

DATED THE 24TH DAY OF FEBRUARY 2020

PACIFIC EXPRESS LIMITED
(as purchaser)

AND

CROWN WORLD INVESTMENTS LIMITED
(as vendor)

AGREEMENT

FOR THE SALE AND PURCHASE OF

5,450,000 SHARES IN

GRAND MOORE CAPITAL LIMITED

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THIS AGREEMENT is made on the 24th day of February 2020

BETWEEN:

- (1) **PACIFIC EXPRESS LIMITED**, a company incorporated in the British Virgin Islands with limited liability whose registered address is Corporate Registrations Limited of Sea Meadow House, Blackburne Highway (P.O. Box 116), Road Town, Tortola, British Virgin Islands (the “**Purchaser**”); and
- (2) **CROWN WORLD INVESTMENTS LIMITED**, a company incorporated in British Virgin Islands with limited liability whose registered office is situated at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands (the “**Vendor**”).

WHEREAS:

- (A) Grand Moore Capital Limited (the “**Target Company**”) is a company incorporated in Hong Kong with limited liability and as of the date hereof has a share capital of HK\$16,350,000 and total issued shares of 16,350,000 ordinary shares (“**Shares**”) which are fully paid as at the date of this Agreement. The Target Company holds a Type 1 (Dealing in Securities) and Type 6 (Advising on Corporate Finance) licence (Central Entity Number: BGB919), and is thus a licensed corporation to carry out Type 1 (Dealing in Securities) and Type 6 (Advising on Corporate Finance) regulated activities under the SFO (as defined hereinafter). Further details of the Target Company are set out in Schedule 1 Part A.
- (B) Worldgate Global Logistics Ltd (“**Listco**”), a company incorporated in the Cayman Islands with limited liability whose registered address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and whose shares are listed on the GEM board of the Stock Exchange (stock code: 8292). The authorised share capital of Listco is HK\$10,000,000 divided into 1,000,000,000 ordinary shares of HK\$0.01 each. As at the date of this Agreement, the issued share capital of Listco is 800,000,000 ordinary shares.
- (C) As at the date of this Agreement, Listco holds the entire issued share capital of the Purchaser.
- (D) As at the date of this Agreement, the Vendor is the legal and beneficial owner of the Sale Shares (as defined hereinafter) representing approximately 33.33% of the entire issued share capital of the Target Company, and the Vendor is beneficially held by Mr. Zhong Xian Wen.
- (E) The Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares subject to and in accordance with the terms and conditions hereinafter set out.

IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement (including the Recitals) the following expressions shall (unless the context otherwise requires) have the following meanings:

“Agreement”	means this share and purchase agreement as amended or varied from time to time by an agreement in writing duly executed by the Parties;
“Accounts”	means the Audited Accounts and Management Accounts;
“Audited Accounts Date”	means 31 March 2019;
“Audited Accounts”	means the audited financial statements of the Target Company (including the notes thereto) in respect of the three financial years ended 31 March 2017, 2018 and 2019;
“Business Day”	means a day (excluding a Saturday or Sunday) on which banks in Hong Kong are generally open for business;
“Companies Ordinance”	means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“Completion”	means completion of the sale and purchase of the Sale Shares as specified in Clause 5;
“Completion Date”	means any date within five (5) Business Days after the date on which the last condition set out in the Conditions is satisfied or waived, or such other date as the Purchaser and the Vendor may agree in writing;
“Conditions”	means the conditions precedent for Completion set out in Clause 2.1;
“Consideration”	means being the total consideration payable by the Purchaser to the Vendor for the sale and purchase of the Sale Shares;
“Consideration Share(s)”	means the 160,000,000 new shares of Listco with a par value of HK\$0.01 each to be allotted and issued by Listco to the Vendor as the Consideration;
“Employment Contracts”	means the employment contracts between the Target Company and the Responsible Officers or their replacement responsible officers (as the case

may be);

“Encumbrances”

mean (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any person or entity, including any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable laws, (ii) any proxy, power of attorney, voting trust agreement, trust interest, option, right of first offer, negotiation or refusal or transfer restriction in favour of any person and (iii) any adverse claim or third party rights as to title, votes, dividends, ownership, possession or use;

“Hong Kong”

means the Hong Kong Special Administrative Region of the PRC;

“HK\$” or “Hong Kong Dollar(s)”

means Hong Kong dollars, the lawful currency of Hong Kong from time to time;

“Licence(s)”

means the licences that the Target Company registered with the SFC to carry on the regulated activities under the SFO at the date of this Agreement, further details of which are set out in **Schedule 1 Part A**;

“Listco”

has the meaning under the Recital (B);

“Listco Share(s)”

means ordinary shares with a par value of HK\$0.01 each in the share capital of Listco;

“Long Stop Date”

means 31 August 2020 or such other later date as the Parties may agree in writing;

“Management Accounts”

means the unaudited consolidated balance sheet of the Target Company made up to and inclusive of the Management Accounts Date, and the unaudited profit and loss accounts of the Target Company for the period of 9 months ended on the Management Accounts Date together with all notes thereto, prepared in accordance with and conform to the requirements of all relevant accounting standards, to show a true and fair view of the assets and liabilities of the Target Company

as at the Management Accounts Date, copies of which are set out in **Exhibit B**;

“Management Accounts Date”	means 31 December 2019;
“Material Adverse Change”	means a material adverse change in the business, operations, assets, position (financial, trading or otherwise), profits or prospects of the Target Company or any matter, event or circumstance that may result in such a material adverse change;
“Parties”	means the parties to this Agreement and “Party” means any one of them;
“PRC” or “China”	means the People's Republic of China, and, for the purpose of this Agreement, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan;
“Purchaser’s Warranties”	means the representations and warranties of the Purchaser as set out in <u>Schedule 4</u> ; and
“Responsible Officers”	means at least two responsible officers set out in <u>Schedule 1 Part B</u> or their replacement;
“RO Licence(s)”	means the licences of the Responsible Officers registered with the SFC to carry on the regulated activities under the SFO at the date of this Agreement, further details of which are set out in <u>Schedule 1 Part B</u> ;
“Sale Shares”	means 5,450,000 Shares in the Target Company which are legally and beneficially owned by the Vendor, representing approximately 33.33% of the issued share capital of the Target Company;
“SFC”	means the Securities and Futures Commission of Hong Kong;
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any subsidiary legislation made thereunder amended, consolidated or substituted from time to time;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“subsidiary” and “holding company”	shall have the respective meanings assigned to those expressions by section 15 of the Companies Ordinance (Cap. 622 of the laws of Hong Kong),

save that any reference therein to a company shall be deemed to include a reference to a body corporate incorporated or established outside Hong Kong or under any other ordinances of the Laws of Hong Kong and to any unincorporated body of persons;

