

Date: 12 December 2022

Lead Development Investment Limited

as vendor

and

SOUTHERN HERITAGE LIMITED

as purchaser

and

Ang Jui Khoon

Ang Kok Kwang

as guarantors

**AGREEMENT FOR
THE SALE AND PURCHASE OF SHARES
IN
KHOON GROUP LIMITED**

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THIS AGREEMENT is made on 12 December 2022

BETWEEN:-

- (1) **Lead Development Investment Limited**, a company incorporated in the British Virgin Islands whose registered office address is at Sertus Incorporations (BVI) Limited, Sertus Chambers, P.O. Box 905, Quastisky Building, Road Town, Tortola, British Virgin Islands (the “**Vendor**”);
- (2) **SOUTHERN HERITAGE LIMITED**, a company incorporated in the British Virgin Islands whose registered office is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (the “**Purchaser**”);
- (3) **Ang Jui Khoon**, holder of Singapore passport number: K1912979B whose residential address is at 41 Jalan Asas, Singapore 678802 (“**Guarantor 1**”); and
- (4) **Ang Kok Kwang**, holder of Singapore passport number: K1807892B whose residential address is at 1 Ah Soo Garden, Singapore 539947 (“**Guarantor 2**”).

(Guarantor 1 and Guarantor 2 are collectively referred to as the “**Guarantors**” and each a “**Guarantor**”)

(All parties hereto are together referred to as the “**Parties**” and each a “**Party**”).

WHEREAS:

- (A) The Vendor is the beneficial owner of 550,000,000 ordinary shares of par value HK\$0.01 each (the “**Sale Shares**”) of Khoon Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are listed on the main board of the Stock Exchange (as defined below) with the stock code of 924 (the “**Company**”). The Sale Shares represent approximately 55% of the issued share capital of the Company as at the date of this Agreement.
- (B) The Group (as defined below) is principally engaged in the provision of mechanical and electrical (M&E) services and specialized in electrical engineering solutions for both public and private sector projects.
- (C) As at the date of this Agreement, the Company has 1,000,000,000 issued ordinary shares of par value HK\$0.01 each. Save as aforesaid, the Company does not have any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code (as defined below)).
- (D) The Vendor as the legal and beneficial owner has agreed to sell and the Purchaser has agreed to purchase the Sale Shares subject to the terms and conditions hereinafter set out.
- (E) The Guarantors have agreed to guarantee the performance of the obligations of the Vendor hereunder on the terms and subject to the conditions set out in this Agreement.

IT IS HEREBY AGREED THAT:-

1. Interpretation

In this Agreement, unless the context otherwise requires, the provisions in this Clause 1 apply:

1.1 Definitions

“**Accounts**” or “**Audited Accounts**” means the audited consolidated statement of the financial position of the Group as at 30 June 2022 and the audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 30 June 2022;

“**Accounts Date**” means 30 June 2022;

“**Announcement**” means the announcement(s) to be released by the Purchaser and/or the Company in accordance with the Takeovers Code, the Listing Rules and all Applicable Laws in relation to, among others, the sale and purchase of the Sale Shares and/or the possible mandatory general offer under Rule 26 of the Takeovers Code, in such form and substance as approved by the Executive and/or the Stock Exchange;

“**Applicable Laws**” means, in respect of any person, any laws, rules, regulations, directives, decrees, treaties, or orders of any Authority (including but not limited to the Listing Rules and the Takeovers Code), that are applicable to and binding on such person;

“**Authorities**” means any governments, courts, arbitral tribunals, governmental, regulatory or official authorities, departments or agencies of any governments, statutory or regulatory bodies, stock exchanges whether in Hong Kong, Singapore or elsewhere and include but not limited to the Stock Exchange and the SFC and “**Authority**” means any one of them;

“**Business Day**” means a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours;

“**CCASS**” the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;

“**Circular**” means the offer document referred to in Clause 7.4;

“**close associate**” has the same meaning as defined in the Listing Rules;

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

“**Company**” has the meaning given to it in the Recital;

“**Completion**” completion of the sale and purchase of the Sale Shares in accordance with Clauses 5.2 and 5.3;

“**Completion Date**” means the date falling on the seventh Business Day after fulfilment or waiver (as applicable) of the Conditions set out in Clause 2.1, or such other date as the Vendor and the Purchaser may agree in writing;

“**Conditions**” means the conditions precedent for completion of the sale and purchase of the Sale Shares set out in Clause 2.1 and “**Condition**” means any one of them;

“**connected person**” has the meaning given to it under the Listing Rules;

“**Consent**” includes any license, consent, approval, authorization, permission, waiver, order, notification or exemption;

“**Disclosed**” means in the context of the warranties made by the Vendor, a matter or information disclosed in (i) this Agreement; or (ii) the Audited Accounts; (iii) any documents furnished by the Company to the Purchaser and/or its designated adviser(s) for conducting the due diligence review and investigation on the Group, or (iv) any public documents published by the Company (together the “**Vendor’s Documents**”) including, but not limited to, such facts, circumstances, matters and information as set out in the Vendor’s Documents;

“**Encumbrance**” means any charge, mortgage, lien, option, equitable right, power of sale, pledge, hypothecation, retention of title, right of pre-emption, right of first refusal or other third-party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing;

“**Event**” includes, without limitation, any act, transaction or omission (whether or not any of the Group Companies is a party thereto) and, but without limitation, any distribution, failure to distribute, acquisition, disposal, transfer, payment, loan or advance and reference to any event on or before a date shall be deemed to include any combination of two or more events, the first of which shall have taken place on or before the date;

“**Executive**” means the Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of the Executive Director;

“**Fundamental Warranties**” means paragraphs 2, 3 and 9 of Schedule I in relation to the Warranties;

“**General Rules**” means the General Rules of CCASS issued by Hong Kong Securities Clearing Company Limited from time to time;

“**Group**” means the Company and the Subsidiaries, and “**Group Company**” or “**member of the Group**” means any one of them;

“**HK\$**” means Hong Kong dollar, the lawful currency of Hong Kong;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the PRC;

“**Listing Rules**” means the Rules Governing the Listing of Securities on the Stock Exchange;

“**Long Stop Date**” means 31 January 2023 or such later date as the Vendor and the Purchaser may agree in writing;

“**Management Accounts**” means the unaudited consolidated balance sheet of the Group as at 30 September 2022 and the unaudited consolidated profit and loss account of the Group for the period commencing from the day immediately following the Accounts Date to 30 September 2022;

“**Material Adverse Effect (or Change)**” means any Event, circumstance, occurrence, fact, condition, change or effect that is materially adverse to (a) the business, operations, financial condition, management, properties, assets or liabilities of any member of the Group; or (b) the ability of any Party (other than the Purchaser) to perform any of his/her/its obligations hereunder or to consummate the transactions contemplated in this Agreement, and which is not caused by: (i) any transaction contemplated in this Agreement or any change in control resulting herefrom; or (ii) any act or omission of the Purchaser;

“**Offer**” means the cash offer to be made by Mighty Divine Securities Limited on behalf of the Purchaser (and parties acting in concert with them (within the meaning of the Takeovers Code)) in accordance with the Takeovers Code for the Offer Shares;

“**Offer Shares**” means the existing issued Shares but excluding the Sale Shares and any other Shares owned by the Purchaser and persons acting in concert with it (within the meaning of the Takeovers Code) on the Completion Date and/or acquired or agreed to be acquired by the Purchaser and persons acting in concert with them (within the meaning of the Takeovers Code) while the Offer remains open for acceptance;

“**PRC**” means the People’s Republic of China which, for the purpose of this Agreement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;

“**Sale Shares**” has the meaning given to it in the Recital;

“**SFC**” means the Securities and Futures Commission of Hong Kong;

“**Shares**” means ordinary shares of par value HK\$0.01 each in the share capital of the Company and “**Share**” means any one of them;

“**Singapore**” means the Republic of Singapore;

“**Stock Exchange**” means The Stock Exchange of Hong Kong Limited;

“**Subsidiaries**” means the subsidiaries as set out under paragraph 26 of the notes to the consolidated financial statements for the year ended 30 June 2022 in the Audited Accounts and a “**Subsidiary**” means any one of them;

“**Surviving Provisions**” means Clause 1, Clause 9 and Clause 10;

“**Takeovers Code**” means the Hong Kong Code on Takeovers and Mergers;

“**Taxation**” or “**Tax**” means all forms of taxation (other than deferred tax) and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies and whether levied by reference to income, profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of tax, whenever and wherever imposed and whether chargeable directly or primarily against or attributable directly or primarily to a Group Company or any other person and all penalties, charges, costs and interest relating thereto; and

“**Warranties**” means the representations and warranties in the Schedule I and “**Warranty**” shall be construed accordingly.

