect as at the date of this Agreement.
- 5.2 No other information in relation to any Group Member of which the Purchaser has knowledge and no investigation by or on behalf of the Purchaser shall prejudice any claim made by the Purchaser under the Vendor Warranties or operate to reduce any amount recoverable, and liability in respect thereof shall not be confined to breaches discovered before Completion.
- 5.3 The Vendor acknowledges that the Purchaser has entered into this Agreement in reliance upon the Vendor Warranties and has been induced by them to enter into this Agreement.
- 5.4 Without restricting the rights of the Purchaser or otherwise affecting the ability of the Purchaser to claim damages on any other basis available to it, in the event that any of the Vendor Warranties is broken or (as the case may be) proves to be untrue or misleading in any material respect, the Vendor shall remedy the breach upon fifteen (15) days' written notice from the Purchaser failing which the Vendor shall, on demand, pay to the Purchaser or, at the Purchaser's direction, the relevant Group Member:

- 5.4.1 the amount necessary to put the Purchaser or the relevant Group Member into the position which would have existed if the Vendor Warranties had not been broken or (as the case may be) had been true and not misleading; and
- 5.4.2 all costs and expenses incurred by the Purchaser and each Group Member in connection with or as a result of such breach and any costs (including legal costs on a solicitor and own client basis), expenses or other liabilities which any of them may reasonably and properly incur either before or after the commencement of any action in connection with (i) any legal proceedings in which the Purchaser claims that any of the Vendor Warranties has been broken or is untrue or misleading and in which a judgement is given for the Purchaser or (ii) the enforcement of any settlement of, or judgement in respect of, such claim.
- 5.5 Each of the Vendor Warranties shall be separate and independent and, save as expressly provided to the contrary, shall not be limited by reference to or inference from any other Vendor Warranties or any other term of this Agreement.
- 5.6 The Vendor undertakes that it shall procure that (save only as may be necessary to give effect to this Agreement) neither itself nor any Group Member shall do, allow or procure any act or omission before Completion which would constitute a Vendor Warranty if they were given at Completion or which would make any of the Vendor Warranties inaccurate or misleading in any material respects if they were so given.
- 5.7 The Vendor undertakes to as soon as practicable disclose to the Purchaser in writing immediately upon becoming aware of the same, any matter, event or circumstance (including any omission to act) which may arise or become known to it after the date of this Agreement and before Completion which:
- 5.4.1 constitutes a breach of or is inconsistent with any of the Vendor Warranties in any material respect; or
- 5.4.2 has, or is likely to have, a material adverse effect on the financial position or prospects of any Group Member.
- 5.8 In the event of its becoming apparent on or before Completion that the Vendor is in material breach of any of the Vendor Warranties or any other term of this Agreement, the Purchaser may (without any liability on its part) rescind this Agreement by notice in writing to the Vendor.
- 5.9 The Vendor undertakes that it shall give and shall procure each Group Member to give, to the Purchaser and its solicitors and accountants before Completion all such information and documentation relating to the Group as the Purchaser shall reasonably require to enable it to satisfy itself to the accuracy and due observance of the Vendor Warranties.
- 5.10 The Purchaser hereby represents and warrants to the Vendor that the Purchaser Warranties are true and correct in all material respects and not

misleading in any material respect as at the date of this Agreement.

- 5.11 Each of the Parties hereby agrees that each of the Warranties given by that Party shall be construed as a separate and independent representation and warranty and, except where expressly otherwise stated, no provision in any Warranties given by that Party shall govern or limit the extent or application of any other provision in any Warranties given by that Party.

6. Vendor Specific Undertakings

- 6.1 Subject to Completion having taken place, the Vendor undertakes to, from the date of Completion until the completion of the Share Offer, use all their best endeavour to assist, at the Purchaser's reasonable request, the Purchaser and the Group in all their negotiations, discussions and exchanges of correspondence in relation to the transactions referred to herein with the SFC and/or the Stock Exchange and any other relevant authorities.
- 6.2 Subject to Completion having taken place, the Vendor undertakes to the Purchaser that from the date of Completion until the completion of the Share Offer, it shall use best endeavours to make timely supply to the LISTCO, the Stock Exchange and the SFC of information and documents required pursuant to the Listing Rules, the Takeovers Code and all other applicable rules, codes and regulations whether in connection with the preparation of any circulars, reports, independent advice, offer documents or otherwise in connection with execution of this Agreement and the transactions contemplated herein. The Vendor further undertakes to the Purchaser that subject to Completion having taken place, they shall each provide all such information and documents in their custody to the Stock Exchange and the Executive and to execute all such applications, documents and other things as may be reasonably required by the Stock Exchange, the Executive or any other regulatory authorities.
- 6.3 In consideration of the Purchaser entering into this Agreement, the Vendor hereby represents or undertakes to the Purchaser the following:
- 6.3.1 as at the date of this Agreement, the net assets value of the Group is not less than HK\$4,380,000; and
- 6.3.2 as at the date of this Agreement, the total liabilities of the Group is not more than HK\$34,350,000;
- 6.3.3 as at the date of this Agreement, no Group Member has any other kind of financial indebtedness with any persons (not being Group Members) or financial institution;
- 6.3.4 there is no capital and/or financial commitment in any Group Member as at the date of this Agreement;
- 6.3.5 the Vendor shall procure, facilitate and assist in the (a) resignation of directors and authorised representative of the relevant Group Member and/or (b) appointment of such persons as nominated by the Purchaser

as directors and authorised representative of the relevant Group Member provided that the Purchaser shall procure that its nominees shall qualify to act as such and shall sign all necessary consents to act and other documents to effect the appointment;