“Substantial Shareholder Application”

means application for the approval by the SFC of the Purchaser to become a Substantial Shareholder of the Target Company arising from the sale of the Sale Shares under the SFO;

“Substantial Shareholder”

has the meaning ascribed to it under the SFO;

“Tax” and “Taxation”

means (a) any liability of the Target Company to any form of taxation duty, impost, levy, rates or other amount payable to any revenue, customs or fiscal authorities whenever created or imposed and whether of any other part of the world, including profits tax, provisional profits tax, sales tax, interest tax, salaries tax, property tax, taxes on income, estate duty, stamp duty, payroll tax, rates, customs and excise duties, withholding tax and generally other similar liabilities payable to the revenue or fiscal authorities in any part of the world; and (b) all costs, charges, interest, fines, penalties and expenses incidental or relating to any liability to (a) to the extent that the same is or are payable or suffered by the Target Company;

“Valuation Report”

means a valuation report to be obtained by the Purchaser as appraised by an independent valuer to provide the fair value of 100% interest in the Target Company;

“Vendor’s Warranties”

means the representations and warranties of the Vendor as set out in **Schedule 3**; and

“Warranties”

means Purchaser’s Warranties and/or the Vendor’s Warranties, as appropriate.

1.2 In this Agreement, unless the context otherwise requires, any reference to:

- (a) a Clause, Recital or Schedule is to a clause of or a recital or schedule to this Agreement, as the case may be, and a reference to this Agreement includes each Schedule;
- (b) a reference to a statute or statutory provision shall include a reference to that statute or provision as from time to time consolidated, modified, re-enacted or replaced by any statute or statutory provision; to any repealed statute or statutory provision

which it re-enacts (with or without modification); and any subordinate legislation made under the relevant statute;

- (c) words in the singular shall include the plural, and vice versa;
- (d) the masculine gender shall include the feminine and neutral and vice versa;
- (e) if a period of time is specified and commences from a given day or the day of an act or event, it shall be calculated exclusive of that day;
- (f) a reference to a balance sheet or profit and loss account shall include a reference to any note forming part of it;
- (g) a reference to “includes” or “including” shall mean “includes without limitation” or “including without limitation”;
- (h) the headings in this Agreement are for convenience only and shall not affect the interpretation of any provision of this Agreement;
- (i) references to this Agreement include this Agreement as amended or supplemented in accordance with its terms;
- (j) “writing”, or any cognate expression, includes a reference to any communication effected by telex, facsimile transmission or similar means; and
- (k) a document "in the agreed form" is a reference to the form of the relevant document agreed between the parties and initialled by them for the purpose of identification.

2. CONDITIONS

2.1. Completion is conditional upon the following conditions being satisfied (or being waived) on or before the Long Stop Date (or as the case may be the Completion Date):

- (a) the Substantial Shareholder Application having been approved by the SFC;
- (b) a Valuation Report in respect of the fair value of the Target Company of not less than HK\$30,000,000 at a valuation date not more than three months from the date of this Agreement having been obtained;
- (c) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consideration Shares;
- (d) the Purchaser having been satisfied with the results of the due diligence review on the Target Group, including but not limited to their respective businesses, assets, liabilities, operations, financial, legal or other status as the Purchaser may deem appropriate and necessary;
- (e) all Licences and consents necessary for the operations of the Target Company remain valid, in full force and effect and subsisting up to and after the Completion

to the satisfaction of the Purchaser;

- (f) the Employment Contracts not having been terminated upon Completion;
 - (g) all the Warranties remaining true and accurate in all material respects as at Completion;
 - (h) no Material Adverse Change having occurred before or on the Completion Date; and
 - (i) such other consents and approval, whether of regulatory authorities (including those required by SFC or under the laws and regulations administered by SFC) or otherwise of the transactions contemplated by this Agreement being obtained; and if conditions are imposed for the grant of any such consents or approvals that such conditions are reasonably acceptable to the Parties.
- 2.2. The Purchaser may waive all or any of the conditions specified above except for Conditions (a),(e) and (i) at any time on or before the Long Stop Date (or as the case may be the Completion Date) by notice in writing to the Vendor on such terms as it may decide in its absolute discretion.
- 2.3. Each of the Parties shall use their reasonable endeavours to ensure that the Conditions specified in Clause 2.1 (a) and (i) are fulfilled as soon as practicable and in any event not later than the Long Stop Date. In particular, the Vendor hereby agrees to use its reasonable endeavors to assist the Purchaser in making an application for obtaining the approval required under Clause 2.1(a) (including performing such acts and things, and executing and delivering such documents as may be reasonably required by the Purchaser).
- 2.4. The Vendor shall, and shall procure the Target Company to, and the Purchaser shall, execute such documents and perform such further acts as may be required to vest effectively in the Purchaser and/or its nominees the legal and beneficial ownership of the Sale Shares and the benefit, free from all Encumbrances and with all rights now and hereafter attaching thereto.

3. SALE AND PURCHASE

Subject to the terms and conditions of this Agreement, the Vendor shall sell as legal and beneficial owner and the Purchaser shall purchase the Sale Shares with effect from Completion free from all Encumbrances and together with all rights and title to and interests in the Sale Shares (including the right to receive all dividends and distributions declared, made or paid on or after the Completion Date).

4. CONSIDERATION

The Consideration for the transfer and assignment of the Sale Shares to the Purchaser under Clause 3 shall be HK\$11,600,000, payable by the Purchaser to the Vendor by the allotment and issue by Listco pursuant to the general mandate granted to the directors of Listco at the annual general meeting of Listco held on 15 May 2019 and subscription by the Vendor of the Consideration Shares, which shall rank *pari passu* in all respects

with the existing Shares, with rights attached no inferior to the rights attached to the existing shares of the Purchaser.

5. COMPLETION

- 5.1. Completion shall take place at the office of C&T Legal LLP, the Purchaser's solicitors, the address of which is situate at 22/F, Shum Tower, 268 Des Voeux Road Central, Sheung Wan, Hong Kong at 11:00 a.m. on the Completion Date.
- 5.2. On Completion the Parties shall each perform the obligations to be performed by them respectively as set out in **Schedule 2**.
- 5.3. If any of the Conditions are not fulfilled or waived by the Long Stop Date or if in any respect the obligations of the Parties are not complied with on the date and time at which Completion is due to take place, the Party or Parties not in default may:
 - (a) defer Completion to a date not more than 28 days after such date (and so that the provisions of this clause 5.3, apart from this clause 5.3(a), shall apply to Completion as so deferred); or
 - (b) proceed to Completion so far as practicable (without prejudice to its rights hereunder); or
 - (c) terminate this Agreement (with the exception of Clauses 11, 12, 13 and this Clause 5) whereupon all rights and obligations of the Parties shall cease immediately upon termination, except that termination shall not affect the then accrued rights and obligations of the Parties.

