

DATED: 25 February 2022

LI MAN KEUNG EDWIN

(as “Vendor”)

and

GOLDEN PONDER HOLDINGS LIMITED

(as “Purchaser”)

AGREEMENT
for the sale and purchase of 95% of the issued
share capital in
CORNERSTONE ENERGY LIMITED

THIS AGREEMENT is made on the day of 2022

BETWEEN:-

(1) **LI MAN KEUNG EDWIN** (the “**Vendor**”);

and

(2) **GOLDEN PONDER HOLDINGS LIMITED**, a company incorporated under the laws of the Cayman Islands with limited liability and having its registered office at 71 Fort Street, P.O. Box 500, George Town, Grand Cayman KY1-1106, Cayman Islands and headquarters at Offices F & G, Floor 23, Maxgrand Plaza, No.3 Tai Yau Street, San Po Kong, Kowloon, Hong Kong (the “**Purchaser**” or the “**Company**”).

WHEREAS:

(A) **CORNERSTONE ENERGY LIMITED 基石能源有限公司** (the “**Target Company**”) is a company incorporated under the laws of the Hong Kong, of which 10,000 shares (the “**Shares**”) have been issued and are full paid or credited as fully paid up as at the date hereof.

(B) The Vendor owns 95% of the Target Company as at the date hereof.

(C) The Purchaser is a company incorporated under the laws of the Cayman Islands, the shares of which are listed on Main Board of The Stock Exchange of Hong Kong Limited (stock code:1783).

(D) The Target Company is engaged in project management of energy solution.

(E) The Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares (as defined below) subject to and upon the terms and conditions of this Agreement.

NOW IT IS HEREBY AGREED as follows:

1. INTERPRETATION

1.1 In this Agreement, unless the context requires otherwise, the following words and expressions shall have the following meanings:

“**Accounts Date**” 31 March;

“**Board**” the Target Company’s board of Directors as constituted from time to time;

“**Business Day**” a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business throughout their normal business hours;

“Completion”	the completion of the sale and purchase of the Sale Shares pursuant to Clause 6;
“Completion Accounts”	the unaudited profit and loss account and unaudited balance sheet of the Target Company for the period commencing from 27 November 2020 and ending on, and as at, the Completion Date;
“Completion Date”	the completion date referred to in Clause 6.1, but in any event not later than the Long Stop Date;
“Confidential Information”	has the meaning given to it under Clause 10.1(a);
“Consideration”	the aggregate consideration for the sale and purchase of Sale Shares under this Agreement, being the amount specified in Clause 3.1;
“Consideration Shares”	an aggregate of 42,000,000 new shares of the Purchaser to be allotted and issued by the Purchaser to the Vendor (or its nominee(s)) at the Issue Price upon Completion in partial settlement of the Consideration;
“Directors”	the directors of the Target Company and “Director” shall be construed accordingly;
“Due Diligence Review”	the due diligence review and investigation being conducted by the Purchaser or its representatives under Clause 5 below;
“Encumbrances”	all claims, charges, mortgages, pledges, agreements, liens, options, equities, power of sale, hypothecation or other third-party rights of any nature whatsoever and “Encumbrance” shall be construed accordingly;
“General Mandate”	the general mandate granted to the directors of the Purchaser by the shareholders of the Purchaser at the annual general meeting of the Purchaser on 18 August 2021 to allot, issue and deal with up to 20% of the then issued share capital of the Purchaser as at the date of the annual general meeting;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China;
“Issue Price”	the issue price of HK\$0.281 per Consideration Share;
“Laws”	includes all laws, bye-laws, rules, regulations, guidelines, orders, judgments, decrees or rulings of any court, government, governmental or regulatory authority whether or not of the same kind with any of the foregoing and the “Law” shall be construed accordingly;
“Long Stop Date”	31 May 2022;
“Main Board”	Main Board operated by the Stock Exchange;
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on Main Board;
“Management Accounts”	the unaudited balance sheet of the Target Company as at the Management Accounts Date and the unaudited profit and loss account of the Target Company for the 15 months ended on the Management Accounts Date, copies of which are annexed hereto as the Annexure “B”;
“Management Accounts Date”	31 January 2022;
“Parties”	the parties to this Agreement and “Party” shall be construed accordingly;
“Sale Shares”	9,500 Shares representing 95% of the entire issued share capital of the Target Company on Completion;
“Shares”	has the meaning given to it under Recital (A) and “Share” shall be construed accordingly;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	CORNERSTONE ENERGY LIMITED 基石能源有限公司, more particularly set out in of Schedule 2 hereto;
“this Agreement”	this agreement for the sale and purchase of the Sale Shares, as amended or supplemented from time to time;

“Warranties” the representations, warranties and undertakings given by the Vendor as set out in Clause 8 and Schedule 3; and

“%” per cent.