- 6.3.6 if applicable, the Vendor shall make on time all necessary filings and reporting with respect to or in relation to the sale and purchase of the Sale Shares to all the relevant local tax authority in the PRC as required under the PRC laws, including but not limited to the necessary filings and submissions as required under 《「關於加強非居民企業股權轉讓所得企業所得稅管理的通知」國稅函[2009]698 號》 (the “**698 Reporting**”), and the Purchaser shall provide or procure the provision of all necessary assistance as the Vendor may reasonably require in connection with such filings and reporting;
- 6.3.7 if applicable, the Vendor shall (a) provide to the Purchaser a summary of its written submission to the relevant local tax authority in the PRC in relation to the 698 Reporting as soon as practicable and in any event within 10 Business Days after the submission of the 698 Reporting; and (b) in carrying out the 698 Reporting, if the relevant local tax authority in the PRC raises any enquiry with the Vendor which the Vendor, to the best of its knowledge, consider could result in any adverse tax consequence on the Group (the “**Relevant Enquiry**”) and unless prohibited by such authority or applicable law or regulations, inform the Purchaser as soon as practicable of the Relevant Enquiry and provide to the Purchaser any information in respect of the Group provided by the Vendor to such authority in response to the Relevant Enquiry;
- 6.4 Subject to Completion having taken place, the Vendor hereby undertakes to fully indemnify and keep fully indemnified the relevant Group Members and the Purchaser against any damages, loss, liability, reasonable costs or reasonable expenses (including legal and other professional fees) actually suffered or actually incurred by the relevant Group Members or the Purchaser solely as a result of or in relation to any claims arising from the Group’s existing interest in its subsidiaries (other than those claims as a result of the default made or conduct of the relevant Group Members or the Purchaser, or any voluntary act, omission, transaction or arrangement carried out by the relevant Group Members or the Purchaser on or after Completion), and the Vendor shall provide or procure the provision of all necessary assistance as the relevant Group Members or the Purchaser may reasonably require in connection with and when dealing with the aforesaid claims.
- 6.5 The Vendor undertakes to the Purchaser that, subject to Completion having taken place, it will, and will procure the Group Members and existing directors, secretary (if any), authorised representative(s) (if any) and supervisor (if any) of the Group Members (the “**Existing Officers**”) (including where necessary, exercise all its powers of control over the Group Members and Existing Officers) to, ensure that at all times between Completion and the date on which the resignations of the relevant directors and authorised representative of the LISTCO have taken effect pursuant to Clauses 4.2.3 to 4.2.4, all actions

taken, non-actions of, instructions given, and matters and things undertaken, performed, committed or done, by or on behalf of any Group Member will not constitute or result in any breach of or non-compliance with any applicable laws, rules, regulations, directives, rulings or decisions (including but not limited to the Listing Rules and/or the Takeovers Code).

7. Restriction on Announcements

Each of the Parties undertakes that it will not make any announcement in connection with this Agreement unless the other Party shall have given its written consents to such announcement (which consents may not be unreasonably withheld or delayed and may be given either generally or in a specific case or cases and may be subject to conditions), save as required by law or by any securities exchange or any supervisory or regulatory body to whose rules any of the Parties is subject provided that the Party making or issuing the announcement has to the extent practicable first informed and taken into account the reasonable requirements of the other Parties.

8. Confidentiality of Information

- 8.1 Each of the Parties undertakes to the other Parties that it shall treat as strictly confidential all information received or obtained by it or its employees, agents, advisers or consultants as a result of entering into or performing this Agreement including but not limited to information relating to the provisions of this Agreement, the negotiations leading up to this Agreement, the subject matter of this Agreement or information in relation to the Vendor and the Purchaser and relating to the Group obtained by it or its employees, agents, advisers or consultants pursuant to or as a result of this Agreement and subject to the provisions of Clause 8.2 below that it will not at any time hereafter make use of or disclose or divulge to any person any such information and shall use its best endeavours to prevent the publication or disclosure of any such information.
- 8.2 The restrictions contained in Clause 8.1 shall not apply so as to prevent each Party from making any disclosure if:
- 8.2.1 such disclosure is required or reasonably considered by it to be required by law or by any securities exchange or supervisory or regulatory or governmental body pursuant to rules to which the relevant Party or its holding company or the LISTCO is subject provided the Party making the disclosure has to the extent practicable first informed and taken into account the reasonable requirements of the other Parties ;
- 8.2.2 such disclosure is made to any professional adviser or consultant for the purposes of obtaining advice (provided always that the provisions of this Clause 8 shall apply to and each Party shall procure that they apply to and are observed in relation to, the use or

disclosure by such professional adviser or consultant of the information provided to them, and that the relevant Party will be responsible for any breach of the provisions of this Clause 8 by or caused by, the professional adviser or consultant);

- 8.2.3 such disclosure is made to the lending bank(s)/ lender(s) of the Purchaser for the purposes of obtaining funds from such lending bank(s)/ lender(s) for the purchase of the Sale Shares contemplated hereunder and the Shares under the Share Offer (provided always that the provisions of this Clause 8 shall apply to and the Purchaser shall procure that they apply to and are observed in relation to, the use or disclosure by such bank(s)/ lender(s) of the information provided to it, and that the Purchaser will be responsible for any breach of the provisions of this Clause 8 by or caused by, the bank(s)/ lender(s));
- 8.2.4 the information has come into the public domain otherwise than by a breach of this Clause 8 by the disclosing Party;
- 8.2.5 the prior written consent of the other Parties has been obtained;
- 8.2.6 disclosure is reasonably necessary for the performance of the relevant Party's obligations under this Agreement in which case each of the other Parties will be informed of such disclosure and the disclosing Party will procure that such disclosure is limited to the extent of such necessity;
- 8.2.7 disclosure is made for a proper purpose to the senior management of the LISTCO or the disclosing Party's holding company.