- 1.2 References to one gender include all genders and references to the singular include the plural and vice versa.
- 1.3 References to:
 - 1.3.1 a person include any individual, company, partnership or unincorporated association (whether or not having separate legal personality); and
 - 1.3.2 a company include any body corporate, wherever incorporated.
- 1.4 References to a statute or statutory provision include:
 - 1.4.1 that statute or provision as from time to time modified, re-enacted or consolidated whether before or after the date of this Agreement;
 - 1.4.2 any past statute or statutory provision (as from time to time modified, re-enacted or consolidated) which that statute or provision has directly or indirectly replaced; and
 - 1.4.3 any subordinate legislation made from time to time under that statute or statutory provision.
- 1.5 References to this Agreement shall include any Schedule to it and references to Clause(s) and Schedule(s) are to Clause(s) of, and Schedule(s) to, this Agreement.
- 1.6 References to books, records or other information mean books, records or other information in any form including paper, electronically stored data, magnetic media, film and microfilm.
- 1.7 The words “including”, “include”, “in particular” and words of similar effect shall not be deemed to limit the general effect of the words that precede them.

- 1.8 References in this Agreement to any time of a day shall be references to the time of the day in Hong Kong.
- 1.9 The expressions the “Vendor”, the “Guarantors” and the “Purchaser”, shall, where the context permits, include their respective successors and personal representatives and permitted assigns.
- 1.10 All representations, warranties, undertakings, indemnities, covenants, agreements and obligations given or entered into by more than one person are given or entered into jointly and severally.
- 1.11 Any statement in this Agreement qualified by the expression “*so far as the Vendor is aware*”, “*to the Vendor’s best knowledge*” or any similar expression is made on the basis of the information, knowledge and belief of the board of directors of the Vendor after due enquiry made as permitted under the Applicable Laws.

2. Conditions Precedent

- 2.1 Completion shall be subject to and conditional upon the following conditions being satisfied unless specifically waived by the Purchaser in writing in accordance with Clause 2.3:-
- (a) the Shares remaining listed and traded on the Stock Exchange at all times from the date of this Agreement up to and including the Completion Date, except for (i) the suspension of trading or trade halt of the Shares solely in connection with the clearance by the Stock Exchange and the SFC of the Announcement, and (ii) any temporary suspension not exceeding two (2) consecutive trading days;
 - (b) the Stock Exchange not having notified or indicated to or directed the Company that the current listing of the Shares on the Stock Exchange may or will be halted, suspended, withdrawn or cancelled (pursuant to Rule 6.01 or 6.02 of the Listing Rules or otherwise), and the SFC not having notified or indicated to the Company that it may object to such continued listing (pursuant to section 8 of Appendix 12 to the Listing Rules or otherwise);
 - (c) since the Accounts Date, there being no Material Adverse Effect (or Change) having occurred or being likely to occur;
 - (d) all Consents and clearance that are necessary or appropriate for or in connection with the transactions contemplated under this Agreement having been obtained, which includes but not limited to, the board of directors’ approval and shareholders’ approval of the Vendor, the Authorities and/or any third parties such as the banks, financial institutions, creditors, suppliers and/or customers;
 - (e) the Vendor having complied with all its obligations under this Agreement as at the Completion Date;
 - (f) the Warranties remaining true and accurate and not misleading in any material respect and the Fundamental Warranties remaining true and accurate and not misleading in all respect;

- (g) no notice, order, judgment, action or proceeding of any Authority having been served, issued or made which restrains, prohibits or makes unlawful any transactions contemplated by this Agreement;
 - (h) the Company not being subject to any ongoing liquidation or similar proceedings that have not been revoked or withdrawn in Hong Kong or other jurisdictions;
 - (i) save for matters specifically disclosed by the Vendor in this Agreement, the Company not having been informed about itself becoming the subject of any investigation, enquiry, notice of actual or possible non-compliance or violation, or any kind of written communications, relating to the compliance with the Applicable Law, any other rules and regulations (including, without limitation, the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), the Securities and Futures (Stock Market Listing) Rules (Cap. 571V of the Laws of Hong Kong) and the Listing Rules), conducted or issued by the SFC, the Stock Exchange or any other Authorities, nor there being any information, facts or circumstances which give rise or are likely to give rise to any such investigation, inquiry, notice of actual or possible non-compliance or violation or written communications;
 - (j) the Stock Exchange and the SFC having no further comment on the finalized version of the Announcement to be released in connection with the transactions contemplated under this Agreement and the publication of the Announcement on the Stock Exchange's website;
 - (k) the Purchaser shall have received a legal opinion in the form and substance reasonably satisfactory to the Purchaser in relation to the power and authority of the Vendor for consummating the transactions contemplated under this Agreement; and
 - (l) the completion of the due diligence review and investigation on the Group conducted by the Purchaser to its reasonable satisfaction.
- 2.2
- (1) The Vendor shall use its best endeavours to procure the satisfaction of the Conditions, in each case as soon as possible after the date of this Agreement but in any event no later than the Long Stop Date.
 - (2) Each Party agrees that upon being requested by the other Parties, it shall promptly co-operate with, and provide all necessary information and reasonable assistance requested or required by, any Authority in connection with such licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals necessary or desirable for or in respect of the proposed transactions contemplated by this Agreement.
 - (3) Subject to Clause 2.3, the Vendor shall give notice/confirmation to the Purchaser of the satisfaction of the Conditions (other than 2.1(l)) set out in Clause 2.1 as soon as practicable; and provide evidence reasonably satisfactory to the Purchaser to demonstrate the satisfaction of the Conditions.

- (4) The Vendor undertakes that, it will notify the Purchaser in writing of any matter which may or will prevent any of the Conditions from being satisfied on or before the Long Stop Date or the Completion Date, as applicable, as soon as practicable of becoming aware of the same.
 - (5) For the avoidance of doubt, the issue of letter(s) by the Stock Exchange to the Company enquiring on the compliance with or fulfilment of the requirements of Rule 13.24 of the Listing Rules or otherwise in similar effect and failure by the Company to respond to any of such enquires shall be deemed to be a non-fulfilment of Clause 2.1(a).
- 2.3 Save as the Conditions in Clauses 2.1(a), (b) and (d), the Purchaser may at any time waive in whole or in part and conditionally or unconditionally any of the Conditions by notice in writing to the Vendor. The Vendor shall have no right to waive any of the Conditions in Clause 2.1.
- 2.4 If the Conditions are not satisfied or waived (where permitted under Clause 2.3) on or before the Long Stop Date, or as at the Completion Date, this Agreement shall automatically terminate without liability to any Party, provided however that (a) the Surviving Provisions shall continue in full force following the termination of this Agreement; and (b) the termination of this Agreement shall be without prejudice to the rights of any Party hereunder against the other Party(ies) for any breach of this Agreement accrued prior to such termination.

3. Agreement to Sell the Sale Shares

- 3.1 On and subject to the terms and conditions of this Agreement, the Vendor shall sell, and the Purchaser shall purchase, free from all Encumbrances and together with all rights and entitlements which the Vendor have in the Sale Shares as at the Completion Date (including but not limited to any distributions, dividends, share options, warrants, bonus and rights issue) attaching or accruing thereto.

4. Consideration

- 4.1 The consideration for the sale and purchase of the Sale Shares shall be the aggregate sum of HK\$152,500,000.