- 1.2 The headings to the clauses of this Agreement are for ease of reference only and shall be ignored in interpreting this Agreement.
- 1.3 References herein to “Recitals”, “Clauses”, “Schedules” and “Annexure” are references to recitals and clauses of, and schedules and annexure to, this Agreement.
- 1.4 Words and expressions in the singular include the plural and vice versa.
- 1.5 References to Ordinances, statutes, legislations or enactments shall be construed as references to such Ordinances, statutes, legislations or enactments as may be amended or re-enacted from time to time and for the time being in force.

2. SALE AND PURCHASE OF THE SALE SHARES

- 2.1 Subject to the fulfilment of the conditions precedent set out in Clause 5.1, the Vendor shall as legal and beneficial owner sell to the Purchaser, and the Purchaser shall relying on the Warranties purchase from the Vendor, the Sale Shares free and clear from all Encumbrances and together with all rights, benefits and entitlements now or hereafter attaching or accruing to the Sale Shares.

3. CONSIDERATION

- 3.1 The consideration payable by the Purchaser to the Vendor for the sale and purchase of the Sale Shares shall be **HONG KONG DOLLARS ELEVEN MILLION, EIGHT HUNDRED AND TWO THOUSAND ONLY HK\$11,802,000.**
- 3.2 The Consideration shall be paid and settled by the Purchaser to the Vendor by way of issue and allotment of 42,000,000 Consideration Shares at the Issue Price (being HK\$0.281 per Consideration Share) to the Vendor (or its nominee(s)) upon Completion.
- 3.3 The Consideration Shares will be issued and allotted pursuant to the General Mandate. The maximum number of shares that can be issued under the General Mandate is 160,000,000 Shares. As at the date hereof, no shares have been issued and allotted under the General Mandate. The General Mandate is sufficient for the issue and allotment of all the Consideration Shares. The Purchaser will apply to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.
- 3.4 The Vendor shall prepare and deliver to the Purchaser within one (1) month prior to the Completion Date the draft Completion Accounts. The draft Completion Accounts shall be prepared in accordance with generally accepted accounting principles, standards and practices in Hong Kong.

3.4 All costs and expenses incurred for the engagement of the accountants and the preparation and provision of the Completion Accounts shall be borne solely by the Vendor.

4. CONDITIONS PRECEDENT

4.1 Completion of the sale and purchase of the Sale Shares is conditional upon:

- (a) the Stock Exchange having granted approval for the listing of, and permission to deal in, the Consideration Shares;
- (b) the Purchaser is satisfied with the Due Diligence Review on the Target Company;
- (c) the warranties given by the Vendor under this Agreement remaining true and accurate and not misleading in all material respects from the date of this Agreement up to the Completion Date; and
- (d) all necessary consents, approvals, authorisations and licences in relation to the transactions contemplated under this Agreement having been obtained.

4.2 The Purchaser may waive any of the above conditions precedent in Clauses 4.1(b) and 4.1(c) by giving notice in writing to the Vendor.

4.3 The Vendor and the Purchaser shall use (to the extent they are able) their respective best endeavours to procure the fulfilment of the conditions set out in Clauses 4.1(a) to (d) on or before **30 April 2022** or such later date as the Parties may agree in writing but in any event not later than the Long Stop Date. If any of the conditions precedent in Clauses 4.1(a) to (d) shall not have been fulfilled (or waived, where applicable) in all respects prior to the Long Stop Date, this Agreement shall be terminated automatically and of no further effect and all liabilities and obligations of the Parties shall cease and determine provided that such termination shall be without prejudice to any rights or remedies of the Parties hereto which shall have accrued prior to such termination.