9. Costs

- 9.1 Each of the Vendor and the Purchaser shall pay its own costs and expenses (including but not limited to legal fees and independent professional party fees) incurred in connection with the preparation, negotiation, execution and performance of this Agreement and all documents incidental or relating to Completion.
- 9.2 All stamp duty (if any) and penalty in relation to the stamp duty (if any) payable in respect of the sale and purchase of the Sale Shares shall be borne by the Vendor and Purchaser in equal share.

10. General

- 10.1 This Agreement shall be binding upon and enure for the benefit of the estates, personal representatives or successors of the Parties.
- 10.2 This Agreement constitutes the whole agreement amongst the Parties and supersedes any previous agreements or arrangements between them relating

to the subject matter hereof. Each Party acknowledges that in entering into this Agreement, it is not relying upon any pre-contractual statement which is not set out in this Agreement.

- 10.3 No variations of this Agreement shall be effective unless made in writing signed by duly authorised representatives of the Parties.
- 10.4 All of the provisions of this Agreement shall remain in full force and effect notwithstanding Completion (except insofar as they set out obligations which have been fully performed at Completion).
- 10.5 If any provision or part of a provision of this Agreement shall be, or be found by any authority or court of competent jurisdiction to be, invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions or parts of such provisions of this Agreement, all of which shall remain in full force and effect.
- 10.6 None of the rights of the Parties under this Agreement may be assigned or transferred.
- 10.7 No failure of the Purchaser or the Vendor to exercise, and no delay or forbearance in exercising, any right or remedy in respect of any provision of this Agreement shall operate as a waiver of such right or remedy.
- 10.8 Upon and after Completion, each of the Parties shall do and execute or procure to be done and executed all such further acts, agreements, documents and things as may be necessary to give effect to the terms of this Agreement.
- 10.9 This Agreement may be executed in one or more counterparts, and by the Parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart and each such counterpart shall constitute an original of this Agreement but all the counterparts shall together constitute one and the same instrument.
- 10.10 Time shall be of the essence of this Agreement both as regards any dates, times and periods mentioned and as regards any dates, times and periods which may be substituted for them in accordance with this Agreement or by agreement in writing.

11. Notices

- 11.1 Any notice required to be given by any Party shall be deemed validly served by hand delivery or by prepaid registered letter sent through the post (airmail if to an overseas address) or by facsimile transmission to its address given herein or such other address as may from time to time be notified for this purpose and any notice served by hand shall be deemed to have been served on delivery, any notice served or by facsimile transmission shall be deemed to have been served when sent and any notice served by prepaid

registered letter shall be deemed to have been served 48 hours in case of a local prepaid registered letter (or 72 hours in the case of a letter sent by airmail to an address in another country) after the time at which it was posted and in proving service it shall be sufficient (in the case of service by hand and prepaid registered letter) to prove that the notice was properly addressed and delivered or posted, as the case may be, and in the case of service by facsimile transmission to prove that the transmission was confirmed as sent by the originating machine.

- 11.2 Each notice, demand or other communication given or made under this Agreement shall be in writing and delivered or sent to the relevant Party at its address or fax number 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 the Purchaser: Address: Vistra Corporate Services Centre,
Wickhams Cay II, Road Town,
Tortola, VG1110, British Virgin
Islands

With a copy to:

Address: 33 Xin Cheng Lu, Binjiang District,
Hangzhou City

Attn: Mr. Zhi Hua

Fax Number: +86 571 8739 6869

To Vendor: Address: OMC Chambers, Wickhams Cay 1,
Road Town, Tortola, British Virgin
Islands

With a copy to:

Address: Rooms 4114-4119, 41st Floor,
Sun Hung Kai Centre,
No. 30 Harbour Road,
Wanchai, Hong Kong

Attn: The board of directors

Fax Number: +86 571 2888 0067

12. Process Agents

- 12.1 The Vendor irrevocably appoints Lam Kai Yeung of No. 160, Tai Wai New Village, Shatin, the New Territories, Hong Kong as its agent to receive and acknowledge on its behalf service of any writ, summons, order, judgment, notice or other legal process in Hong Kong. If for any reason the agent named

above (or its successor) no longer serves as agent of the Vendor for this purpose or no longer has an address in Hong Kong, the Vendor shall promptly appoint a successor agent with an address in Hong Kong reasonably acceptable to the Purchaser, notify the Purchaser thereof and deliver to the Purchaser a copy of the new process agent's acceptance of appointment provided that until the Purchaser receives such notification, it shall be entitled to treat the agent named above (or its said successor) as the agent of the Vendor for the purposes of this Clause and it shall be effective service to serve process on the last known address in Hong Kong of the last known process agent notwithstanding that such process agent is no longer found at such address or has ceased to act provided that a copy of the proceedings is also sent to the Vendor's current registered office or principal place of business wherever situated. The Vendor agrees that any such legal process shall be sufficiently served on it if delivered to such agent for service (or its said successor) at its address for the time being in Hong Kong whether or not such agent gives notice thereof to the Vendor. Nothing in this Agreement shall affect the right to serve process in any other manner permitted by law.

13. Governing Law and Jurisdiction

- 13.1 This Agreement is governed by, and shall be construed in accordance with, the laws of Hong Kong.
- 13.2 In relation to any proceedings, each of the Parties irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong and waives any objection to proceedings in such courts on the grounds of venue or on the grounds that the proceedings have been brought in an inconvenient or inappropriate forum. Such submission shall not affect the right of any Party to take proceedings in any other jurisdiction nor shall the taking of proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction (whether concurrently or not).