5. Completion

- 5.1 Subject to the fulfilment of the Conditions or the waiver thereof by the Purchaser under Clause 2.3:
- (a) on or before 9:00 a.m. on the Completion Date, the Purchaser shall deliver to, or procure the delivery to, the Vendor or as it may direct of a bought note in respect of the Sale Shares, duly signed by the Vendor;
 - (b) immediately after the receipt of the signed bought note, on or before 12:00 p.m. on the Completion Date, the Vendor (or its representative(s)) shall procure the stamping of the bought and sold notes in respect of the Sale Shares and the

payment of the stamp duty thereon forthwith; and

- (c) against the payment of the stamp duty and the bought and sold notes being duly stamped in accordance with Clause 5.1(b) above, completion of the sale and purchase of the Sale Shares shall take place at 4:00 p.m. on the Completion Date at the office of Messrs. David Fong & Co. at Unit A, 12th Floor, China Overseas Building, 139 Hennessy Road, Wanchai, Hong Kong (or such other place as may be agreed between the Parties) when all the obligations set out in Clauses 5.2 and 5.3 shall be complied with.

5.2 At Completion, the Purchaser shall (i) release, or procure the release of, the cashier order in the amount of HK\$5,000,000, which is held by a party designated by the Purchaser pursuant to the memorandum of understanding entered into between the Purchaser and the Vendor dated 25 July 2022, to the Vendor as part payment of the consideration to the Sale Shares; (ii) pay the remaining amount of the consideration to the Sale Shares (being HK\$147,500,000) by CHATS payment to the bank account designated by the Vendor; and (iii) deliver to, or procure the delivery to, the Vendor a cheque issued in favor of the Vendor in such an amount representing the stamp duty payable by the Purchaser in accordance with Clause 10.7 hereof.

5.3 At Completion, the Vendor shall:

- (a) procure that its designated CCASS participant gives an irrevocable delivery instruction to effect a book-entry settlement of the Sale Shares in accordance with this Agreement and the General Rules and the Operational Procedures of CCASS to the credit of the stock account of the CCASS participant designated by the Purchaser on a free of payment basis;
- (b) deliver to, or procure the delivery to, the Purchaser or as it may direct of evidence of the giving of the delivery instructions referred to above;
- (c) deliver to the Purchaser, a copy, certified as true and complete by a director of the Vendor, of resolutions of its board of directors and its shareholders or sole shareholder (as the case may be) authorising the execution, delivery and performance by the Vendor of this Agreement and all other transactions contemplated under this Agreement and authorising a person or persons to execute the same and all other documents relating or incidental thereto (under seal, where appropriate) for and on its behalf; and
- (d) (if required by the Purchaser) cause such persons as the Purchaser may nominate to be validly appointed (by procuring the necessary board resolutions to be duly passed by the Completion Date approving the same) as directors of the Company, subject to their being acceptable to the Stock Exchange, with effect from the earliest time permitted under (or pursuant to any dispensation from) the Takeovers Code or by the SFC, and as directors of the other members of the Group with effect from the Completion Date.

5.4 If any of the Vendor or the Purchaser fails or is unable to perform any of its obligations pursuant to Clauses 5.2 and 5.3, the other Party shall not be obliged to complete the sale and purchase of the Sale Shares and may by written notice to the Vendor or the

Purchaser (as the case may be):

- (1) terminate this Agreement (other than the Surviving Provisions); or
- (2) elect to complete this Agreement on that date as far as practicable (without prejudice to the rights of that other Party(ies) under this Agreement) and specify a later date on which the Parties shall be obliged to complete their outstanding obligations; or
- (3) elect to defer completion of this Agreement to a date which is not more than 15 Business Days from the Completion Date, in which event, the provisions of this Clause 5 shall, mutatis mutandis, apply if the Vendor or Purchaser (as the case may be) fails or is unable to perform any such obligations on such other date.

6. Warranties and Indemnities

6.1 Vendor's Warranties

- 6.1.1 The Vendor represents and warrants to the Purchaser (for itself and for the benefit of its successors) that the Warranties are as at the date of this Agreement and shall at all times up to and including the Completion Date, be true and accurate and not misleading in any material respect (save for the Fundamental Warranties which will be true and accurate and not misleading in any respect). Save that to the extent that any such warranty already contains a materiality qualification, such warranty is accurate in all respects. The Vendor acknowledges that the Purchaser has entered into this Agreement in reliance on the Warranties. The Vendor agrees that the Purchaser shall treat each of the Warranties as a condition of this Agreement.
- 6.1.2 Each of the Warranties shall be separate and independent and shall not be limited by reference to any other paragraph of this Clause 6.1, the Schedule I or by any other provision in this Agreement.
- 6.1.3 The Warranties shall survive Completion and, subject to Clause 6.1.6, the rights and remedies of the Purchaser in respect of any breach of the Warranties shall not be affected by Completion or by any investigation made by or on behalf of the Purchaser into the affairs of the Group or by facts known to the Purchaser or by the Purchaser failing to exercise or delaying the exercise of any right or remedy, or by any other event or matter whatsoever, and no single or partial exercise of any right or remedy shall preclude any further or other exercise.
- 6.1.4 The total liability of the Vendor in respect of any claim by the Purchaser under this Agreement shall be limited as provided in this Clause 6.1.4:
 - (i) the Vendor shall be under no liability in respect of any claim by the Purchaser unless the Vendor shall have received written notice from the Purchaser prior to the date falling 36 months after the Completion Date in respect of any such claim giving full details of such claim, and any such claim shall (if not previously satisfied, settled or withdrawn) be deemed to have been waived at the expiration of the said 36th month period;

- (ii) the Vendor shall have no liability in respect of any individual matter unless the liability of the Vendor in respect thereof shall exceed an amount of HK\$100,000; and
- (iii) the aggregate amount of liability of the Vendor shall not exceed the amount of the consideration received pursuant to this Agreement.

6.1.5 The liability of the Vendor shall not be limited by Clause 6.1.4 in respect of a claim arising as a result of any fraud or dishonesty or willful concealment of any of the Vendor, its officers, employees or professional advisers.

6.1.6 No other information relating to any member of the Group of which the Purchaser has knowledge (actual or constructive) and no investigation by or on behalf of the Purchaser shall prejudice any claim made by the Purchaser under such Warranties or under the indemnity contained in this Agreement or operate to reduce any amount recoverable and it shall not be a defence to any claim against the Vendor that the Purchaser knew or ought to have known or had constructive knowledge of any information relating to the circumstances giving rise to such claim.

6.2 Purchaser's Warranties

6.2.1 The Purchaser hereby represents and warrants to the Vendor that:

- (1) it has the legal right and corporate power and has obtained all necessary approval, authorisation and consents to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated in this Agreement;
- (2) it has taken all necessary corporate and other action to authorise the entering into and performance of this Agreement and to carry out the transactions contemplated in this Agreement;
- (3) this Agreement shall, when executed, constitute legal, valid and binding obligations on it in accordance with its terms;
- (4) all information contained in this Agreement to the extent relates to itself was when given and shall at all times up to and including the Completion Date be true and accurate and not misleading in any material respect; and
- (5) the Purchaser's warranties in this Clause are as at the date of this Agreement and shall at Completion, be true, accurate and not misleading in all respects.

6.3 Waiver of Rights

Save for any fraudulent conduct, the Vendor hereby irrevocably waives any right, remedy or claim which it may have against any member of the Group and their respective directors, senior management and employees in respect of any misrepresentation, inaccuracy or omission in or from any information or advice given

by any member of the Group or any of their directors, senior management and employees to the Vendor to enable them to give any of the Warranties.

By way of further assurance, the Vendor hereby irrevocably and unconditionally releases and forever discharges, with effect from the Completion Date, the Group Companies from any and all causes of action, suits, demands, rights, claims, entitlements, damages, liabilities, obligations and encumbrances, whether arising or pleaded in law or in equity, under contract, statute, tort or otherwise, whether known or unknown, whether accrued, potential, inchoate, liquidated, contingent, or actual, whether asserted or that is likely to have been asserted, which any of the Vendor and its connected persons now has or, has ever had or may hereafter have against any of the Group Companies, in relation to any matters which only arise on or before Completion, including but not limited to, all rights to indemnification or reimbursement from any of the Group Companies.