5. DUE DILIGENCE REVIEW

5.1 The Purchaser or its representatives shall be entitled to carry out a review, inspection and investigation on the financial, accounting, legal, business, contractual, assets, liabilities, taxation position and other aspects of the Target Company during the period from the date of this Agreement up to the date immediately prior to the Completion Date, both days inclusive. The Vendor shall make available to the Purchaser or its representatives all statutory books and records, accounts, ledgers and accounting books and records, and all other information and documents relating to the Target Company as the Purchaser or its representatives may reasonably require for carrying out due diligence investigation on the Target Company.

6. COMPLETION

6.1 Subject to the provisions of Clause 4, Completion shall take place within 10 Business Days after all the conditions set out in Clauses 4 have been fulfilled (or waived, where applicable) at the office of the Purchaser (or at such other time or place as the Parties may agree).

6.2 At Completion all (but not part only) of the following business shall be transacted:

- (a) the Vendor shall deliver or cause to be delivered to the Purchaser the following:
 - (i) a duly executed instrument of transfer and bought and sold notes in favour of the Purchaser and/or its nominee(s) in respect of the Sale Shares together with the relevant certificate(s) for the Sale Shares and such other documents as may be required to give a good and effective transfer of title of the Sale Shares from the Vendor to the Purchaser and to enable the Purchaser to become the registered holder(s) thereof;
 - (ii) a certified true copy of the minutes of a meeting of the Board approving:
 - (1) the transfer of the Sale Shares to the Purchaser and/or its nominee(s); and
 - (2) the appointment of such person nominated by the Purchaser as director with effect from the Completion Date, if required.
 - (iii) the Completion Accounts, duly certified by a director of the Company to be true and accurate;
- (b) the Vendor shall procure that the Purchaser and/or its nominee(s) be duly registered as the holder of the Sale Shares subject to the articles of association of the Company and, if so required by the Purchaser, arrange and/or procure for the issue of share certificate in respect of the Sale Shares and the due delivery of the same to the Purchaser and/or its nominee(s);
- (c) the Purchaser shall issue and allot the Consideration Shares to the Vendor (or its nominee(s)) in accordance with Clause 3.2.

7. PENDING COMPLETION

7.1 Pending Completion, the Vendor shall procure that:

- (a) the Purchaser and its representatives be given full access to inspect all the books and records and other documents of the Target Company during normal business hours by prior appointment.
- (b) save and except with the prior written consent of the Purchaser:
 - (i) the businesses of the Target Company are carried on in the usual and normal course;

- (ii) the Target Company shall not create, allot or issue any new shares or any option, warrant, derivative rights over shares or loan capital;
- (iii) the Target Company shall not enter into any contract or commitment or do anything which, in any such case, adversely affects its asset or increases its liabilities or its ability to carry on its business;
- (iv) the Target Company shall not incur any capital expenditure;
- (v) the Target Company shall not dispose of, or grant any option or right of pre-emption in respect of, any part of its assets except in the ordinary and proper course of business;
- (vi) the Target Company shall not borrow any money or make any payments out of or drawings on its bank account(s) other than in the ordinary and proper course of business;
- (vii) the Target Company shall not further grant or issue any mortgages, charges, debentures or other securities for money or redeem any such securities or give any guarantees or indemnities save as disclosed;
- (viii) the Target Company shall not permit any of the insurance to lapse or do anything which would make any such policy of insurance void or voidable; and
- (ix) the Target Company shall not in any other way depart from the ordinary and proper course of its day-to-day business either as regards the natural scope or the manner of conducting the same.

8. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

- 8.1 The Vendor hereby represents and warrants to the Purchaser and its successors and assigns that the Warranties are true and accurate in all respects as at the date of this Agreement and will continue to be so up to and including the time of Completion.
- 8.2 Each of the Warranties is without prejudice to any other Warranty and, except where expressly or otherwise stated, no provision in any Warranty shall govern or limit the extent or application of any other provision in any Warranty. The Vendor hereby agrees that the Purchaser shall treat each of the Warranties as a condition of this Agreement.
- 8.3 The Warranties and all other provisions of this Agreement insofar as the same shall not have been performed at Completion shall not be extinguished or affected by Completion and shall survive Completion and the rights and remedies of the Purchaser in respect of any breach of the Warranties shall not be affected by Completion or by the Purchaser rescinding, or failing to rescind this Agreement, or failing to exercise or delaying the exercise of any right or remedy, or by any other event or matter whatsoever, except a specific and duly authorised written waiver or release and no single or partial exercise of any right or remedy shall preclude any further or other exercise.