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SCHEDULE 1
Corporate information of the LISTCO

1. Bermuda company number: 44017
Hong Kong company number: F0017828
2. Address of registered office: Clarendon House, 2 Church Street,
Hamilton HM11, Bermuda
3. Principal place of business: Rooms 4114-4119, 41st Floor, Sun Hung
Kai Centre, No. 30 Harbour Road,
Wanchai, Hong Kong
4. Date and place of
incorporation: 3 March 2010 and Bermuda
5. Business registration number: 52937077-000-09-16-1
6. Stock Code: 1682
7. Authorised share capital: HK\$9,000,000.00 (divided into
900,000,000 shares with a par value of
HK\$0.01 each)
8. Issued share capital: HK\$5,197,770.00 (divided into
519,777,000 shares with a par value of
HK\$0.01 each)
9. Directors: GAO Zhiyin
GAO Zhiping
FENG Chen
LAM Kai Yeung
LAU Chi Kit
MA Ming
LI Hui
CHAN Kin
10. Company secretary: SZE Suet Ling
11. Authorised Representatives
under the Listing Rules: GAO Zhiyin
SZE Suet Ling
12. Financial year end: 31 March
13. Auditors: Deloitte Touche Tohmatsu
14. Principal Registrar and MUFG Fund Services (Bermuda) Limited

Transfer Office in Bermuda: The Belvedere Building, 69 Pitts Bay Road,
Pembroke HM08, Bermuda

- 15.** Branch Registrar and
Transfer Office in Hong Kong: Tricor Secretaries Limited
Level 22, Hopewell Centre, 183 Queen's
Road East, Hong Kong

SCHEDULE 2
Warranties

Part I

Vendor Warranties

In this Schedule 2, unless the context otherwise indicates, each of the Vendor Warranties shall be deemed to be repeated mutatis mutandis in relation to each Group Member.

1. The 2017 Accounts

- 1.1 The 2017 Accounts were prepared in accordance with the HKFRS and give a true and fair view in all material respects of the state of affairs of the LISTCO Group as at the Accounting Date and of its results for the financial year ended on the Accounting Date, respectively.
- 1.2 The 2017 Accounts disclose and make adequate provision or reserve for all material actual liabilities.
- 1.3 The 2017 Accounts disclose and make adequate provision or reserve for or note all material contingent, or disputed liabilities, capital commitments and current or deferred Tax.
- 1.4 Adequate provision for any bad and doubtful debts and inventories has been made in the 2017 Accounts in accordance with good accounting practice in respect thereof
- 1.5 Upon Completion :
 - (a) there are no loans, guarantees, material undertakings, material commitments on capital account or unusual liabilities, actual or contingent, made, given, entered into or incurred by or on behalf of any Group Member;
 - (b) there are no Encumbrances on the assets of any Group Member;
 - (c) there will be no outstanding loan capital or other loans to any Group Member; and
 - (d) none of the Group Member has factored any of its debts or entered into any financing arrangement of a type which would not require to be shown or reflected in the 2017 Accounts.

2. Tax, Records and Returns

- 2.1 No event, act, transaction or omission has occurred or shall occur between the Accounting Date and Completion which is likely to give rise to a claim.
- 2.2 All returns, computations, notices and information made or provided or required to be made or provided by any Group Member for any Tax purpose have been made or given within the requisite periods and on a proper basis and when made were true and correct in all material respects and are up to date and none of them is or is likely to be the subject of any dispute with any Tax authority.
- 2.3 Each Group Member has timely paid all Taxes owing by it for any period or periods ending on or before the Completion Date for which it is liable to account to the inland revenue authorities or other government agency on the due date for payment thereof and is under no liability to pay any penalty or interest in connection therewith.
- 2.4 To the best knowledge of the Vendor, since incorporation of each Group Member, neither any Group Member nor any director or officer of any Group Member has paid or become liable to pay any fine, penalty, surcharge or interest in relation to Tax.
- 2.5 To the best knowledge of the Vendor, no Group Member is resident for Tax purposes in any jurisdiction other than Hong Kong, Bermuda, BVI, Cayman Islands, the United States of America and PRC.
- 2.6 No Group Member has carried on a trade or business for Tax purposes other than the trade or business which the members of Group will be carrying on at Completion.
- 2.7 Each Group Member has made all deductions and withholdings in respect, or on account, of any Tax from any payments made by it which it is obliged or entitled by any relevant legislation to make (including, but not limited to, interest, annuities or other annual payments, royalties, rent, remuneration payable to employees or sub-contractors or payments to a non-resident) and has duly accounted in full to the appropriate authority or government agency for all amounts so deducted or withheld.
- 2.8 No scheme has been effected and no arrangements have been made whereby the value of any asset of the members of the Group has been materially reduced and on a disposal thereof liability to Tax might arise.
- 2.9 All documents to which any Group Member is a party or which form part of such Group Member's title to any asset or in the enforcement of which such Group Member is or may be interested which are subject to stamp or similar duty have been duly stamped and, where appropriate or necessary, adjudicated.
- 2.10 The accounting records of each Group Member truly and fairly present and reflect in accordance with the then prevailing generally accepted accounting principles and practices within the relevant member's jurisdiction of incorporation or establishment (in respect of the Group Members established

in the PRC, being the generally accepted accounting principles and practices in the PRC, and in respect of the Group Members not established in the PRC, being the HKFRS) all material transactions entered into by the relevant Group Member or to which it has been a party.