6. PRE-COMPLETION MATTERS

- 6.1. The Vendor hereby undertakes to procure that the business of the Target Company will continue to be operated in the ordinary course consistent with past practice and it will not do or omit to do (or allow to be done or to be omitted to be done) any act or thing not in the ordinary course of operations.
- 6.2. Subject to applicable law, as from the date of this Agreement, the Vendor shall procure and shall use all reasonable endeavours to procure the provision of reasonable access in favour of the Purchaser and any persons authorised by it to the premises and all the books and records and the directors appointed by the Vendor will be instructed to give promptly all information and explanations to the Purchaser or any such persons as they may request, provided that the Purchaser and such persons authorised by it shall be bound by clause 12 (Confidentiality) in relation to any information received or obtained pursuant to this sub-clause 6.2.
- 6.3. The Vendor hereby undertakes to procure that any Encumbrances created on or over the Sale Shares, and any assets of the Target Company be released and discharged on or before the Completion Date.

- 6.4. The Vendor shall procure that from the date hereof to Completion the Target Company shall maintain such number of qualified responsible officers as required under the SFO to maintain the Licences and that the Licences and the RO Licences remain valid. If any of the Responsible Officers does not hold or maintain his RO Licence, he shall not be regarded as a responsible officer qualified under the SFO. If any of the Responsible Officers resigns or ceases to maintain his RO Licence, the Target Company shall enter into employment contract with her or his replacement responsible officer on terms agreeable to the Purchaser.

7. WARRANTIES AND UNDERTAKING

- 7.1. The Vendor warrants and represents to the Purchaser that Vendor's Warranties set out in **Schedule 3** at the date hereof and will at all times up to and including the Completion Date are true and accurate and not misleading in all material respects by reference to the facts and circumstances then subsisting.
- 7.2. The Purchaser warrants and represents to the Vendor that Purchaser's Warranties set out in **Schedule 4** are true and accurate and not misleading in all material respects as at Completion by reference to the facts and circumstances then subsisting.
- 7.3. Each of the Warranties shall be construed as a separate and an independent warranty and except where this Agreement expressly provides otherwise, each Warranty is not limited or restricted by reference to or inference from the terms of any other Warranty or any other term of this Agreement.
- 7.4. The Vendor undertakes to disclose in writing to the Purchaser any matter or thing which may become known to the Vendor after the date hereof and before Completion which is materially inconsistent with any of the Vendor's Warranties or which would make any of them inaccurate or misleading in any material respect at any time during the period between the date of this Agreement and Completion.
- 7.5. The Vendor undertakes to indemnify and keep indemnified the Purchaser 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 any misrepresentation or breach of the Vendor's Warranties by the Vendor in this Agreement, its schedules, or in any certificate or instrument furnished by the Vendor pursuant to this Agreement;
 - (b) any legal proceedings in which the Purchaser claims that any of the Vendor's 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; or
 - (d) any failure to perform any covenant by the Vendor contained herein.

8. TERMINATION

8.1. If at any time prior to Completion:

- (a) the Target Company cannot maintain at least two responsible officers (one of which must be a director of the Target Company) and such shortage in number of responsible officers leads to suspension or revocation of any of the Licences or imposition of conditions on the business or operations of the Target Company;
- (b) there is Material Adverse Change to the financial position, business or trading of the Target Company since the date of execution of this Agreement arising solely from the Vendor's gross negligence or default and excluding any change which generally affects the industry or market in which the Target Company operates;
- (c) the Vendor commits a breach of or fails to observe any of its obligations or undertakings expressed to be assumed by it under this Agreement in any aspect;
- (d) there is any revocation or suspension of any of the Licences or imposition of conditions on the business or operations of the Target Company;
- (e) any of the Vendor's Warranties is or becomes untrue, incorrect or misleading in any material respect;
- (f) the SFC does not approve the Substantial Shareholder Application due to fault on the part of the Vendor not using its reasonable endeavours to assist the Purchaser in making its application;
- (g) any petition is presented for the bankruptcy or winding up or liquidation of the Target Company or the Vendor, or the Target Company or the Vendor makes any composition or arrangement with its creditors or enters into a scheme of arrangement or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of the Target Company or the Vendor or anything analogous thereto occurs and, in each case, have not been withdrawn within 21 days thereof;
- (h) any of the Conditions is not satisfied as a result of default by the Vendor; or
- (i) Completion does not take place as a result of default by the Vendor;

then, in any such case, the Purchaser shall at any time after the occurrence of such event without any liability on its part, give notice of such event in writing to the Vendor, following which the Vendor shall have a period of seven (7) Business Days to remedy the matter. If the Vendor has not remedied such matter to the reasonable satisfaction of the Purchaser within such seven (7) Business Day period, the Purchaser may terminate this Agreement by giving notice to the Vendor.

8.2. Upon termination of this Agreement other than those clauses which should survive the termination of the Agreement, shall lapse and have no further effect and the Parties

shall be released from all obligations under it other than obligations under the aforesaid surviving clauses.

9. NATURE OF AGREEMENT

- 9.1. This Agreement is personal to the Parties and neither of them may assign, mortgage, charge or sublicense any of its rights hereunder, or sub-contract or otherwise delegate any of its obligations hereunder, except with the prior written consent of the other party.
- 9.2. Nothing in this Agreement shall create, or be deemed to create, a partnership, or the relationship of principal and agent, between the Parties.
- 9.3. This Agreement and documents referred to herein contains the entire agreement between the Parties with respect to its subject matter (no party having relied on any representation or warranty made by any other party which is not a term of this Agreement) and may not be modified except by an instrument in writing signed by the Parties and supersedes all and any previous agreements or arrangements between the Parties hereto or any of them relating to the transactions contemplated hereby and all or any such previous agreements or arrangements (if any) shall cease and determine with effect from the date of execution of this Agreement.
- 9.4. If any provision of this Agreement is held to be invalid, illegal or unenforceable, then such provision shall (so far as it is invalid, illegal or unenforceable) be given no effect and shall be deemed not to be included in this Agreement but without invalidating any of the remaining provisions of this Agreement. The parties shall nevertheless negotiate in good faith in order to agree the terms of a mutually satisfactory provision, achieving as nearly as possible the same commercial effect, to be substituted for the provision so found to be invalid, illegal or unenforceable.
- 9.5. No failure or delay by any party in exercising any of its rights under this Agreement shall be deemed to be a waiver thereof nor shall a waiver of a breach of any provision of this Agreement be deemed to be a waiver of any subsequent breach of the same or any other provision.

10. TIME OF THE ESSENCE

Any time, date or period mentioned in this Agreement may be extended by mutual agreement between the Vendor and the Purchaser, but, as regards any time, date or period originally fixed or any date or period so extended as aforesaid, time shall be of the essence.