- 8.4 The Purchaser shall be entitled to take action after Completion in respect of any breach or non-fulfilment of any of the Warranties and Completion shall not in any way constitute a waiver of any right of the Purchaser.
- 8.5 In the event of becoming evident on or before Completion that the Vendor is in breach of any of the Warranties or any other terms of this Agreement, the Purchaser may (without any liability on its part) rescind this Agreement by notice in writing to the Vendor.

9. **DEFAULT**

- 9.1 Should the Vendor fail to complete the sale of the Sale Shares in accordance with the terms and conditions herein contained (other than as a result of the default or fault of the Purchaser), the Purchaser shall, without prejudice to any other rights and remedies which the Purchaser may have in respect of such breach including the right to sue for specific performance, be entitled to rescind this Agreement by notice in writing to the Vendor. Neither this Clause nor exercise by the Purchaser of any right of rescission shall preclude or be deemed to preclude the Purchaser from taking other steps or remedies to enforce the Purchaser's rights whether hereunder or otherwise or prevent the Purchaser from recovering any damages which it may have suffered.
- 9.2 Should the Purchaser fail to complete the purchase of the Sale Shares in accordance with the terms and conditions herein contained (other than as a result of the default or fault of the Vendor), the Vendor shall, without prejudice to any other rights and remedies which the Vendor may have in respect of such breach including the right to sue for specific performance, be entitled to rescind this Agreement by notice in writing to the Vendor. Neither this Clause nor exercise by the Vendor of any right of rescission shall preclude or be deemed to preclude the Vendor from taking other steps or remedies to enforce the Vendor's rights whether hereunder or otherwise or prevent the Vendor from recovering any damages which it may have suffered.

10. **CONFIDENTIALITY**

- 10.1 Subject to Clauses 10.2 and 10.3, each Party:
- (a) shall treat as strictly confidential the provisions of this Agreement and the process of their negotiations and all information about the other Parties or the Company obtained or received by it as a result of negotiating, entering into or performing its obligations under this Agreement (the “**Confidential Information**”); and
 - (b) shall not, except with the prior written consent of the other Parties (which shall not be unreasonably withheld or delayed), make use of (save for the purposes of giving effect to or performing its obligations under this Agreement) or disclose to any person any Confidential Information.
- 10.2 Clause 10.1 shall not apply if and to the extent that the Party using or disclosing

Confidential Information can demonstrate that: -

- (a) such disclosure is required by Law or by any supervisory, regulatory or governmental body having jurisdiction over it and whether or not the requirement has the force of Law; or
 - (b) such disclosure is to its professional advisers or trustees in relation to the negotiation, entry into or performance of this Agreement or any matter arising out of or in connection with the same; or
 - (c) in the case of disclosure or use, the Confidential Information concerned was lawfully in its possession (as evidenced by written records) prior to its being obtained or received as described in Clause 12.1(a); or
 - (d) in the case of disclosure or use, the Confidential Information concerned has come into the public domain other than through its fault or the fault of any person to whom such Confidential Information has been disclosed in accordance with Clause 12.1(b).
- 10.3 Each of the Parties undertakes that prior to Completion, it will not (save as otherwise provided in this Agreement or as required by the Laws) make any announcement in connection with this Agreement unless such announcement is required by the Laws, or unless the other Parties shall have given its consent to such announcement which consent may not be unreasonably withheld or delayed and may be given either generally or in a specific case or cases.

11. COSTS

Each Party shall pay its own costs and disbursements (including stamp duty) of and incidental to this Agreement.

12. NOTICES AND OTHER COMMUNICATION

12.1 Each notice, demand or other communication given or made under this Agreement shall be in writing and delivered or sent to the Vendor, the Purchaser or the Guarantors at its address set out below (or such other address as the addressee has by not less than five (5) days' prior written notice specified to the other parties) :-

12.2 (a) For the purpose of delivery of notices under this Agreement, the address and facsimile number of the Vendor are :-

Address : 2202, 22/F., West Exchange Tower
322 Des Voeux Road Central
Sheung Wan
Hong Kong

Email : edwin-777@163.com

Attention : Mr. Li Man Keung Edwin

- (b) For the purpose of delivery of notices under this Agreement, the address and facsimile number of the Purchaser are :-.