3. Corporate Matters

- 3.1 Each Group Member was duly incorporated or established and is validly existing under the laws of its jurisdiction of incorporation or establishment. No resolution has been passed by the directors or shareholders of the relevant Group Member, and to the best knowledge of the Vendor, no order has been made or petition presented, for the winding up of the relevant Group Member and no distress, execution or other process has been levied on any of its assets. No Group Member is insolvent or unable to pay its debts as they fall due. There is no receiver or receiver and manager appointed in respect of the business or assets of any Group Member or any substantial part thereof, and to the knowledge of the Vendor, no Group Member has taken any steps to enter into liquidation and there are no grounds upon which a petition or application could be validly based for the winding up or appointment of a receiver of the relevant Group Member.
- 3.2 None of the Group Member has exercised any lien over any of its issued shares since the Accounting Date and there is no outstanding call on any of the Sale Shares or Shares or share capital in any of the Group Members and all of the Sale Shares and Shares in issue are fully paid or credited as fully paid.
- 3.3 The Vendor legally and beneficially owns 322,326,500 Shares, representing approximately 62.01% of the total issued share capital of the LISTCO, free and clear of any Encumbrance.
- 3.4 The 322,326,500 Shares owned by the Vendor are all registered in the LISTCO's principal register of members maintained in Bermuda.
- 3.5 The entire issued share capital of each of the Group Members has been fully paid up.
- 3.6 There is no outstanding agreement or obligation of any Group Member to redeem or purchase any of its issued share capital.
- 3.7 there are no options or other agreements outstanding which call for the issue of or accord to any person the right to call for the issue of any shares in the capital of any Group Member or the right to require the creation of any Encumbrance over the Sale Shares and/or Shares.
- 3.8 The copies of the memorandum and articles of association or the constitutional documents of each Group Member which are delivered to the Purchaser are true and complete in all material respects. Each Group Member has complied with its memorandum and articles of association or its

constitutional documents in all material respects, has necessary power, authority and legal right to own its assets and carry on its business and none of the activities, agreements, commitments or rights of such Group Member is ultra vires (where applicable) or unauthorised.

- 3.9 The register and/or record of shareholders/ directors and all other statutory books of each Group Member are up to date and contain true and correct records of all matters required to be dealt with therein and each Group Member has not received any notice of any application or intended application under the relevant laws or regulations for rectification of such register/ record and all annual or other returns required to be filed with the companies registry or the relevant equivalent authorities have been properly filed within any applicable time limit and all legal requirements relating to issue of shares and other securities by such Group Member have been complied with in all material respects.

4. Trading and General Commercial Matters

- 4.1 No Group Member is a party to:

4.1.1 any unusual or onerous contract which cannot readily be fulfilled, performed or discharged by it on time and without undue or unusual expenditure of a sum exceeding HK\$1,000,000 nor any unusual or onerous contract which cannot be terminated by it without penalty or other compensation exceeding HK\$1,000,000 on not more than twelve months' notice;

4.1.2 any contract restricting such Group Member's freedom of action in relation to its normal business activities or materially and adversely affecting its business or assets;

4.1.3 any contract which is not made in the ordinary course of business of the Group; or

4.1.4 any joint venture, agency, shareholders' or partnership arrangement or agreement or similar arrangement or agreement or any agreement which purports to regulate, control or otherwise affect the voting or disposition of its shares (except such as being entered into in the ordinary course of business of the Group).

- 4.2 There are no contracts or obligations, agreements, arrangements or concerted practices to which any Group Member is a party or by which any Group Member is bound, and there are no practices in which any Group Member is engaged, which are void, illegal, unenforceable, registrable or notifiable under or which contravene any laws or regulations, the provisions or regulations of any fair trading or anti-trust or similar legislation anywhere in the world (all such legislation and regulations being referred to as "**the anti-trust rules**" in this paragraph 4.2). No Group Member has registered any agreements or arrangements under or filed any notification or application for

exemption in relation to the anti-trust rules. No Group Member has received written complaint or threat to complain under or referring to the anti-trust rules from any person and has not received any request for information, investigation or objections or been the addressee of or party to any decision, judgment, undertaking or settlement relating to the anti-trust rules or to any proceedings in which the anti-trust rules were pleaded or relied upon.

- 4.3 With respect to each contract, commitment, arrangement, understanding, tender and bid to which a Group Member is a party or by which it is bound:
- 4.3.1 the relevant Group Member has duly performed and complied in all material respects with each of its obligations thereunder;
 - 4.3.2 there has been no material delay, negligence or other material default on the part of the relevant Group Member and no event has occurred which, with the giving of notice or passage of time, may constitute a default thereunder;
 - 4.3.3 the relevant Group Member is under no obligation which cannot readily be fulfilled, performed or discharged by it on time and without undue or unusual expenditure or effort;
 - 4.3.4 the relevant Group Member has the technical and other capabilities and the human and material resources to enable it to fulfil, perform and discharge all its material outstanding obligations in the ordinary course or business and without realising a loss on completion of performance;
 - 4.3.5 there are no grounds for rescission, avoidance, repudiation or termination and the relevant Group Member has not received any notice of termination; and
 - 4.3.6 none of the other parties thereto is in material default thereunder.
- 4.4 Except in the ordinary course of business of the Group, there is no outstanding tender, quotation or offer issued by any Group Member which is or will be capable of giving rise to a contract binding on any Group Member involving a sum exceeding HK\$100,000 merely by an order acceptance or other action by another party.
- 4.5 No act or transaction has been effected by any Group Member or the Vendor, except as contemplated under this Agreement, in consequence of which:
- 4.5.1 any Group Member is liable to:
 - 4.5.1.1 refund the whole or part of any investment grant from any government or quasi-governmental body or other grant received by virtue of any statute;
 - 4.5.1.2 repay in whole or in part any government or local authority loan;
 - 4.5.1.3 lose the benefit of any financial concession or Tax relief or

Tax holiday accorded to the relevant Group Member by any authority; or

4.5.2 any grant for which application has been made by it will not be paid or will be reduced pursuant to the practice of the appropriate authority as at the date of this Agreement,

in each case, resulting in any Group Member incurring a loss exceeding HK\$5,000,000.