11. NOTICES AND SERVICE

- 11.1. Any notice or other information required or authorised by this Agreement to be given shall be given by:
 - (i) delivering it by hand; or

- (ii) sending it by pre-paid post; or
- (iii) sending it by facsimile transmission,

to the relevant parties at the following addresses, or in the case of a notice given by facsimile transmission to the following respective numbers:

The Purchaser Address : Unit 5D, Hang Cheong Factory Building,
1 Wing Ming Street, Kowloon

Fax : 25720438

Attn : March Lai

The Vendor Address : Flat D, 3/F., Tower 3, The Woodsville, 18
Hung Shun Road, Hung Shui Kiu, N.T

Attn : Zhong Xian Wen

- 11.2. Any notice or information given by post in the manner provided by clause 11.1(ii) which is not returned to the sender as undelivered shall be deemed to have been given on the seventh day after the envelope containing it was so posted; and proof that the envelope containing any such notice or information was properly addressed, and that it has not been so returned to the sender, shall be sufficient evidence that the notice or information has been duly given.
- 11.3. Any notice or information sent by facsimile transmission shall be deemed to have been duly sent on the date of transmission, provided that a confirming copy of it is sent as provided in clause 11.1(ii) to the relevant parties at the addresses given above within 24 hours after transmission.
- 11.4. The Vendor hereby irrevocably appoints Zhong Xian Wen of Flat D, 3/F., Tower 3, The Woodsville, 18 Hung Shun Road, Hung Shui Kiu, N.T as its agent to receive and acknowledge on its behalf service of any writ, summons, order, judgment or other notice of 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, the Vendor shall promptly appoint a successor agent satisfactory to the Purchaser and notify the Purchaser and deliver to the Purchaser a copy of the new process agent's acceptance of appointment. The Vendor agrees that any such legal process shall be sufficiently served on it if delivered to such agent for service at its address for the time being in Hong Kong whether or not such agent gives notice thereof to the Vendor.
- 11.5. The Purchaser hereby irrevocably appoints C&T Legal LLP of 22/F, Shum Tower, 268 Des Voeux Road Central, Sheung Wan, Hong Kong as its agent to receive and acknowledge on its behalf service of any writ, summons, order, judgment or other notice of legal process in Hong Kong. If for any reason the agent named above (or its successor) no longer serves as agent of the Purchaser for this purpose, the Purchaser shall promptly appoint a successor agent satisfactory to the Vendor and notify the Vendor and deliver to the Vendor a copy of the new process agent's acceptance of appointment. The Purchaser agrees that any such legal process shall be sufficiently served on it if delivered to such

agent for service at its address for the time being in Hong Kong whether or not such agent gives notice thereof to the Purchaser.

12. CONFIDENTIALITY AND ANNOUNCEMENT

- 12.1. 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 hereto, save:
- (a) with the prior written consent of the other party hereto which may not be unreasonably withheld or delayed; or
 - (b) to the extent required by applicable rules, laws and regulations, provided the party 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 and taken into account the reasonable requirements of the other parties.
- 12.2. 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) (the "**Confidential Information**"), except to the extent:
- (a) required by applicable laws and regulations and then 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 becomes available in the public domain without breach by a party of its confidentiality obligations under this Clause or at law.

13. COSTS AND STAMP DUTY

- 13.1. Each party hereto shall bear its/ own costs and expenses (including legal fees) incurred in connection with the preparation, negotiation, execution and performance of this Agreement and all documents incidental or relating to Completion.

- 13.2. All stamp duty (if any) payable in connection with the sale and purchase of the Sale Shares shall be borne as to 50% by the Vendor and as to 50% by the Purchaser.

14. GENERAL

- 14.1. Each party shall from time to time do all such acts and execute all such documents as may be reasonably necessary in order to give effect to the provisions of this Agreement.
- 14.2. This Agreement may be signed or executed in one or more parts and where signed or executed in more than one part each part shall be deemed to constitute an integral part of the one Agreement.
- 14.3. The single or partial exercise of any right, power or remedy provided by law or under this Agreement shall not preclude any other or further exercise thereof or the exercise of any other right, power or remedy.
- 14.4. The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by law.
- 14.5. All provisions of this Agreement shall so far as they are capable of being performed or observed continue in full force and effect notwithstanding Completion except in respect of those matters then already performed.

15. PROPER LAW AND JURISDICTION

The construction, validity and performance of this Agreement shall be governed by Hong Kong law and the parties irrevocably agree that the Courts of Hong Kong shall have non-exclusive jurisdiction in respect of any dispute or proceedings which may arise out of or in connection with this Agreement.

SCHEDULE 1
PARTICULARS OF THE TARGET COMPANY

PART A – PARTICULARS OF THE TARGET COMPANY

Company Name	:	Grand Moore Capital Limited
Place of incorporation	:	Hong Kong
Date of Incorporation	:	14 May 2015
Company Registry Number	:	2237447
Registered office	:	Unit 1607, 16/F., Silvercord Tower 1, 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong
Issued number of shares	:	16,350,000 shares
Shareholders	:	Optimum Lead Limited (10,900,000 shares) Crown World Investments Limited (5,450,000 shares)
Directors	:	Poon Kwok Hing Albert Law Chun Ming Johnny Wong Wai Chun Alex
Licenses	:	Type 1 (Dealing in Securities); and Type 6 (Advising on Corporate Finance)
Central Entity Number	:	BGB919
Licensing Condition(s) (if any)	:	Type 1: For Type 1 regulated activity, the licensee shall not engage in dealing activities other than those relating to corporate finance.

PART B – PARTICULARS OF THE RESPONSIBLE OFFICERS

RESPONSIBLE OFFICERS' NAMES	CE No.	Licences
CHAU King Fai 周景輝	ABI141	Type 6
CHOY Kwong Man, Edmond 蔡廣孟	AEM344	Type 1 and Type 6
LAM Chi Kan 林志勤	AFX948	Type 6
LAW Chun Ming, Johnny 羅駿明	AGJ887	Type 1 and Type 6
LEUNG Man Kit 梁民傑	ABM580	Type 6
LOU Ming 劉明	AEP445	Type 6
NG Florence Man Shan 吳旻珊	BAM969	Type 6
POON Kwok Hing, Albert 潘國興	AAI064	Type 1 and Type 6
SO Kevin Hoi Chak 蘇凱澤	AHN580	Type 6

SCHEDULE 2

COMPLETION REQUIREMENTS

1. OBLIGATIONS OF THE VENDOR

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

- (a) valid share certificate(s) for the Sale Shares in the name of the Vendor;
- (b) the original duly executed instrument(s) of transfer(s) and sold notes of the Sale Shares by the registered holders thereof in favour of the Purchaser (or his nominee) and the original share certificates in respect of the Sale Shares in the name of the Vendor or an indemnity in the agreed form for any lost share certificate;
- (c) original minutes of meetings of the board of directors (or written resolutions) of the Company approving:
 - (i) the transactions of sale and purchase of the Sale Shares contemplated herein;
 - (ii) the transfer of the Sale Shares and subject to presentation to the Company of the stamped transfer documents, the name of the Purchaser (or its nominee(s)) be entered in the register of members of the Company;
 - (iii) the old share certificate(s) for the Sale Shares surrendered by the Vendor be cancelled and new share certificate(s) be issued to the Purchaser (or its nominee);
 - (iv) such person(s) nominated by the Purchaser shall be appointed directors of the Target Company;
 - (v) the resignations of the present directors (other than the Responsible Officers), secretary and auditor;
- (d) a written confirmation that the Vendor is not aware of any matter which is in breach of or inconsistent with any of the representations and warranties as set out herein; and
- (e) such other waivers or consents as the Purchaser may require to enable the Purchaser (or as it may direct) to be registered as the holder of any of the Sale Shares.