Address : Offices F & G, Floor 23, Maxgrand Plaza
No.3 Tai Yau Street
San Po Kong
Kowloon
Hong Kong

Facsimile : 2788 0356

Attention : Mr. Chan Kam Tong

- 12.3 Any notice, demand or other communication so addressed to the relevant party shall be deemed to have been delivered (a) if sent by facsimile or electronic mail, on the date of transmission or (b) if delivered personally, when delivered or (c) if sent by post, 7 days if overseas and 48 hours if local after the date of posting.]

13. INVALIDITY

If at any time any one or more of the provisions of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the laws of any relevant jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement in that jurisdiction nor the legality, validity or enforceability of such provision under the laws of any other jurisdictions shall in any way be affected or impaired thereby.

14. TIME OF THE ESSENCE

Time shall be of the essence of this Agreement.

15. COUNTERPARTS

This Agreement may be executed in one or more counterparts each of which shall be binding on each Party by whom or on whose behalf it is so executed, but which together shall constitute a single instrument. For the avoidance of doubt, this Agreement shall not be binding on any Party unless and until it shall have been executed by or on behalf of all persons expressed to be the Parties.

16. ASSIGNMENT

This Agreement shall be binding upon and enure for the benefit of the successors of the Parties but shall not be assignable.

17. WHOLE AGREEMENT

This Agreement (together with any documents referred to herein) constitutes the whole agreement between the Parties relating to the transactions contemplated herein and supersedes all previous agreements, arrangements, promises, representations, warranties and undertakings relating to any such transactions.

18. AMENDMENT

Unless otherwise specifically provided for in this Agreement, any provision of this Agreement may be amended, supplemented or waived only if the Parties agree in writing.

19. THIRD PARTY RIGHTS

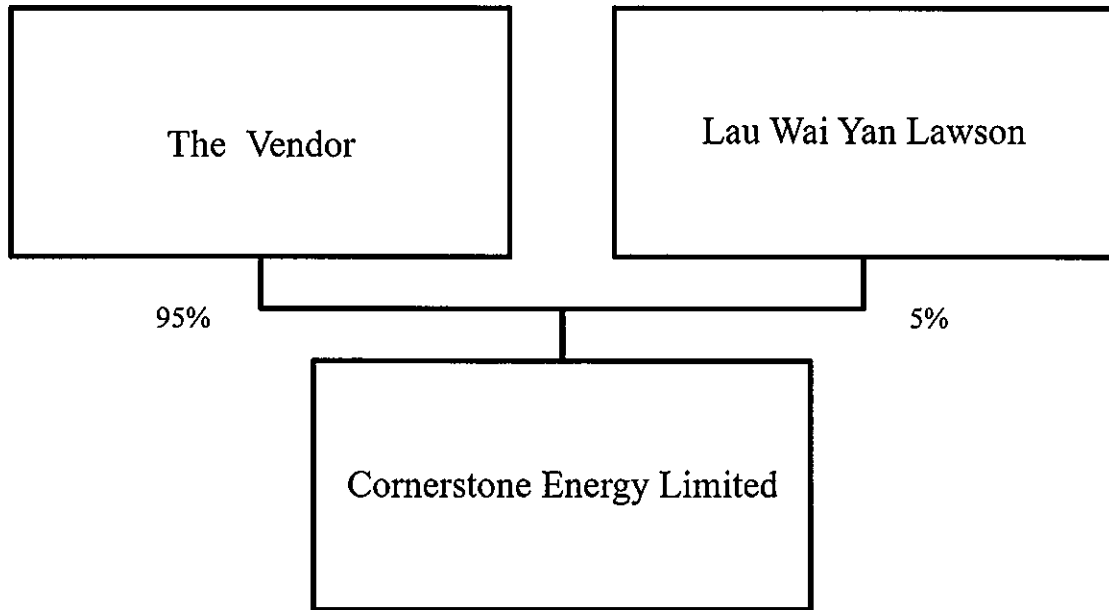
A person who is not a party to this Agreement shall no rights under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce or enjoy the benefit of any terms of this Agreement. Consent of any person who is not a party is not required to rescind or vary any provisions of this Agreement

20. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by and construed in accordance with the Laws of Hong Kong and the Parties hereby irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts for the purpose of determining or performing any claim arising under this Agreement.