6.4 Indemnity

Subject to Clause 6.1.4, the Vendor hereby agrees to (i) indemnify the Purchaser, or (ii) (if the Purchaser so directs in writing) covenant to pay the Purchaser an amount equal to, all losses, damages, payments (Tax or otherwise), penalties, charges, interest, costs and expenses (including legal costs and expenses), which the Purchaser may reasonably incur or suffer arising from, relating to, as a result of or in connection with any breach by the Vendor of its obligations, commitments, undertakings, indemnities or covenants under or pursuant to any of the Warranties.

7. Undertakings

7.1 During the period from the date of this Agreement until the Completion Date (both dates inclusive), the Vendor shall, within the knowledge and power of the Vendor and to the extent possible, procure and ensure (including exercising its voting rights as attached to the Sale Shares) that the business of each member of the Group is carried out in the ordinary and usual course of business as carried out immediately prior to the date of this Agreement.

7.2 During the period from the date of this Agreement until the Completion Date (both dates inclusive), without the prior written consent of the Purchaser (which consent shall not be unreasonably withheld or delayed), the Vendor shall, within its knowledge and power as shareholder of the Company holding the Sale Shares, vote against at the respective shareholders' meeting(s) of the Company for matters relating to:

- (i) any member of the Group to carry on its respective business outside its ordinary and usual course of business as carried on immediately prior to the date of this Agreement;
- (ii) the carrying out of any action by the Company which is restricted or contrary to the principles under Rule 4 of the Takeovers Code;
- (iii) save for the amendments as set out in the announcement of the Company dated 17 October 2022 and the circular of the Company dated 24 October 2022, alter the provisions of the constitutional documents of the Company or adopt or pass further

regulations or resolutions inconsistent therewith;

- (iv) agree to grant or redeem or amend the terms of any existing option over or right to acquire or convertible into any Share or loan capital of the Company;
- (v) save in the ordinary course of business of the Company (including but not limited to the financial obligations arising from the acquisition of machinery, equipment and motor vehicles ancillary to the Group's principal business which does not have Chapter 14 or 14A of the Listing Rules implications), create or permit to arise any mortgage, charge (fixed or floating), lien, pledge, debentures or other form of security or encumbrance or equity of whatsoever nature or give or agree to give any guarantees or indemnities, whether similar to the foregoing or not, or in respect of any part of its undertaking, property or assets other than liens arising by operation of law in amounts which are not material; or
- (vi) any act or thing which might have a Material Adverse Effect (or Change) or which might result in material breach of any Applicable Laws.

7.3 The Vendor hereby undertakes that during the period commencing from the date of this Agreement and ending on the earlier of the Completion Date or the date of termination of this Agreement (the "**Exclusivity Period**"), neither the Vendor nor any of its employees or agents or advisers will directly or indirectly solicit or initiate the submission of any proposal or offer from any other person relating to a possible disposal of the Sale Shares or any part thereof, or actively respond to any proposal or offer from any other person relating to the same (whether unsolicited or solicited prior to the Exclusivity Period), or give to any other person any information (not being information publicly available) about the Sale Shares, or directly or indirectly enter into any agreement or arrangement with any person with respect to such a proposal or offer (whether or not such proposal or offer would take place during or after the Exclusivity Period).

The Vendor further undertakes to forthwith terminate all discussions or other contact with third parties (if any) relating to any proposed disposal of the Sale Shares or any part thereof.

The Vendor further acknowledges that damages alone would not provide an adequate remedy for any breach by the Vendor of this Clause 7.3 and, accordingly, without prejudice to any and all other rights or remedies that the Purchaser might have, the Purchaser shall be entitled without proof of special damage to the remedies of injunction and other equitable relief for any threatened or actual breach of this Clause 7.3.

7.4 The Parties shall use their respective best efforts to secure, if necessary, the consent of the SFC to the posting of the Circular containing the Offer after Completion.

7.5 The Vendor undertakes to the Purchaser that it shall (as shareholders), and to use its best endeavours to procure the Company and its directors, comply with their respective obligations under the Takeovers Code. Following Completion and in accordance with the Takeovers Code, the Parties shall use their respective best endeavours (and the Vendor shall use its best endeavours to procure that the Company uses its best endeavours) to procure the despatch by such date as is required under the Takeovers

Code (or such later date as may be approved by the SFC and agreed in writing between the Parties) to all holders of the Shares on the register of members of the Company of the Circular. The Vendor and the Purchaser shall further procure that the appropriate forms of acceptance and transfer shall be despatched with each copy of the Circular.

- 7.6 The Parties hereby undertake that they will each use all reasonable endeavours to supply such information as may be reasonably necessary to be included in the documents to be despatched or the announcements to be issued pursuant to the Takeovers Code in connection with the Offer, take respective responsibility for such information and authorise the publication, despatch and/or release of such documents and announcements.

8. Termination

8.1 If at any time prior to Completion:-

- (i) the Vendor commits or has committed any breach of or omits or fails or has omitted or failed to observe any of its obligations or undertakings expressed to be assumed by it under this Agreement or the transactions contemplated in this Agreement in any aspect, which breach, omission or failure is not rectified by the Vendor within 5 Business Days from the date of such breach, omission or failure;
- (ii) any of the Warranties is not true and accurate or is misleading in any material respect;
- (iii) a Material Adverse Effect (or Change) has occurred or is likely to occur;
- (iv) the Shares ceases to be listed and traded on the Stock Exchange, except for the suspension of trading of the Shares in connection with the clearance by the Stock Exchange and the SFC of the Announcement;
- (v) the Stock Exchange having notified or indicated to or directed the Company that the current listing of the Shares on the Stock Exchange may or will be halted, suspended, withdrawn or cancelled (pursuant to Rules 6.01 or 6.02 of the Listing Rules or otherwise), or the SFC having notified or indicated to the Company that it may object to such continued listing (pursuant to section 8 of Appendix 12 to the Listing Rules or otherwise);
- (vi) any of the authorisation, registration, filings, licences, confirmations, clearances, rulings, decisions, permissions, notifications and approvals by the Authorities or the banker or creditors of any of the Group Companies, or any other third party that are necessary or appropriate for or in connection with the transactions contemplated under this Agreement are not obtained, or if obtained, are revoked;
- (vii) any notice, order, judgment, action or proceeding of any Authority is served, issued or made which restrains, prohibits or makes unlawful any transaction contemplated in this Agreement or which is reasonably likely to materially and adversely affect the right of the Purchaser to own the legal and beneficial title of the Sale Shares, free from Encumbrances; or

- (viii) the Company having become the subject of any investigation, enquiry, notice of actual or possible non-compliance or violation, or any kind of written communications, relating to the compliance with the Applicable Laws, any other rules and regulations (including, without limitation, the Securities and Futures Ordinance (Cap. 571), the Securities and Futures (Stock Market Listing) Rules (Cap. 571V), the Listing Rules), conducted or issued by the SFC, the Stock Exchange or any other Authorities, or there being any information, facts or circumstances which give rise or are likely to give rise to any such investigation, enquiry, notice of actual or possible non-compliance or violation or written communications (for the avoidance of doubt, the issue of letter(s) by the Stock Exchange to the Company enquiring on the compliance with or fulfilment of the requirements of Rule 13.24 of the Listing Rules or otherwise in similar effect and failure by the Company to respond to any of such enquires shall be deemed to be an event or occurrence under this Clause 8.1(viii));

then, in any such case, the Purchaser may, at any time and in its absolute discretion without any liability on its part, by notice in writing to the Vendor, terminate this Agreement provided that the failure to exercise the right to terminate this Agreement under this Clause 8.1 shall not prejudice the rights of the Purchaser under Clause 2.4.