2. OBLIGATIONS OF THE PURCHASER

Subject to the Vendor's full compliance with all its obligations under paragraph 1 of this Schedule, at Completion, Listco shall allot and issue to the Vendor the Consideration Shares credited as fully paid and free from all Encumbrances and adverse claims.

SCHEDULE 3

VENDOR'S WARRANTIES

The Vendor represents and warrants to the Purchaser that:

1. The Sale Shares

- 1.1 The Vendor is the sole legal and beneficial owner of the Sale Shares and is entitled to sell and transfer and will sell and transfer the full legal and beneficial ownership of the Sale Shares in accordance with the terms of this Agreement to the Purchaser (or its nominee(s)).
- 1.2 Save for the approval by the SFC of the Purchaser to become a Substantial Shareholder of the Target Company arising from the sale of the Sale Shares under the SFO no other consent of any third party is required to be obtained in respect of the sale of the Sale Shares.
- 1.3 The Sale Shares represent one-third of the entire issued shares of the Target Company and are fully paid up or credited as fully paid up and rank *pari passu* in all respects with the other issued shares of the Target Company.
- 1.4 There is no Encumbrance on, over or affecting the Sale Shares and there is no agreement or commitment to give or create any Encumbrances and no claim has been made by any person to be entitled to any Encumbrances which has not been waived in its entirety or satisfied in full.

2. Authority and Capacity of the Vendor

- 2.1 The Vendor has full legal right, power and authority to execute and perform this Agreement and any other documents to be executed by it pursuant to or in connection with this Agreement, and to carry out the transactions contemplated thereunder.
- 2.2 This Agreement and any other documents to be executed by the Vendor pursuant to or in connection with this Agreement will, when executed, constitute its legal, valid and binding agreement enforceable in accordance with its terms, and will not violate any existing material agreements or obligations.
- 2.3 Except as contemplated in this Agreement, the execution, delivery and performance of this Agreement does not and will not require any consent, approval, authorisation or other order of, action by, filing with or notification to, any government authority on the part of the Vendor or any of his affiliates.
- 2.4 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 agreement, commitment or other instrument to which the Vendor is a party.

3. The Accounts

- 3.1 The Accounts have been prepared in accordance with the requirements of all relevant accounting standards which have been consistently adopted and applied by the Target

Company and are accurate in all respects and show a true and fair view of the financial positions and state of affairs of the Target Company as at the Accounts Date and of their results and profits for the financial periods ended on the dates to which they respectively relate.

- 3.2 The Accounts disclose and make full provision or reserve for all actual liabilities.
- 3.3 The Accounts disclose and make proper provision or reserve for or note all contingent liabilities, capital or burdensome commitments and deferred taxation.
- 3.4 The bases and policies of accounting of the Target Company (including depreciation) adopted for the purpose of preparing the Accounts are the same as those adopted for the purpose of preparing the management accounts of the Target Company for all the preceding accounting periods.
- 3.5 All accounting books and records of the Target Company have been properly maintained in accordance with the applicable law and constitute in all material respects an accurate record of all matters which ought to appear in them as provided in the applicable law, and all returns and information made or given by the Target Company to any relevant authorities in connection with their business are true and correct in accordance with the applicable law.
- 3.6 The Accounts are complete and accurate in all material aspects.

4. Taxation

- 4.1. All returns, computations, notices and information made or provided or required to be made or provided by the Target Company for any Taxation purpose have been made or given within the requisite periods and on a proper basis and when made were true and accurate and are up to date and none of them is or is likely to be the subject of any dispute with any Taxation authority.
- 4.2. The Target Company has paid all Tax which has been due for payment, including provisional taxation, which it has become liable to pay on or before the date of this Agreement.
- 4.3. From the date of incorporation of the Target Company, there is no fine, penalty, surcharge of interest in relation to Taxation which has been due but has not been paid.
- 4.4. From the date of incorporation of the Target Company, proper records have been maintained in respect of all such deductions and payments and all applicable regulations in Hong Kong have been complied within all material respects.

5. Corporate Matters

- 5.1. The Target Company has been duly incorporated and validly exists and no order has been made or petition presented or resolution passed for the winding up of the Target Company and no distress, execution or other process has been levied on any of its assets. No receiver or receiver and manager has been appointed by any person of the business or assets or any part thereof of the Target Company, no power to make any such

appointment has arisen, and the Target Company has not taken any steps to enter into liquidation and there are no grounds on which a petition or application could be based for the winding up or appointment of a receiver of the Target Company.

- 5.2. The Target Company has never reduced, repaid, redeemed or purchased any of its share capital.
- 5.3. 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 issued of any shares in the capital of the Target Company and is not under any contracts, options, warrants or any other obligations regarding any part of its capital, issued or unissued, or for the issue of any shares, debentures, warrants, options, or other similar securities; the right to require the creation of any mortgages, charge, pledge, lien or other security or Encumbrance over the Sale Shares.
- 5.4. The Memorandum and Articles of Association or other constitutional documents of the Target Company provided to the Purchaser are accurate and complete in all respects and have attached to them copies of all resolutions which are required to be so attached as at the date to which they were provided to the Purchaser. The Target Company has complied with its respective Memorandum and Articles of Association or other constitutional documents, has full power, authority and legal right to own its assets and carry on its business and none of the activities, agreements, commitments or rights of the Target Company is *ultra vires* or unauthorized.
- 5.5. The registers of members and all other statutory books of the Target Company are up to date and contain true, full and accurate records of all matters required to be dealt with therein and the Target Company has not received any notice of any application or intended application for rectification of its register and all annual or other returns required to be filed with the relevant local companies registration authorities have been properly filed within any applicable time limit and all legal requirements relating to the issue of shares and other securities by the Target Company have been complied with.
- 5.6. The Target Company has not been a party to or involved in any share for share exchange nor any scheme of reorganization, reconstruction or amalgamation or any similar arrangement.
- 5.7. The minute books of directors' meetings and of shareholders' meetings respectively contain full and accurate records of all resolutions passed by the directors and the shareholders of the Target Company.
- 5.8. All filings, publications, registrations and other formalities required by applicable laws to be delivered or made by the Target Company to the relevant authorities have been duly delivered or made on a timely basis.