SCHEDULE 1

ORGANIZATION STRUCTURE OF THE TARGET COMPANY



SCHEDULE 2

DETAILS OF CORNERSTONE ENERGY LIMITED

1. Name : CORNERSTONE ENERGY LIMITED 基石能源有限公司
2. Company Number : 2998027
3. Date and Place of Incorporation : 27 November 2020, Hong Kong
4. Issued Share Capital : 10,000 ordinary shares
5. Registered Office : Unit 16, 9/F., Seapower Tower, Concordia Plaza, No.1 Science Museum Road, Tsim Sha Tsui, Hong Kong
6. Shareholder(s) : Li Man Keung Edwin – 9,500 shares (95%)
Lau Wai Yan Lawson – 5,00 shares (5%)
7. Director(s) : Lau Wai Yan Lawson
8. Secretary : Ng Ka Ki
9. Accounting reference date : 31 March

SCHEDULE 3

THE WARRANTIES

1. General information and powers of the Vendor

- (a) The Vendor has full power to enter into this Agreement and to exercise its rights and perform its obligations hereunder and this Agreement shall, when executed, be a legal, valid and binding agreement on it and enforceable in accordance with its terms.
- (b) The execution, delivery and performance of this Agreement by the Vendor does not and will not violate in any respect any provision of any relevant Laws of Hong Kong applicable to it.
- (c) As at the date of this Agreement and immediately prior to Completion, the information set out in Recitals (A) to (F) and Schedules 1 to 2 is true, accurate and complete in all respects.

2. Sale Shares

- (a) The Vendor is the legal and beneficial owner of the entire issued share capital of the Target Company free and clear of any Encumbrance whatsoever and the Company has not exercised any lien over any of the issued Shares and there is outstanding no call on the Sale Shares and the Sale Shares are fully paid.
- (b) The Sale Shares constitute 95% of the entire issued share capital of the Company.
- (c) There are no options nor rights entitling any third party to own or affect the legal or beneficial interest of the Vendor in the Sale Shares.

3. Compliance with legal requirements

- (a) The Target Company has duly and properly complied with all filing and registration requirements in respect of corporate or other documents imposed under the relevant Laws of Hong Kong.
- (b) The statutory books and minute books of the Target Company have been properly written up and compliance has been made with all legal requirements.
- (c) The register of members/shareholders of the Target Company is correct and the Target Company has not received any application or request for rectification of its register of members/shareholders and to the best knowledge of the Vendor no circumstances which might lead to any such application or request for rectification of such register to be made have arisen or occurred.
- (d) The Target Company has complied with in all material respects all relevant Laws of Hong Kong and obtained and complied with all necessary consents to carry on business in Hong Kong and have complied with in all material respects all legal requirements in relation to any transactions to which it is or has been a party prior to Completion.

- (e) The Target Company has complied with the provisions of its articles of association in all material respects and has not committed any breach which would adversely affect the assets of the Target Company.

4. Shares

- (a) The Target Company has no subsidiaries.
- (b) 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 share capital or loan capital of the Target Company.

5. Corporate matters

- (a) The Target Company is duly incorporated, validly existing and in good standing in all respects under the laws of the jurisdiction of its incorporation with full power and authority to own its assets and to carry on its business as it is now being conducted.
- (b) The copy of the articles of association of the Target Company provided to the Purchaser is complete and accurate in all respects.

6. Accounts

- (a) Both the Audited Accounts and the Management Accounts :-
 - (i) were prepared in accordance with all applicable laws (including the Companies Ordinance (Cap.622 of the Laws of Hong Kong)) and with generally accepted accounting principles, standards and practices in Hong Kong at the time they were prepared;
 - (ii) are true and accurate in all material respects;
 - (iii) shall include full provision for any bad and doubtful debt and all established liabilities, make proper and adequate provision for all deferred, disputed or contingent liabilities (whether liquidated or unliquidated) and all capital commitments of the Company at the Accounts Date or, as the case may be, the Management Accounts Date;
 - (iv) give a true and fair view of the state of affairs and financial and trading positions of the Company at the Accounts Date or, as the case may be, the Management Accounts Date; and
 - (v) are not adversely affected by any unusual, exceptional, extraordinary or non-recurring item which is not disclosed in the Audited Accounts.
- (b) The Completion Accounts :-
 - (i) shall be prepared in accordance with all applicable laws (including the Companies Ordinance (Cap.622 of the Laws of Hong Kong)) and with generally

accepted accounting principles, standards and practices in Hong Kong at the time they were prepared;