- 8.2 The right to forthwith terminate this Agreement under each of Clause 8.1(i) to (viii) is a separate and independent right and the exercise of any such right shall not affect or prejudice or constitute a waiver of any other right, remedy or claim which the Purchaser may have as at the date of such notice (including but not limited to any other right to terminate this Agreement and its rights under Clause 2.4).
- 8.3 Upon the giving of notice pursuant to Clause 8.1 by the Purchaser, this Agreement shall terminate without liability to any Party, provided however that (a) the Surviving Provisions shall continue in full force following such termination; and (b) the termination of this Agreement shall be without prejudice to the rights of any Party hereunder against the other Party(ies) for any breach accrued prior to such termination.
- 8.4 If at any time prior to Completion:-
 - (i) any of the Purchaser's warranties set out in Clause 6.2 is not true and accurate or is misleading in any material respect; or
 - (ii) the Purchaser fail to comply in all material respects with its obligations contained in this Agreement to be complied by it,

then, in any such case, the Vendor may, at any time and in its absolute discretion without any liability on its part, by notice in writing to the Purchaser, terminate this Agreement provided that the failure to exercise the right to terminate this Agreement under this Clause 8.4 shall not prejudice the rights of the Vendor under Clause 2.4.

- 8.5 The right to forthwith terminate this Agreement under each of Clause 8.4(i) to (ii) is a separate and independent right and the exercise of any such right shall not affect or prejudice or constitute a waiver of any other right, remedy or claim which the Vendor may have as at the date of such notice (including but not limited to any other right to

terminate this Agreement and its rights under Clause 2.4).

- 8.6 Upon the giving of notice pursuant to Clause 8.4 by the Vendor, this Agreement shall terminate without liability to any Party, provided however that (a) the Surviving Provisions shall continue in full force following such termination; and (b) the termination of this Agreement shall be without prejudice to the rights of any Party hereunder against the other Party(ies) for any breach accrued prior to such termination.

8A. Guarantee and Indemnity by the Guarantors

- 8A.1 In consideration of the Purchaser entering into this Agreement and subject to Clause 8A.2, the Guarantors jointly and severally, hereby unconditionally and irrevocably guarantee to the Purchaser the due and punctual performance and observance by the Vendor of all its respective obligations, commitments, undertakings, warranties, indemnities and covenants under or pursuant to this Agreement and agree to indemnify the Purchaser against all losses, damages, costs and expenses (including legal costs and expenses) which the Purchaser may reasonably incur or suffer through or arising from any breach by the Vendor of such obligations, commitments, warranties, undertakings, indemnities or covenants. The liability of the Guarantors as aforesaid shall not be released or diminished by any arrangements or alterations of terms (whether of this Agreement or otherwise) or any forbearance, neglect or delay in seeking performance of the obligations hereby imposed or any granting of time for such performance.
- 8A.2 For the avoidance of doubt, the liability of the Guarantors under Clause 8A shall be limited in the same manner as for the Vendor's liability under Clause 6.1.4, and in any event shall not exceed the aggregate amount of the consideration received by the Vendor pursuant to this Agreement.
- 8A.3 If and whenever the Vendor defaults for any reason whatsoever in the performance of any obligation or liability undertaken or expressed to be undertaken by it under or pursuant to this Agreement, the Guarantors shall forthwith upon demand unconditionally perform (or procure performance of) and satisfy (or procure the satisfaction of) the obligation or liability in regard to which such default has been made in the manner prescribed by this Agreement (as the case may be) so that the same benefits shall be conferred on the Purchaser as if it would have received if such obligation or liability had been duly performed and satisfied by the Vendor or any of them (as the case may be). The Guarantors hereby waive any rights which they may have to require the Purchaser to proceed first against or claim payment from the Vendor to the intent that as between the Purchaser and the Guarantors the latter shall be liable as principal debtors as if each of them had entered into all undertakings, agreements and other obligations jointly and severally with the Vendor.
- 8A.4 This guarantee and indemnity is to be a continuing security to the Purchaser for all obligations, commitments, warranties, undertakings, indemnities and covenants on the part of the Vendor under or pursuant to this Agreement notwithstanding any settlement of account or other matter or thing whatsoever.
- 8A.5 This guarantee and indemnity is in addition to and without prejudice to and not in substitution for any rights or security which the Purchaser may now or hereafter have or hold for the performance and observance of the obligations, commitments,

undertakings, covenants, indemnities and warranties of the Vendor under or in connection with this Agreement.

- 8A.6 In the event of the Guarantors having taken or taking any security from the Vendor in connection with this guarantee and indemnity, the Guarantors hereby undertake to hold the same in trust for the Purchaser pending discharge in full of all the Guarantors' obligations under this Agreement. The Guarantors shall not, after any claim has been made pursuant to this Clause 8A, claim from the Vendor any sums which may be owing to them from the Vendor or have the benefit of any set-off or counter-claim or proof against or dividend, composition or payment by the Vendor until all sums owing to the Purchaser in respect hereof shall have been paid in full.
- 8A.7 As a separate and independent stipulation, each of the Guarantors agree that any obligation expressed to be undertaken by the Vendor or any of them under this Agreement (including, without limitation, any moneys expressed to be payable under this Agreement) which may not be enforceable against or recoverable from the Vendor by reason of any legal limitation, disability or incapacity of any of them or any other fact or circumstance shall nevertheless be enforceable against or recoverable from the Guarantors as though the same had been incurred by the Guarantors and the Guarantors were sole or principal obligors in respect thereof and shall be performed or paid by the Guarantors on demand.
- 8A.8 Each of the Guarantors hereby jointly and severally agrees to (i) indemnify the Purchaser, or (ii) (if the Purchaser so directs in writing) covenant to pay the Purchaser an amount equal to, (a) all losses, damages, payments (Tax or otherwise), penalties, charges, interest, costs and expenses (including legal costs and expenses), which the Purchaser may reasonably incur or suffer arising from, relating to, as a result of or in connection with any breach by the Vendor of its obligations, commitments, undertakings, indemnities or covenants under or pursuant to any of the Warranties; (b) any Tax liability of the Company resulting from or by reference to any income, profits or gains earned accrued or received on or before the Completion Date or any event on or before the Completion Date whether alone or in conjunction with other circumstances and whether or not such Tax is chargeable against or attributable to any other person; (c) any Tax liability of the Company that arises after Completion as a result of an act, omission or transaction by a person other than the Company and which liability to Tax falls upon the Company as a result of its having been in the same group for Tax purposes as that person at any time before Completion; and (d) all costs and expenses which are incurred by the Purchaser or the Company in connection with any of the matters referred to in this Clause 8A.8 or in taking or defending any action under the covenants contained in this Clause 8A.8 (including, without prejudice to the generality of the foregoing, all legal and other professional fees and disbursements).

9. Confidentiality and Announcement

- 9.1 Save for disclosure obligations of the Purchaser and the Company which may be required under the Listing Rules, the Takeovers Code or are otherwise requested by the SFC, the Stock Exchange or other Authorities, no public announcement or communication of any kind shall be made by the Parties in respect of the subject matter of this Agreement.

- 9.2 Without prejudice to Clause 9.1, each Party undertakes to the other Parties that it shall treat as strictly confidential, and shall procure that its directors, officers and employees treat as strictly confidential, all information (whether oral, graphic, written or in electronic form) which it receives or obtains as a result of entering into or performing this Agreement, including, without limitation:
- (i) information relating to the provisions and subject matter of this Agreement;
 - (ii) information relating to the existence of this Agreement and its purpose; and
 - (iii) information relating to the negotiations leading up to this Agreement, including any information relating to or in respect of any negotiations and communications between the Parties after the date of this Agreement.
- 9.3 The restrictions contained in Clause 9.2 shall not apply so as to prohibit disclosure or use of any information if and to the extent:
- (i) the disclosure is made by a Party to its directors, officers, employees and advisers for purposes relating to this Agreement or the transactions contemplated under this Agreement or in the case of the Purchaser, to potential financier(s) or any other person proposing to enter into contractual arrangement(s) with it in relation to the financing of the transactions contemplated under this Agreement on terms that they agree to keep such information confidential;
 - (ii) the information becomes publicly available (other than by a breach of this Clause 9);
 - (iii) the other Parties have given prior written consent to the disclosure or use; or
 - (iv) the disclosure or use is required for the purpose of any judicial or arbitral proceedings arising out of, or in connection with, this Agreement.