6. General Commercial Matters

- 6.1. The Target Company is not a party to:
 - (a) any contract or arrangement which involves or is likely to involve obligations, restrictions or expenditure of an unusual or onerous nature or which, in

accordance with its terms, cannot or will not be fulfilled or performed within six (6) months from the date of such contract;

- (b) any contract or arrangement materially or adversely affecting its ordinary and usual business or assets or restricting the freedom of action of the Target Company in relation to its normal business activities;
 - (c) any contract or arrangement not made in the ordinary course of business;
 - (d) any contract or arrangement for the purchase of materials, supplies or equipment which are in excess of the requirements of the Target Company for its normal operating purposes;
 - (e) any sales agency, distribution, marketing, purchasing or licensing agreements or arrangements;
 - (f) any joint venture, agency or partnership arrangement or agreement or similar arrangement or agreement;
 - (g) any contract or arrangement for services (other than contracts for the supply of normal office services); or
 - (h) any agreement or arrangement in which any director of the Target Company is interested (directly or indirectly).
- 6.2. There are no contracts or obligations, agreements or arrangements to which the Target Company is a party or by which the Target Company is bound which are void, illegal, unenforceable, registrable or notifiable under or contravening any laws or regulations.
- 6.3. There are no guarantees, pledges, mortgages, charges, liens, debentures, encumbrances or liabilities given, made or incurred by or on behalf of the Target Company and no director or other person has given any guarantee of or security for any financial or other obligation of the Target Company.
- 6.4. The Target Company is not in default under any provision of any contract or agreement to which it is a party or by which it is bound and no event has occurred which constitutes a default, or which with the giving of notice or the passage of time or otherwise, would constitute a default under such contract or agreement or which would require the premature repayment of any loans or other amounts due thereunder and no party with whom the Target Company has entered into any agreement is in default thereunder.
- 6.5. The books and records of the Target Company accurately present and reflect in accordance with generally accepted accounting principles and standards within the jurisdiction of incorporation of the Target Company.
- 6.6. All transactions entered into by the Target Company or to which it has been a party and all documents which are subject to stamp or similar duty have been duly stamped, and such stamp or similar duty have been duly paid.

- 6.7. To the actual knowledge of the Vendor, the Target Company is not the subject of any official investigation or inquiry in progress threatened in respect of the Target Company and its business and there are no facts which are likely to give rise to any such investigation or inquiry.
- 6.8. The Target Company has at all times carried on its business in compliance with all applicable laws and regulations and neither the Target Company, nor any of its officers or employees, has committed any criminal offence or any tort or any breach of the requirements or conditions of any statute, treaty, regulation, bye law or other obligation relating to the Target Company or the carrying on of its business and without prejudice to the generality of the foregoing the Target Company has obtained all licences and consents necessary for the carrying on of its business, and all such licences and consents are valid and subsisting and there is no reason why any of them should be suspended, cancelled or revoked.
- 6.9. The Target Company has not given any powers of attorney and no other authority express, implied or ostensible which is still outstanding or effective to any person to enter into any contract or commitment to do anything on its behalf.
- 6.10. The Target Company has good and marketable title to all assets used in its business free from any Encumbrances or other third party rights and (in the case of investments in securities and derivatives) are capable of being sold by the Target Company in the ordinary course of business to a purchaser in accordance with market prices without rebate or allowance.
- 6.11. The fixed plant, machinery, furniture, fixtures and fittings, equipment and vehicles and the tangible assets (if any) used in connection with the business of the Target Company and all other fixed assets referred to in the Accounts and any additions thereto made since the Management Accounts Date are the sole and absolute property of and held by the Target Company free from any Encumbrances and the Target Company has good and marketable title thereto and all such assets are in the possession or under the control of the Target Company. The use of the assets of the Target Company does not contravene any relevant provision of any legislation, regulation or other requirement having the force of law, and all such assets owned or used by the Target Company are in good repair and capable of being used for the purposes for which they were acquired and used by the Target Company and have throughout their period of ownership by the Target Company been maintained and serviced in accordance with their manufacturers' recommendations.
- 6.12. The Target Company has no material capital commitments not disclosed in the Accounts.
- 6.13. There are no loans, guarantees, debentures, Encumbrances or unusual liabilities given, made or incurred by or on behalf of any of the Target Company (and, in particular, but without limiting the foregoing, no loans have been made by or on behalf of the Target Company to any of its directors or shareholders) and no director of the Target Company or other person has given any guarantee of or security for any financial or other obligation of the Target Company.

7. Litigation

- 7.1. The Target Company is not involved whether as plaintiff or defendant or otherwise in any civil, criminal, arbitration or winding up proceedings or in any proceedings before any tribunal and no such proceedings are threatened or pending against the Target Company or any person for whose acts or defaults the Target Company may be vicariously liable in any jurisdiction.
- 7.2. To the actual knowledge of the Vendor, there are no facts or circumstances which are likely to result in any civil, criminal, arbitration or winding up proceedings or any proceedings before any tribunal being brought by or against the Target Company or against any person for whose acts or defaults the Target Company may be vicariously liable.
- 7.3. In particular but without prejudice to the generality of the foregoing, there are no litigious disputes between the Target Company and its clients, suppliers or employees in relation to defective services or work or any loss, damage or personal injury resulting therefrom.
- 7.4. There is no judgment, court order or tribunal or arbitral award outstanding against the Target Company and no distress, execution or process has been levied on any part of its respective businesses or assets.
- 7.5. No order has been made or petition presented or resolution passed and no actual or potential circumstances exist which would entitle the making of an order or any person to present a petition for the winding up of the Target Company or any proceedings or meetings with a view to procuring the same, or the appointment of any trustee, conservator, receiver, manager or administrator of the whole or any part of their undertakings or assets.

8. Employment Matters

- 8.1. To the actual knowledge of the Vendor, there is no past, existing or threatened or pending dispute involving the Target Company and any of its employees and there is no arrangement between the Target Company and any trade union or organization representing any such employees.
- 8.2. No circumstances have arisen under which the Target Company is required to pay, or is likely to be required to pay, damages for wrongful dismissal or to make any payment in respect of unfair dismissal or to reinstate or re-engage any former employee.
- 8.3. There are no outstanding payments or benefits (actual or contingent) of any kind due to any present or former directors or the employees of the Target Company including compensation and arrears due, incentives, benefits or bonuses which remain unpaid and which will not have been settled as at the Completion Date.
- 8.4. There are no existing service or other agreements or contracts between the Target Company and any directors or executives or employees of the Target Company which cannot be terminated by three months' notice or less without giving rise to any claim for damages or compensation and the Target Company has no scheme or arrangement for the payment of bonuses to employees and the Target Company has complied with

all its obligations under all ordinances and regulations, codes, orders, awards and agreements in connection with its employees.