- (ii) are true and accurate in all material respects;
- (iii) shall include full provision for any bad and doubtful debt and all established liabilities, make proper and adequate provision for all deferred, disputed or contingent liabilities (whether liquidated or unliquidated) and all capital commitments of the Company as at the Completion Date;
- (iv) shall give a true and fair view of the state of affairs and financial and trading positions of the Company at the Completion Date; and
- (v) shall not be adversely affected by any unusual, exceptional, extraordinary or non-recurring item which is not disclosed in the Completion Accounts.

7. Taxation

- (a) The Target Company has complied with all relevant legal requirements relating to registration or notification for taxation purposes.
- (b) The Target Company has:-
 - (i) paid all taxation (if any) due to be paid before the date of this Agreement; and
 - (ii) taken all necessary steps to obtain any repayment of or relief from taxation available to it.
- (c) The returns for taxation purposes which ought to have been made by or in respect of the Target Company in Hong Kong, have been duly made and all such returns are up to date, correct and on a proper basis and are not the subject of any dispute with the relevant taxation, revenue or other appropriate authorities.
- (d) The provisions (if any) included in the Audited Accounts, the Management Accounts and the Completion Accounts are sufficient to cover all taxation in respect of all periods ending on or before the Accounts Date, the Management Accounts Date or the Completion Date (as the case may be) for which the Company was then or might at any time thereafter become or have become liable.
- (e) The Target Company is not in dispute with any taxation or revenue authority and, so far as the Vendor is aware, no such dispute is pending or threatened.
- (f) All taxation which the Target Company is liable to pay prior to Completion has been or will be so paid prior to Completion.

8. Material transactions

- (a) Since the Management Accounts Date, the Target Company has not :-

Execution

- (i) borrowed or lent any money which has not been repaid or increased any liability (whether or not secured) or incurred or entered into any other liability, transaction or contract save as disclosed in this Agreement;
 - (ii) issued or repaid or agreed to issue or repay any share capital;
 - (iii) entered into any transaction outside the ordinary course of business; or
 - (iv) issued any guarantee or indemnity or granted any security on behalf of any person or company.
- (b) The Target Company is not, or has not agreed to become, a party to any unusual, onerous or long-term contract.
 - (c) There are no contracts or obligations, agreements or arrangements to which the Target Company is bound which are void, illegal, unenforceable, registrable or notifiable under or contravening any Laws.
 - (d) There are no agreements concerning the Target Company which can be terminated or which have been terminated or under which the rights of any person are liable to be materially adversely affected as a result of a change in control of the Company.
 - (e) The Company is not under any obligation (whether actual or contingent) to make any payment either now or at any time in the future to or for the benefit of any past employee(s).

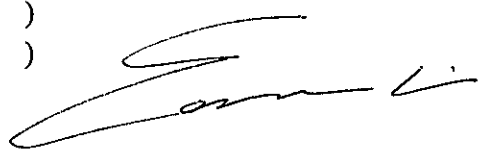
9. Litigation

- (a) Neither the Target Company, nor any of its officers in relation to it, 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.
- (b) Neither the Target Company, nor its directors is subject to any pending or threatened investigations, inquiries, disciplinary action or litigations and there are no circumstances known to the Vendor which are likely to give rise to any such investigations, inquiries, disciplinary action or litigations.
- (c) The Target Company has conducted its business in all respects in accordance with all applicable Laws and there is no order, decree or judgment of any authority outstanding against the Target company.
- (d) The Target Company is not in breach of or in default under any Law which is binding upon or affects it or any of its assets or revenues or the operation of its business, the consequences of which breach or default might adversely affect its financial conditions or business operations of the Target Company as a whole.

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

The Vendor

SIGNED by **LI MAN KEUNG EDWIN**
in the presence of:

)
)


The Purchaser

SIGNED by **CHAN KAM TONG**
for and on behalf of
GOLDEN PONDER HOLDINGS LIMITED
in the presence of:

)
)
)
)


ANNEXURE "A"

Copy of the Management Accounts