- 4.6 The execution, delivery and performance of this Agreement will not result in the breach, cancellation or termination of any of the terms or conditions of or constitute a default under any material agreement, commitment or other instrument to which any Group Member is a party or by which the relevant Group Member or its material property or assets is bound or affected or result in the acceleration of any obligation under any loan agreement entered into by any Group Member or violate any applicable law, rule or regulation of any administrative agency or governmental body to which any Group Member is subject or any order, writ, injunction or decree of any competent court, administrative agency or governmental body affecting the Group Member, the effect of such default or violation is to materially and adversely affect the Group as a whole.
- 4.7 The Group has no liabilities except liabilities arising in the ordinary and usual course of business under contracts for service, purchase orders, supply contracts or sale contracts, nor does it have any other liabilities direct or indirect, absolute or contingent, not required by HKFRS to be accounted for or disclosed in the 2017 Accounts and the Group is not owed any moneys other than trade debts, and receivables arising from ordinary course of business and cash on hand and at bank.
- 4.8 No Group Member is the subject of any official investigation or inquiry (other than those relating to Tax) which would expose any Group Member to damages, fines, penalties or other liabilities and there are no facts which are likely to give rise to any such investigation or inquiry.
- 4.9 No Group Member has given powers of attorney and other authority express, implied or ostensible which is still outstanding and effective to any person to enter into any contract or commitment to do anything on its behalf other than the authority of employees to enter into routine trading contracts or sign any documents in the normal course of their duties.
- 4.10 Each Group Member has carried on its business in compliance with all applicable laws and regulations in all material respects and without prejudice to the generality of the foregoing each Group Member has obtained all registrations, licences and consents necessary to own its present assets and for the carrying on of its business in the manner in which such business is now carried on, and all such registrations, licences and consents are valid and subsisting and the Vendor is not aware of any reason why any of them should

be suspended, cancelled or revoked (whether as a result of the sale and purchase of the Sale Shares pursuant to this Agreement or otherwise).

5. The Owned Assets

- 5.1 The Group has valid and good title to all of its assets, include those as shown and included in the 2017 Accounts (the “**Owned Assets**”), in each case, free and clear of all Encumbrances or of any kind. The acquisition of all Owned Assets has been complied with all the applicable laws, legislations, regulations, directions or orders.
- 5.2 None of the Owned Assets is currently subject to any sale or transfer or mortgage procedures nor is it leased or transferred or given to others as a gift, and the relevant Group Member has not entered into any agreement to do any of the foregoing which is at the date of this Agreement still outstanding or effective.
- 5.3 None of the Owned Assets is used by any Group Member for any unlawful purposes and has violated any relevant land or construction regulations.
- 5.4 All of the Owned Assets are free from any Encumbrance and the relevant company has not entered into any agreement to create any Encumbrance on the Owned Assets.
- 5.5 None of the relevant Group Members has received from any authority nor any competent authority any notice or order which is likely to materially and adversely affect its right to use any of the Owned Assets for the purpose for which it is presently being used.
- 5.6 Each Group Member has obtained all necessary approvals, consents, permits, authorities and licences, including but not limited to safety licence (if necessary), required for the operation of its business and all such approvals, licences and consents are valid and subsisting. There are no material factors that might in any way prejudice the continuation or renewal of any of the approvals, licences, permits, authorities and consents.
- 5.7 There are no outstanding encroachment of and/or by any neighbouring property and no actions, disputes, claims or demands between any Group Member and any third party and/or neighbouring property.
- 5.8 Each real property or building, as applicable, held under lease as lessee by any Group Member is held by it under a lease in full force and effect that has been duly authorised, executed and delivered by the relevant Group Company and is legal, valid, binding and enforceable in accordance with its terms. No material default (or event which, with notice or lapse of time or fulfilment of any condition or compliance with any formality or all of the foregoing, would constitute such a default) by a Group Member has occurred and is continuing or is likely to occur under any of such leases which is likely to materially and adversely affect its right to use the relevant premises for the

purpose for which it is presently being used.

6. Intellectual Property

6.1 All Intellectual Property used in the business or businesses of the Group:

6.1.1 is owned by the relevant Group Member as the sole legal and beneficial owner, free of any licence or Encumbrance in favour of a third party; or

6.1.2 is used by the relevant Group Member in accordance with the terms of a current licence from the owner of that Intellectual Property.

6.2 None of the Intellectual Property has been wrongfully or unlawfully acquired by the Group.

6.3 Each of the registration (and applications therefor) of the Intellectual Property is valid.

6.4 The Group has taken all steps open to it to preserve the Group's Intellectual Property. Without limitation, all renewal fees regarding the Group's Intellectual Property due on or before Completion have been paid in full.

6.5 No Group Member has entered into any agreement, arrangement or understanding (whether legally enforceable or not) for the licensing, or otherwise permitting the use or exploitation, of the Group's Intellectual Property or which prevents, restricts or otherwise inhibits the Group's freedom to use and exploit the Group's Intellectual Property in any material and adverse manner.

6.6 None of the Intellectual Property of the Group is currently being infringed by any third party or has been so infringed and no third party has threatened any such infringement.

6.7 There is no challenge, claim or proceeding made, threatened or brought by any third party in relation to the Group's use of the Intellectual Property which is material for the carrying on of the business or businesses of the Group as such business(es) is(are) currently carried on (and as far as the Vendor is aware, there are no facts or matters which might likely to give rise to any such challenge, claim or proceeding).

6.8 The carrying on of the Group's past businesses or businesses as presently constituted does not require any licences or consents from, or the making of royalty or similar payments to any third party.

6.9 The Group does not use or need to use any processes and is not engaged in any activities which infringe any Intellectual Property belonging to any third party (save and except for the Intellectual Property belonging to the Vendor Group). The Group has not within the six years preceding Completion used any Intellectual Property in a manner which has infringed or infringes the

Intellectual Property rights of a third party in any material and adverse manner.