- 8.5. To the actual knowledge of the Vendor, no former employee of the Target Company has a claim for compensation for wrongful dismissal or for unfair dismissal or to a redundancy or long service payment from the Target Company.
- 8.6. There are no share option or share incentive or similar schemes for any directors or employees of the Target Company and the Target Company has no obligation (whether legally binding or established by custom) to pay any pension or make any other payment after retirement or death to or in respect of any person who is now or has been an officer or employee of the Target Company and a party to any scheme or arrangement having as its purpose or one of its purposes the making of payments or the provision of benefits as aforesaid.
- 8.7. The Target Company has complied with all requirements from time to time in force under the employment legislations in applicable jurisdictions and all relevant statutory provisions and regulations relating to its employees.
- 8.8. No increase in the wages or salary or any improvement in the benefits of any employee of the Target Company or any section or class of employees has been agreed or paid or made since the Management Accounts Date.
- 8.9. The Target Company does not have any obligation (whether legally or morally binding or established by custom) to offer or issue shares in the Target Company or any other company for or to any person or to pay any pension or death in service benefit or make any other payment on or after retirement or leaving service to or in respect of any person who is now or has been an officer or employee of the Target Company.

9. Retirement Scheme

There are no pension, provident, superannuation or retirement benefit funds, schemes or arrangements (other than statutory provisions) under which the Target Company is obliged contractually to provide to any of its employees or officers or former employees or officers or any spouse or other dependent of any of the same retirement benefits of any kind (which expression shall include benefits payable upon retirement, leaving service, death, disablement and any other benefits which are commonly provided for under provident or retirement schemes).

10. Matters since the Management Accounts Date

Since the Management Accounts Date:

- (a) there has been no interruption or alteration in the nature, scope or manner of the business of the Target Company including but not limited to interruption or alteration arising from the loss of any material client or supplier or employee, and such business has been carried on lawfully and in the ordinary and usual course of business so as to maintain it as a going concern;

- (b) there has been no material adverse change in the customer relations of the business or in the financial condition or the position, prospects, assets or liabilities of the Target Company as compared with the position disclosed by the Management Accounts and no damage, destruction or loss (whether or not covered by insurance) affecting its business or assets;
- (c) the Target Company has continued to pay its creditors in the ordinary course of business;
- (d) except in the ordinary course of business and not amounting in aggregate to a substantial value, no tender, quotation or offer issued by the Target Company and still outstanding is or will be capable of giving rise to a contract merely by an order, acceptance or other action by another party;
- (e) none of the Target Company has repaid any loan capital in whole or in part (other than indebtedness to its bankers according to its stated maturity) nor has it become bound or liable to be called upon to repay prematurely any loan capital or borrowed moneys;
- (f) the Target Company has not acquired, sold, transferred or otherwise disposed of any assets of whatsoever nature or cancelled or waived or released or discounted in whole or in part any debts or claims;
- (g) the Target Company has not waived or released any rights howsoever arising;
- (h) the Target Company has not acquired or disposed of or granted any right or option or created any other Encumbrance over any land or buildings or any estate or interest therein or parted with possession of the whole or any part thereof or agreed to do any of the same;
- (i) the Target Company has not incurred any capital expenditure or made any capital commitment of any amount;
- (j) no share or loan capital of the Target Company has been issued or agreed to be issued or any option or right thereover granted;
- (k) the Target Company has not undergone any capital reorganization or change in its capital structure;
- (l) no resolutions have been passed by the Target Company and nothing has been done in the conduct or management of the affairs of the Target Company which would be likely to reduce the net asset value of the Target Company;
- (m) the Target Company has not made any purchase or sale or introduced any method of management or operation in respect of the business undertaking or assets of the Target Company except in a manner consistent with proper prior practice;
- (n) the Target Company has not incurred or become subject to any liability or obligation (absolute or contingent);

- (o) the Target Company has not discharged or satisfied any Encumbrance or any other obligation or liability (absolute or contingent) other than liabilities disclosed in the Management Accounts as at the Management Accounts Date and current liabilities incurred since the Management Accounts Date in the ordinary course of business;
- (p) no sum or benefit has been paid or applied to any officer or employee of the Target Company by way of remuneration, bonus, incentive or otherwise in excess of the amounts paid or distributed to them by the Target Company at the Management Accounts Date so as to increase their total remuneration and no new service agreements have been made or entered into by the Target Company since the Management Accounts Date and the Target Company has not changed the terms of service of any officer or employee;
- (q) there has been no change in the financial year end of the Target Company;
- (r) no event has occurred which would entitle any third party (with or without the giving of notice) to call for the repayment of indebtedness of the Target Company to its normal maturity date;
- (s) there has been no disposal of any asset (including stock) or supply of any service or business facility of any kind of the Target Company (including a loan of money or the letting, hiring or licensing of any property (whether tangible or intangible)) which are not at arms-length;
- (t) no event has occurred which gives rise to a Taxation liability to any of the Target Company on deemed (as opposed to actual) income, profits or gains or which results in the Target Company becoming liable to pay or bear a liability to taxation directly or primarily chargeable against or attributable to another person, firm or company;
- (u) the Target Company has not incurred or become subject to any liability or obligation (absolute or contingent) except current liabilities and obligations incurred under contracts entered into in the ordinary courses of business; and
- (v) there has been no Material Adverse Change in the financial condition or prospects of the Target Company and the Target Company has not entered into transactions outside its ordinary course of business.

11. Accuracy of Information Provided

- 11.1. All information contained in this Agreement (including the recitals, the Schedules and Exhibits) is true, correct and accurate.
- 11.2. All information given to the Purchaser and/or its professional advisers by the Vendor or the Target Company, its officers and employees or other professional advisers or as required by laws and regulations during the negotiations prior to this Agreement was when given, and is at the date hereof, true and accurate and there is no fact, matter or circumstance which has not been disclosed in writing to the Purchaser or its professional

advisers which renders any such information untrue, inaccurate or misleading or which might reasonably affect the willingness of the Purchaser to proceed with the purchase of the Sale Shares on the terms of this Agreement.

12. Confidential Information

The Target Company does not use or process or is engaged in any activities which involve the misuse of any know-how, lists of customers or suppliers, trade secrets, technical processes or other confidential information (the "**Confidential Information**") belonging to any third party. There has been no actual or alleged misuse by any person of any of its Confidential Information. The Target Company has not disclosed to any person any of its Confidential Information except where such disclosure was properly made in the normal course of the business and was made subject to an agreement under which the recipient is obliged to maintain the confidentiality of such Confidential Information and is restrained from further disclosing it or using it other than for the purposes for which it was disclosed by the Target Company.