10. General

- 10.1 The Vendor shall upon request by the Purchaser execute, do and perform or procure to be executed, done and performed by other necessary parties all such further acts, agreements, assignments, assurances, deeds and documents as the Purchaser may reasonably require effectively to vest the legal and beneficial ownership of the Sale Shares in the Purchaser as it may direct free from all Encumbrances and with all rights now and hereafter attaching thereto.
- 10.2 This Agreement contains the whole agreement among the Parties relating to the subject matter of this Agreement to the exclusion of any terms implied by law which may be excluded by contract and supersedes any previous written or oral agreement between the Parties in relation to the matters in this Agreement.
- 10.3 The Purchaser may release in whole or in part and in such manner as it thinks fit any of the Guarantors from this Agreement and compound with or otherwise vary or agree to vary the liability of or grant time or indulgence to or make other arrangements with

any of the Guarantors without prejudicing or affecting its rights and remedies against any of the Guarantors.

- 10.4 Except as otherwise expressly provided in this Agreement, none of the Parties may, without the prior written consent of the other Parties, assign, grant any security interest over, hold on trust or otherwise transfer the benefit or burden of the whole or any part of this Agreement.
- 10.5 Time shall be of the essence of this Agreement.
- 10.6 No variation of this Agreement shall be effective unless in writing and signed by or on behalf of each of the Parties.
- 10.7 The Parties agree that each of them shall bear its own costs and expenses in connection with the preparation and negotiation of this Agreement and all registration, stamp duty and transfer taxes payable in connection with the sale and purchase of the Sale Shares shall be borne by the Vendor as to 50 per cent. and the Purchaser as to 50 per cent.

10.8 Notices

10.8.1 Any notice, claim, demand, court process, document or other communication in connection with this Agreement (each, a “**Notice**”) shall be:

- (i) in writing in English; and
- (ii) delivered by hand, fax, registered post or by courier using an internationally recognised courier company.

10.8.2 A Notice to the Vendor and the Guarantors shall be sent to the following address, or such other person or address as the Vendor and the Guarantors may notify to the Purchaser from time to time:

The Vendor

Address: 5000 Ang Mo Kio Ave 5 Techplace II #04-01
Singapore 569870
Facsimile: (+65) 6570 6573
Attention: Mr. Ang Kok Kwang

Guarantors

Address: as set out in the beginning of this Agreement
Facsimile: (+65) 6570 6573

10.8.3 A Notice to the Purchaser shall be sent to the following address, or such other person or address as the Purchaser may notify to the Vendor from time to time:

Address: c/o 2005-2010, 20/F, China United Centre, 28 Marble
Road, North Point, Hong Kong
Facsimile: (+852) 3585 2670

Attention: The board of directors

10.8.4 A notice shall be effective upon receipt and shall be deemed to have been received (i) at the time of delivery, if delivered by hand, registered post or courier or (ii) at the time of transmission if delivered by fax provided that in either case, where delivery occurs after 5:00 p.m. at the place of delivery, notice shall be deemed to have been received on the next following business day at the place of delivery.

10.8.5 Nothing in this Clause 10.8 shall preclude the service of communication or the proof of such service by any mode permitted by law.

10.9 Invalidity

(A) If any provision in this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, the provision shall apply with whatever deletion or modification is necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intention of the Parties.

(B) To the extent it is not possible to delete or modify the provision, in whole or in part, under this Clause 10.9, then such provision or part of it shall, to the extent that it is illegal, invalid or unenforceable, be deemed not to form part of this Agreement and the legality, validity and enforceability of the remainder of this Agreement shall, subject to any deletion or modification made under this Clause 10.9, not be affected.

10.10 This Agreement may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument.

10.11 Without prejudice to any other rights or remedies which a Party may have under this Agreement, the Parties acknowledge and agree that damages may not be an adequate remedy for any breach of this Agreement and the remedies of injunction, specific performance and other non-monetary remedies (in addition to damages) as permitted by Applicable Laws are appropriate for any threatened or actual breach of any provision of this Agreement and no proof of special damages shall be necessary for the enforcement of the rights under this Clause 10.11.

10.12 Governing Law and Jurisdiction

(a) This Agreement is governed by and shall be construed in accordance with Hong Kong law.

(b) The Parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong in connection with this Agreement.

10.13 Process Agent

(a) The Vendor hereby irrevocably appoints Messrs. David Fong & Co. of Unit A, 12th Floor, China Overseas Building, 139 Hennessy Road, Wanchai, 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 Vendor for this purpose, the Vendor shall promptly appoint a successor agent satisfactory 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.

- (b) Guarantor 1 hereby irrevocably appoints Messrs. David Fong & Co. of Unit A, 12th Floor, China Overseas Building, 139 Hennessy Road, Wanchai, Hong Kong as his agent to receive and acknowledge on his 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 Guarantor 1 for this purpose, Guarantor 1 shall promptly appoint a successor agent satisfactory 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 Guarantor 1 for the purposes of this Clause.
- (c) Guarantor 2 hereby irrevocably appoints Messrs. David Fong & Co. of Unit A, 12th Floor, China Overseas Building, 139 Hennessy Road, Wanchai, Hong Kong as his agent to receive and acknowledge on his 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 Guarantor 2 for this purpose, Guarantor 2 shall promptly appoint a successor agent satisfactory 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 Guarantor 2 for the purposes of this Clause.
- (d) The Purchaser hereby irrevocably appoints Messrs. Lee Law Firm of 2005-2010, 20/F, China United Centre, 28 Marble Road, North Point, 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, notify the Vendor thereof and deliver to the Vendor a copy of the new process agent's acceptance of appointment Provided that until the Vendor receives such notification, it shall be entitled to treat the agent named above (or its said successor) as the agent of the Purchaser for the purposes of this Clause.

10.14 Third Party Rights

Except as expressly provided elsewhere in this Agreement, a person who is not a Party shall not have any rights under the Contracts (Rights of Third Parties) Ordinance (Cap.

623 of the Laws of Hong Kong) to enforce, or enjoy the benefit of, any term of this Agreement.

SCHEDULE I - Warranties **The Group Structure and the Company**

In this Schedule unless the context otherwise indicates, each of the Warranties in relation to the Company shall be deemed to be repeated mutatis mutandis in relation to each of the Group Companies and in such repeated Warranties references to the Company shall be deemed to be a reference to such Group Companies.

1. General Information and Group Structure

- (A) All information contained in this Agreement in relation to the Company and the Group to the extent it relates to any member of the Group is true, accurate and complete in all material respect.
- (B) No Group Company has agreed to allot or issue any securities or other ownership interest.
- (C) The Company is a company whose Shares are listed and traded on the Stock Exchange. So far as the Vendor is aware, the Stock Exchange has not notified the Company that the listing of the Shares on the Stock Exchange will be withdrawn and the SFC has not notified the Company that it may object to such listing.

2. Shares and Options

2.1 Save as Disclosed and so far as the Vendor is aware:

- (A) there is no option, right to acquire, mortgage, charge, pledge, lien or other form of security, encumbrance or third-party rights on, over or affecting any part of the unissued capital or loan capital of any Group Company or over any part of the issued or unissued capital or loan capital of any Group Company and there is no agreement or commitment to give or create any of the foregoing and no claim has been made by any person to be entitled to any of the foregoing which has not been waived in its entirety or satisfied in full; and
- (B) there is no agreement or commitment outstanding which calls for the allotment of or issue or accords to any person the right to call for the allotment or issue of any shares in or securities or debentures of any Group Company.

2.2 The Sale Shares were duly allotted and issued fully paid in accordance with the constitutional documents of the Company and in compliance with all Applicable Laws as at the date of this Agreement and the Completion Date.

2.3 The Sale Shares represent approximately 55% of the issued share capital of the Company as at the date of this Agreement and the Completion Date (assuming no issue or repurchase of any Shares by the Company), and shall at all times up to Completion be free from any Encumbrance. The Vendor is the sole beneficial owner of the Sale Shares and has now and shall have at all times up to Completion the full right, power and authority to sell and transfer the entire interest in the Sale Shares to the Purchaser free from any Encumbrance and together with all rights and entitlements now or hereafter becoming attached thereto. The legal and beneficial owners of the Vendor are Guarantor 1 and Guarantor 2, each holding 87.27% and 12.73% respectively.

3. Corporate Matters

The Company is duly incorporated or established and validly existing under the laws of its place of incorporation or establishment.