7. Insurance

- 7.1 All assets of each Group Member of an insurable nature have at all times been and are insured in amounts to the full replacement value thereof against such risks as are in accordance with good commercial practice normally insured against. Each Group Member has at all times been adequately covered against accident, third party, public liability, product liability and other risks normally covered by insurance and nothing has been done or omitted to be done by or on behalf of the relevant Group Member which would make any policy of insurance void or voidable or enable the insurers to avoid the same and there is no claim outstanding under any such policy and the Vendor is not aware of any circumstances likely to give rise to such a claim or result in an increased rate of premium.
- 7.2 All information furnished in obtaining or renewing the insurance policies of each Group Member was true and correct when given and any change in that information required to be given was correctly given. No Group Member is in material default under any of these policies.
- 7.3 No Group Member has suffered any uninsured losses nor waived any rights of material or substantial value or allowed any insurances to lapse.
- 7.4 The Group Members have maintained those insurance policies that are required under all applicable legislation, regulations, directors and orders of Hong Kong in relation to employment and foreign invested enterprises and have paid all premiums payable on them. All such policies are in full force and effect, and such policies are not void or voidable.
- 7.5 Nothing has been done or omitted to be done by or on behalf of the relevant Group Member which would make any policy of insurance taken out by it void or voidable or enable the insurers to avoid the same and there is no claim outstanding under any such policy as at 31 March 2017 and the Vendor is not aware of any circumstances likely to give rise to such a claim.

8. Litigation

- 8.1 None of the Group Member is engaged, either on its own account or vicariously, whether as plaintiff or defendant or otherwise in any civil, criminal or arbitration proceedings or any proceedings before any tribunal (save for debt collection by such Group Member in the ordinary course of business) or administrative actions which, if adversely determined against such Group Member, would materially and adversely affect the financial position of the Group as a whole and there are no proceedings threatened (in writing) or pending against any Group Member which if determined adversely against the Group would have a material adverse effect on the financial position of the Group as a whole and to the best knowledge, information and belief of the

Vendor, there are no facts or circumstances which are likely to give rise to any such litigation or proceedings. There are no unfulfilled or unsatisfied judgments or orders against the Group Members or any of its material assets.

- 8.2 There are no current disputes between any Group Member and any of its customers, suppliers, employees or officers in relation to goods or services purchased or supplied, plant or machinery, duties or work or any loss, damage or injury resulting therefrom which if determined adversely against the Group would material and adversely affect on the Group.

9. Employment and Retirement Scheme Matters

- 9.1 There is no existing or threatened (in writing) or pending industrial or trade dispute involving any Group Member which if determined adversely against the Group would have a material adverse effect on the financial position of the Group as a whole. There are no binding agreements or arrangements between any Group Member and any trade union or other employees' representatives concerning or affecting any Group Member's employees and there are no trade unions or other employees' representatives whom the relevant Group Member recognises to any extent for collective bargaining purposes.
- 9.2 No Group Member has either given notice of any redundancies or lay offs nor started consultations with any independent trade union or employees' representatives regarding redundancies, lay offs or dismissals within the period of one (1) year prior to the date hereof. No circumstances have arisen under which any Group Member is likely to be required to pay damages for wrongful dismissal, or to make any statutory severance, redundancy or long service payment or make or pay any compensation for unreasonable dismissal or to reinstate or re-engage any former employee. No circumstances have arisen under which any Group Member is likely to be required to pay damages or compensation, or suffer any penalty or be required to take corrective action or be subject to any form of discipline under any applicable laws conferring protection against discrimination, harassment, victimisation or vilification by reason of age, gender, family circumstances, race, religion or disability. There are no current, pending or threatened claims of any type against any Group Member by any existing or former employees.
- 9.3 In respect of the employees of any Group Member of which the employment can be terminated in accordance with applicable laws, there are no existing service or other agreements or contracts between any Group Member and any of its directors or executives or employees which cannot be lawfully terminated by six calendar months' notice or less without giving rise to any claim for damages or compensation other than a statutory or contractual redundancy or severance or long service payment, and each Group Member has complied in all material respects with its obligations under all applicable ordinances, statutes and regulations, codes, orders and awards to which it is subject in connection with its employees and with all collective agreements with respect to trade unions or to employees of such Group Member (if any).

- 9.4 Each Group Member has complied with in all material respects its obligations under statute or otherwise concerning the health and safety at work of its employees, and there are no claims capable of arising or threatened or pending by any employee or third party in respect of any accident or injury occurred which are not covered by insurance.
- 9.5 The change in control of the LISTCO as a result of the performance of this Agreement shall not entitle any employee of any Group Member to treat such change in control as amounting to a breach of the contract or entitling him to any payment or benefit whatsoever or entitling him to treat himself as redundant or otherwise dismissed or released from any obligation.
- 9.6 Other than the statutory required retirement scheme, there are no retirement benefits, pension, provident, superannuation, share option, share incentive, life assurance, disability or similar schemes, arrangements or obligations for any employees or directors or former employees or directors of each Group Member or any of their spouses or dependants, and the Vendor and each Group Member have no obligation (whether legally binding or established by custom) to pay any pension, allowance or gratuity or make any other payment on termination of service, death or retirement or to make any payment for the purpose of providing any similar benefits to or in respect of any person who is now or has been an officer or employee of such Group Member or any spouse or dependant of any such person and are not a party to any scheme or arrangement having as its purpose or one of its purposes the making of such payments or the provision of such benefits. The Vendor and each Group Member have not announced any proposals to establish any such schemes, arrangements or obligations.