13. Intellectual Property Rights

- 13.1. The Target Company does not use or process or is not engaged in any activities which infringe any Intellectual Property Rights of any third party or any applicable law.
- 13.2. The Target Company is the sole and absolute beneficial owners of all Intellectual Property Rights including the Trade Marks used in connection with its business (if any) and the same are valid and enforceable and in full force and effect and the Target Company is not in breach of any of the terms thereof. All such Intellectual Property Rights which are being registered are registered in the name of the Target Company as sole proprietor. No licences or registered user or other rights have been granted or agreed to be granted to any third party in respect thereof.
- 13.3. To the actual knowledge of the Vendor, there has been no attack or challenge on any grounds in respect of such Intellectual Property Rights of the Target Company and none of the Intellectual Property Rights has been or is subject to any cancellation, revocation, rectification, passing off or infringement proceeding under the applicable law.

14. Insurance

- 14.1. All assets of the Target Company 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 by companies of similar business nature as the Target Company. The Target Company has at all times been adequately covered against all risks which a company carrying on a similar business would normally insure against and nothing has been done or omitted to be done by or on behalf of the Target Company 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 there are no circumstances likely to give rise to such a claim or result in an increased rate of premium on their next renewal.
- 14.2. All information furnished in obtaining or renewing the insurance policies of the Target Company was correct, full and accurate when given and any change in that information

required to be given was correctly given. The Target Company is not in default under any of these policies and copies of the policies have been delivered to the Purchaser or its legal advisers prior to the date hereof.

- 14.3. The Target Company has not suffered from any uninsured extraordinary or unusual losses nor waived any rights of material or substantial value nor knowingly allowed any insurance to lapse.

15. Financial Matters

- 15.1. Full details of all bank accounts maintained or used by the Target Company (including, in each case, the name and address of the bank with whom the account is kept and the number and nature of the account and the names of all persons authorised to draw thereon or have access thereto) and of all direct debit or standing order or similar authorities applicable to any of the accounts and statements showing all balances, payments and receipts on each account as at the close of business on a date not being more than seven (7) days prior to the date of this Agreement are set out in a separate disclosure letter to the Purchaser. Since the date of each statement no payment out of any of the accounts has been made, except for routine payments in the ordinary course of business. Amounts represented by cheques, warrants, mandates or other payment instructions issued or given by the Target Company but not reflected in such bank statements do not exceed in the aggregate of HK\$100,000 and was duly paid by the Target Company.
- 15.2. Other than in the ordinary and proper course of trading, the Target Company has not drawn, accepted, or endorsed any bill of exchange, cheque, promissory note or other instrument (whether maturing before, at or after Completion and whether or not negotiable).
- 15.3. Full particulars of, and of the amounts outstanding under and the maximum amounts available under, all bank facilities, loan, guarantee, acceptance, acceptance credit, indemnity and other borrowing facilities and arrangements of the Target Company have been disclosed in a separate disclosure letter; no such maxima have been exceeded; and the Target Company has not, and will not by virtue of any aspect of the transaction hereby contemplated, become bound or liable to be called upon to pay or repay prematurely any indebtedness or to pay or discharge any obligation under any such facility or arrangement nor has the Target Company failed to pay or repay any indebtedness or to meet any obligation in full on the due date.

16. Insolvency

- 16.1. The Target Company has not been dissolved or entered into (or taken steps to enter into) liquidation, administration, administrative receivership, receivership, a voluntary arrangement, a scheme of arrangement with creditors, any analogous or similar procedure in any jurisdiction or any other form of procedure relating to insolvency, reorganisation or dissolution in any jurisdiction; and no petition has been presented or other step been taken by any person with a view to any of those things.
- 16.2. The Target Company is not insolvent or unable to pay its debts and the Target Company has not stopped paying its debts as they fall due.

- 16.3. No execution, distress, sequestration or other legal process has been levied or threatened or commenced in respect of any asset of the Target Company.
- 16.4. No composition in satisfaction of the Target Company or scheme of arrangement of its affairs or compromise or arrangement between it and its creditors and/or members or any class of its creditors and/or members has been proposed, sanctioned or approved, and no step is or has been taken to do any of those things.
- 16.5. No guarantee, loan capital, borrowed money or interest is overdue for payment and no other obligation or indebtedness is outstanding which is substantially overdue for performance or payment.
- 16.6. No circumstances have arisen which are likely to result in a transaction to which the Target Company is a party being set aside.

SCHEDULE 4
PURCHASER'S WARRANTIES

The Purchaser warrants and represents to the Vendor that:

- (a) it is a company duly incorporated and validly existing under the laws of the British Virgin Islands;
- (b) all necessary consents and authorizations have been obtained to enable the Purchaser to enter into this Agreement, the Purchaser has power under its constitutional documents to enter into this Agreement and the entering into and performance of this Agreement is duly authorized and when duly executed will constitute valid and legally binding and enforceable obligations of the Purchaser;
- (c) the directors of Listco has the power and maintain sufficient general mandate to allot and issue the Consideration Shares upon Completion; and
- (d) this Agreement and any other documents to be executed by the Purchaser pursuant to or in connection with this Agreement will, when executed, constitute its legal, valid and binding agreement enforceable in accordance with its terms, and will not violate any existing material agreements or obligations.

EXHIBIT A
AUDITED ACCOUNTS


EXHIBIT B
MANAGEMENT ACCOUNTS

Execution Page

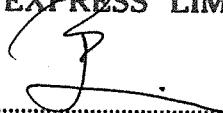
IN WITNESS WHEREOF this document has been executed on the date and year first above written.

The Purchaser

SIGNED by TSUI KA MEI)
for and on behalf of)
PACIFIC EXPRESS LIMITED)
in the presence of:)


Lee Cheuk Fung Nicky
Solicitor, HKSAR
Messrs. C&T Legal LLP

For and on behalf of
PACIFIC EXPRESS LIMITED


.....
Authorized Signatory

The Vendor

SIGNED by ZHONG XIAN WEN)
for and on behalf of)
CROWN WORLD INVESTMENTS)
LIMITED)
in the presence of:)

Execution Page

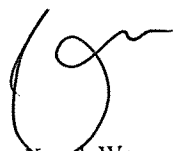
IN WITNESS WHEREOF this document has been executed on the date and year first above written.

The Purchaser

SIGNED by)
for and on behalf of)
)
in the presence of:)

The Vendor

SIGNED by **ZHONG XIAN WEN**)
for and on behalf of)
CROWN WORLD INVESTMENTS)
LIMITED)
in the presence of:)



Lee Kwok Wa
Solicitor, HKSAR
Messrs. C&T Legal LLP