4. Accounts

(A) To the Vendor's best knowledge, the Audited Accounts

- (i) were, to the extent applicable, prepared in accordance with Applicable Laws (including the Companies Ordinance) and with the International Financial Reporting Standards issued by the International Accounting Standards Board at the time they were prepared and, on a consistent basis with the audited consolidated financial statements of the Group for the financial year ended 30 June 2022;
- (ii) are true and accurate, correctly make or include full provision for any bad and doubtful debts and all established liabilities (including dividends or other distributions), make proper and adequate provision for (or contain a note in accordance with good accounting practice respecting) all deferred, disputed or contingent liabilities (whether liquidated or unliquidated) and all capital commitments of the Group as at the Accounts Date and the reserves and provisions (if any) made therein for all Taxation relating to any period on or before the relevant Accounts Date are proper and adequate;
- (iii) give and reflect a true and fair view of the state of affairs and financial and trading positions of the Group at the relevant Accounts Date and of the Group's results for the financial period ended on that date;
- (iv) are not adversely affected by any unusual, exceptional, extraordinary or nonrecurring items which are not disclosed; and
- (v) all of the Company's book debts, whether shown in the Accounts or arising since the Accounts Date, are valid and enforceable.

(B) To the Vendor's best knowledge, the Management Accounts

- (i) were, to the extent applicable, prepared in accordance with Applicable Laws (including the Companies Ordinance) and with the International Financial Reporting Standards issued by the International Accounting Standards Board at the time they were prepared and, on a consistent basis with the Audited Accounts;
- (ii) are true and accurate, correctly make or include full provision for any bad and doubtful debts and all established liabilities (including dividends or other distributions), make proper and adequate provision for (or contain a note in accordance with good accounting practice respecting) all deferred, disputed or contingent liabilities (whether liquidated or unliquidated) and all capital commitments of the Group as at 30 September 2022 and the reserves and provisions (if any) made therein for all Taxation relating to any period on or before 30 September 2022 are proper and adequate;

- (iii) give and reflect a true and fair view of the state of affairs and financial and trading positions of the Group as at 30 September 2022 and of the Group's results for the financial period ended on that date;
 - (iv) are not adversely affected by any unusual, exceptional, extraordinary or nonrecurring items which are not disclosed; and
 - (v) all of the Company's book debts, whether shown in the Management Accounts or arising since 30 September 2022, are valid and enforceable.
- (C) The warranties set out herein in relation to the Accounts and the Management Accounts shall be deemed to be repeated, mutatis mutandis, in relation to the Accounts and the Management Accounts of each other member of the Group.
- (D) So far as the Vendor is aware and save as Disclosed, since the Accounts Date no liability or contingent liability for Tax has arisen otherwise than as a result of trading activities in the ordinary course of business of the Company.
- (E) So far as the Vendor is aware and save as Disclosed, the Company has duly filed all returns, computations, notices and information required to be made or provided by the Company for any Tax purpose and the same have been made or given within the requisite periods and on a proper basis and when made were true and accurate 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.
- (F) So far as the Vendor is aware and save as Disclosed, the Company has paid when due, and has withheld, deducted and accounted to the relevant Tax authorities for, all Tax, including provisional taxation, which it has become liable to pay, withhold, deduct or account for on or before the date hereof and within the period of seven years prior to the date hereof neither the Company nor any director or officer of the Company has paid or become liable to pay any fine, penalty, surcharge or interest in relation to Tax.
- (G) The Company has never been resident for Tax purposes in any jurisdiction other than Hong Kong, Singapore and Myanmar and has never carried on a trade or business for Tax purposes other than the trade or business which the Company will be carrying on at Completion.

5. No Material Adverse Effect (or Change)

So far as the Vendor is aware and save as Disclosed, since the Accounts Date, there has not been any Material Adverse Effect (or Change) affecting the financial or trading position, prospects, goodwill or the overall business of the Company.

6. Insolvency

So far as the Vendor is aware and save as Disclosed:

- (A) no order has been made or resolution passed for the winding up of the Group Company and there is not outstanding :-

- (i) any petition or order for the winding up of the Group Company;
 - (ii) any receivership from liquidator, provisional liquidator, administrator, receiver, trustee, custodian or similar officer of the whole or any part of the undertaking or assets of the Group Company;
 - (iii) any petition or order for the administration of the Group Company; or
 - (iv) any voluntary arrangement between the Group Company and any of its creditors;
- (B) there are no circumstances which would entitle any person to present a petition for the winding up or administration of the Group Company or to appoint a receiver of the whole or any part of its undertaking or assets; or
- (C) no distress, execution or other process has been levied against the Group Company or action taken to repossess goods in the possession of the Group Company.

7. Stock Exchange and General Compliance

So far as the Vendor is aware and save as Disclosed:

- (A) the Company is not in breach of any rules, regulations or requirements of the Stock Exchange or its listing agreement made with the Stock Exchange in any material aspect (and, without limiting the foregoing, all announcements required to be made by the Company under or in accordance with any such rules, regulations or requirements, or pursuant to such listing agreement, have been duly made in all material aspect); or
- (B) the Group Company not having become the subject of any investigation, inquiry, notice of actual or possible non-compliance or violation, or any kind of written communications, relating to the compliance with the Applicable Laws, any other rules and regulations (including, without limitation, the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), the Securities and Futures (Stock Market Listing) Rules (Cap. 571V of the Laws of Hong Kong), the Listing Rules and the Corporate Governance Code under the Listing Rules), by the SFC, the Stock Exchange or any other Authorities, nor there being any information, facts or circumstances which give rise or are likely to give rise to any such investigation, inquiry, notice of actual or possible non-compliance or violation or written communications.

8. Miscellaneous

- (A) All representations, warranties and undertakings contained in the foregoing provisions of this Schedule shall be deemed to be repeated on each day up to and including the Completion Date and relate to the facts then subsisting.
- (B) So far as the Vendor is aware, all information given to the Purchaser by the Vendor pursuant to, in connection with, or otherwise contained in this Agreement was when given true and accurate in all material respects and there is no fact or matter which may render any such information or documents untrue, inaccurate or misleading in any material respects.

9. The Vendor

- (A) The Vendor is an entity duly incorporated or established and validly existing under the laws of its jurisdiction of incorporation or establishment.
- (B) The Vendor has full power and capacity to enter into and perform its obligations under this Agreement, which has been duly authorised, executed and delivered by the Vendor, and this Agreement constitutes legal, valid and binding obligations on the Vendor in accordance with its terms.
- (C) All information contained in this Agreement to the extent that it relates to the Vendor was, when given, true and accurate in all respects.
- (D) Save as otherwise provided in this Agreement, the execution and delivery, and the performance by the Vendor of its obligations under this Agreement and the documents relating to the matters contemplated herein, shall not (a) result in a breach of any provision of the constitutional documents of the Parties (other than the Purchaser); or (b) result in a breach of any Applicable Laws; or (c) require any consent or approval of, or any notice be given to or any registration be made with, any Authority or other authority which has not been obtained or made at the date of this Agreement; or (d) so far as the Vendor is aware, constitute a default under or result in a breach of any provision of any agreement or arrangement to which any Group Company is a party or by which any of their respective assets are bound.