10. Accuracy of Information Provided

- 10.1 All information contained in this Agreement relating to the Vendor and the Group (including Recitals (A), (B), (C), (D) and (E) and the Schedules) is true and correct in all material respects and not misleading in any material respect.
- 10.2 All information given to the Purchaser and its professional advisers during the negotiations prior to this Agreement was when given, and save and except for the written information which has since then been replaced or supplemented by subsequent or updated information, is at the date hereof, true and correct in all material respects.
- 10.3 There is no fact or matter concerning any Group Member and their respective businesses and affairs which has not on the basis of good faith been disclosed to the Purchaser in writing which would reasonably be expected to influence the decision of the Purchaser to proceed with the purchase of the Sale Shares on the terms of this Agreement.

11. Matters since 31 March 2017

Since 31 March 2017:

- 11.1 there has been no material and adverse interruption or alteration in the nature, scope or manner of the Group's business which business has been carried on in the ordinary and usual course of business so as to maintain it as a going concern;
- 11.2 there has been no material adverse change in the financial condition or the position, assets or liabilities of the said business or the Group as compared with the position disclosed by the 2017 Accounts and there has been no material damage, destruction or loss (whether or not covered by insurance) affecting the said business or its assets;
- 11.3 each Group Member has continued to pay its creditors in its ordinary course of business and no unusual trade discounts have been incorporated into any contract entered into by any Group Member;
- 11.4 no Group Member has repaid any loan capital in whole or in part (other than the indebtedness to its bankers) or has it become bound or liable to be called upon to repay prematurely any loan capital or borrowed monies;
- 11.5 no Group Member has, except in the ordinary course of business of the Group, acquired, sold, transferred or otherwise disposed of any assets of whatsoever nature in excess of 10% of the net asset value of the Group as shown in the 2017 Accounts;
- 11.6 no Group Member has cancelled, waived, released or discontinued any rights, debts or claims;
- 11.7 no Group Member has incurred any material capital expenditure in a sum in excess of HK\$1,000,000 or made any material capital commitment or disposed of any fixed assets;
- 11.8 no dividends, bonuses or other distributions have been declared, paid or made in respect of any of the Sale Shares and Shares;
- 11.9 no share or loan capital of any Group Member has been issued or agreed to be issued and no option or right thereover has been granted;
- 11.10 the Group has not undergone any capital reorganisation or change in its capital structure;
- 11.11 no Group Member has made any purchase or sale or introduced any method of management or operation in respect of the business, undertaking or assets of such Group Member except in a manner consistent with proper past practice or in the ordinary and usual course of business of such Group Member;
- 11.12 no Group Member has incurred or become subject to any liability or obligation (absolute or contingent) except current liabilities and obligations, in each case incurred under contracts entered into in the ordinary course of business and consistent with past practice which do not materially increase the amount of

liabilities or obligations disclosed in the 2017 Accounts; and no Group Member has discharged or satisfied any Encumbrance or any other obligation or liability (absolute or contingent) other than liabilities disclosed in the 2017 Accounts as at 31 March 2017 and current liabilities incurred since 31 March 2017 in the ordinary course of business;

- 11.13 no Group Member has carried out or entered into any transaction and no other event has occurred in consequence of which (whether alone or together with any one or more transactions or events occurring before on or after the date hereof) any liability to Tax of any Group Member has arisen or will or may arise (or would have arisen or would or might arise but for the availability of any relief, allowance, deduction or credit) other than profits tax on actual income or profits of any Group Member arising from transactions entered into in the ordinary course of business; and
- 11.14 no material payment has been made by any Group Member which are not incurred in the ordinary course of business.

12. Others

- 12.1 The Vendor has necessary power and authority to enter into this Agreement and perform its obligations thereunder and the provisions of this Agreement, when executed, will constitute valid and binding obligations on the Vendor in accordance with their respective terms, subject to any principles of equity or insolvency law.
- 12.2 The execution and delivery of, and the performance by the Vendor of its obligations under this Agreement will not result in a breach of any order, judgment or decree of any court or governmental agency by which the Vendor is bound.
- 12.3 The Vendor has taken or obtained all necessary actions and consents to authorise the execution and performance by it of this Agreement.

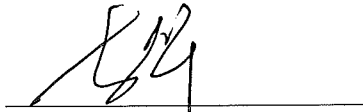
Part II

Purchaser Warranties

- 1.1 The Purchaser is duly incorporated and validly exists under the laws of its place of incorporation.
- 1.2 The Purchaser has necessary capacity, power and authority to enter into and perform this Agreement and this Agreement constitutes valid and binding obligations on the Purchaser in accordance with its terms.
- 1.3 The execution and delivery of, and the performance by the Purchaser of its obligations under this Agreement will not result in a breach of any order, judgment or decree of any court or governmental agency by which the Purchaser is bound.
- 1.4 The Purchaser has taken or obtained all necessary corporate and other actions and consents to authorise the execution and performance by it of this Agreement.
- 1.5 The Purchaser has, and will continue to have at all times up to completion of the Share Offer, sufficient financial resources to satisfy its payment of any amounts due by it under this Agreement and to satisfy acceptance in full of the Share Offer.
- 1.6 As at the date of this Agreement, having taken all reasonable advice, the Purchaser is not aware of any applicable laws which may restrict or prohibit or otherwise prevent the consummation by the Purchaser of the sale and purchase of the Sale Shares and the making of the Share Offer as contemplated under this Agreement.

SIGNATURE PAGE

For and on behalf of
ROSY LANE INTERNATIONAL LIMITED
盛途國際有限公司



Name: Zhi Hua

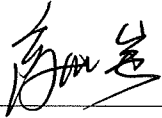
Title: Director

Witnessed by:

SPA

SIGNATURE PAGE

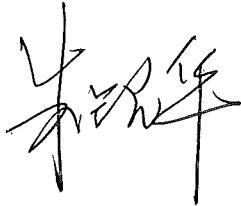
For and on behalf of
UNITECH ENTERPRISES GROUP LIMITED
卓科企業集團有限公司



Name: Gao Zhiyin

Title: Director

Witnessed by:



朱铭华