10. Trading and General Commercial Matters

So far as the Vendor is aware and save as Disclosed:

- (A) the Group Company has good and marketable title to (with full power to sell) all property and assets as are necessary to enable it properly to conduct its business as such business has been conducted prior to the date hereof and to all stocks used in its business. Save as disclosed in the Accounts, all such assets and stocks are free from any liens, mortgages, charges, encumbrances or other third party rights and are in the possession or under the control of the Group Company;
- (B) the Group Company is not a party to:
 - (i) any unusual or onerous contract, any contract not entered into in the ordinary course of business or not on arm's length terms, nor any contract which cannot be terminated without penalty or other compensation on less than 12 months' notice;
 - (ii) any agency, distribution, marketing, purchasing, franchising, licensing (whether by or to the Group Company), consulting, management, joint venture, shareholders' or partnership arrangement or agreement or similar arrangement;
 - (iii) any agreement or arrangement in which the Vendor or any of its directors or close associates or the directors of the Group Company is interested;
- (C) With respect to each contract, commitment, arrangement, understanding, tender and bid involving the Group Company:

- (i) the Group Company has duly performed and complied in all material respects with each of its obligations thereunder;
 - (ii) the Group Company is under no obligation which (i) cannot readily be fulfilled, performed or discharged by it on time and without undue or unusual expenditure or effort or loss; and (ii) may have any Material Adverse Effect;
 - (iii) there are no grounds for rescission, avoidance, repudiation or termination and the Group Company has not received any notice of rescission or termination; and
 - (iv) none of the other parties thereto is in default thereunder;
- (D) there are no loans, guarantees, pledges, mortgages, charges, liens, debentures, encumbrances or unusual liabilities given, made or incurred by or on behalf of the Group Company (and, in particular but without limiting the foregoing, no loans have been made by or on behalf of the Group Company to any directors or shareholders of the Group Company or to any close associate of any such directors or shareholders) and no person has given any guarantee of or security for any liability of the Group Company;
- (E) the execution, delivery and performance of this Agreement, including following a change in the control of the Company or in the composition of the board of directors of the Group Company, 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 affecting the Group Company or its property or assets or result in the acceleration of any obligation under any loan agreement or in the loss of the benefit of or in liability to refund or repay any grant or any financial or Tax concession or relief or violate any Applicable Laws affecting the Group Company;
- (F) there are no circumstances whereby, following a change in the control of the Company or in the composition of the board of directors of the Group Company, any of the principal customers of or suppliers, bankers, creditors or licensors to the Group Company would have the right to, or would, cease to remain customers or suppliers or licensors to the same extent and of the same nature as prior to the date hereof;
- (G) the Group Company has no material capital commitments;
- (H) the Group 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 or which would result in a material adverse effect or change in the rights or privileges which the Group Company would otherwise have or enjoy or which would result in an increase in the liabilities or obligations of the Group Company and no party with whom the Group Company has entered into any agreement is in default thereunder;
- (I) the Group Company has at all times carried on its business in compliance with all Applicable Laws in all material respects. Save as Disclosed and so far as the Vendor is aware, the Group Company, has not, nor any of its directors and senior management in

relation to the Group Company, has committed any criminal offence or any tort or any breach of the requirements or conditions of any Applicable Laws or other obligation relating to the Group Company or the carrying on of its business and the Group Company has obtained and complied with all registrations, licences and consents necessary or advisable for the carrying on of its business, and all such registrations, licences and consents are valid and subsisting and there is no circumstances under which any of them would be suspended, cancelled or revoked (whether as a result of the sale and purchase of the Sale Shares pursuant to this Agreement or otherwise);

- (J) the Company has given no 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 other than the authority of employees to enter into routine trading contracts in the normal course of their duties;
- (K) there is no outstanding indebtedness or other liability (actual or contingent) owing by the Company to the Vendor or directors of the Company or any other Connected Person or owing to the Company by the Vendor or directors of the Company or any other Connected Person; or any guarantee or security for any such indebtedness or liability as aforesaid; and
- (L) all necessary licences, consents, permits and authorities (public and private) have been obtained by each Group Company to enable it to carry on its business effectively in the places and in the manner in which such business is now carried on or is contemplated to be carried on and all such licences, consents, permits and authorities are valid and subsisting, and the Vendor knows of no reason why any of them should be suspended, cancelled or revoked or should not be renewed or reissued upon or prior to their expiry.

11. Intellectual Property

So far as the Vendor is aware and save as Disclosed:

- (A) the Group Company does not use any processes and is not 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 the Group Company’s Confidential Information. The Group 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 Group Company’s 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 Group Company; and
- (B) the Group Company does not use any processes and is not engaged in any activities which infringe any patents, copyrights, trademarks, designs, business names, moral rights or other registerable or unregistrable intellectual property rights (the “**Intellectual Property Rights**”) of any third party. The Group Company is the sole beneficial owner of all Intellectual Property Rights used in connection with its business and the same are valid and enforceable and all such Intellectual Property Rights which are registerable are registered in its name as sole proprietor.

12. Insurance

Save as Disclosed and so far as the Vendor is aware, the Group Company has at all times maintained such insurance as it is or has been required by any statutory requirements or any agreement to which it is a party to maintain and 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 Group 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 the Vendor are not aware of any circumstances likely to give rise to such a claim or result in an increased rate of premium.

13. Litigation

- (A) Save as Disclosed and so far as the Vendor is aware, neither the Group Company nor any person for whose acts or defaults the Group Company may be vicariously liable is or are engaged 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 the Group Company in the ordinary course of business) and there are no proceedings threatened or pending against the Group Company or any such person including proceedings in respect whereof the Group Company is liable to indemnify any party concerned therein and there are no facts which are likely to give rise to any litigation or proceedings. There are no unfulfilled or unsatisfied judgments or orders against the Group Company or any of its assets.

14. Employees

Save as Disclosed and so far as the Vendor is aware:

- (A) there has been no past and there is no existing or threatened or pending material industrial action or trade dispute involving the Group Company and any of its employees and there are no agreements or arrangements (whether oral or in writing or existing by reason of custom and practice) between the Group Company and any trade union or other employees' representatives concerning or affecting the Group Company's employees;
- (B) there are no existing service or other agreements or contracts between the Group Company and any of its directors or executives or employees which cannot be lawfully terminated by three (3) calendar months' notice or less without giving rise to any claim for damages or compensation other than a statutory redundancy or severance or long service payment, and the Group Company has complied with all its obligations under all ordinances, statutes and regulations, codes, orders and awards in connection with its employees and with all collective agreements with respect to trade unions or to employees of the Group Company;
- (C) the Group Company has at all relevant times complied with all 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 which are not fully covered by insurance;

- (D) no term of employment of any employee of the Group Company provides that a change in control of the Company (however change of control may be defined, if at all) shall entitle the employee to treat the change of 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;
- (E) there is no outstanding and there has not at any time been outstanding any contract or arrangement to which the Group Company is a party and in which any of the Vendor or directors or officers of the Group Company is or has been interested, whether directly or indirectly, other than arm's length service contracts and the Group Company is not a party to, nor have its profits or financial position at any time been adversely affected by, any contract or arrangement which is not of an entirely arm's length nature; save as aforesaid, there are no agreements or understandings (whether legally enforceable or not) between the Group Company and any person who is a shareholder or the beneficial owner of any interest in the Group Company or any other company controlled by any such person relating to the management of the Group Company's business or the appointment or the removal of its directors or the ownership or transfer of ownership or the letting of any of its assets or the provision of finance, goods, services or other facilities to or by the Group Company or otherwise howsoever relating to the Group Company or its affairs; and
- (F) none of the Vendor (or any of its close associates) is at the date hereof either individually or collectively or with any other person or persons engaged in any other business or concerned or interested in any way whatsoever in any other business of a similar nature to or competitive with that carried on by the Company.

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SCHEDULE II – List of Documents

The following documents are attached to this Agreement for the purpose of identification

- (i) Consolidated management accounts of the Company as at 30 September 2022
- (ii) Breakdown of receivables as at 30 September 2022
- (iii) Breakdown of contract assets and register of construction projects as at 30 September 2022

SIGNING PAGE

IN WITNESS whereof this Agreement has been executed (and as deed for the Guarantors) and is intended to be and is hereby delivered on the date appearing at the head hereof.

THE VENDOR

SIGNED by Ang Jui Khoo)
for and on behalf of)
Lead Development Investment)
Limited)



.....)
Signature of witness

LIM SHI ANN
.....)
Name of witness (block letters)

THE PURCHASERS

Purchaser

SIGNED by)
for and on behalf of)
SOUTHERN HERITAGE)
LIMITED)
)
)
)
)

Chen Zhigang

.....
Signature of witness

.....
Name of witness (block letters)

GUARANTOR 1

**SIGNED, SEALED AND)
DELIVERED by Ang Jui Khoo)**







.....)
Signature of witness

LIM SHI ANN

.....)
Name of witness (block letters)

GUARANTOR 2

**SIGNED, SEALED AND)
DELIVERED by Ang Kok Kwang)**







.....)
Signature of witness

LIM SHI ANN

.....)
Name of witness (block letters)