

DATE: 5 July 2013

EPRO GROUP INTERNATIONAL LIMITED
(as the Vendor)

and

ELITE DEPOT HOLDINGS LIMITED
(as the Purchaser)

**AGREEMENT FOR SALE AND PURCHASE
OF SHARES IN
EPRO BPO SERVICES LIMITED**

MICHAEL LI & CO.
19/F., Prosperity Tower
No. 39 Queen's Road Central
Central, Hong Kong

Ref: CCL/LA/136764

CONTENTS

<u>Clause</u>	<u>Heading</u>	<u>Page</u>
1.	Interpretation	3
2.	Sale and purchase of the Sale Shares	9
3.	Conditions	10
4.	Consideration.....	11
5.	Completion	11
6.	Restriction on announcements.....	14
7.	Warranties and undertaking.....	14
8.	Conduct of business pending Completion.....	16
9.	Rescission.....	17
10.	Further assurance	18
11.	Access to information	18
12.	Notices	18
13.	Time and no waiver.....	19
14.	Invalidity	19
15.	Amendments.....	19
16.	Assignment	19
17.	Entire agreement.....	19
18.	Costs and stamp duty	20
19.	Counterpart.....	20
20.	Governing law and jurisdiction	20
 Schedule		
Schedule 1	Details of the Company.....	21
Schedule 2	Details of the Subsidiaries.....	22
Schedule 3	Warranties.....	24
Schedule 4	Tax Indemnity.....	48
Schedule 5	Control Agreements	56
Schedule 6	Leased Properties.....	57
Execution	58
 Exhibit		
Exhibit A	Audited Accounts	
Exhibit B	Management Accounts	
Exhibit C	PRC Management Accounts	

THIS AGREEMENT is made on 5 July 2013

BETWEEN:

- (1) **Epro Group International Limited**, a company incorporated in Hong Kong with limited liability and having its registered office at Room 601-3, New Bright Building, 11 Sheung Yuet Road, Kowloon Bay, Kowloon (the “**Vendor**”); and
- (2) **Elite Depot Holdings Limited**, a company incorporated in BVI with limited liability and having its registered office at PO Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands (the “**Purchaser**”).

WHEREAS:

- (A) Epro BPO Services Limited (the “**Company**”) is a company incorporated in Hong Kong with limited liability and as at the date hereof, has an authorised capital of HK\$5,000,000 divided into 5,000,000 ordinary shares of HK\$1.00 each (each a “**Share**”), of which 1,000,000 Shares have been issued and are fully paid up or credited as fully paid and are beneficially owned by the Vendor. Further particulars of the Company are set out in Schedule 1.
- (B) As at the date hereof, the Company is the legal and beneficial owner of the entire equity interest of 廣州普廣科技有限公司 (the “**WOFE**”), a company established under the laws of the PRC. Further details of the WOFE are set out in Schedule 2.
- (C) Further, the WOFE will, through the entering into the Control Agreements (as defined below) with the shareholders of 廣州浚峰網絡技術有限公司 (the “**PRC Company**”), wholly and beneficially owned the entire equity interest in the PRC Company. The PRC Company is a company established under the laws of PRC with limited liability and as the date hereof, has a registered capital of RMB5,000,000. Further details of the PRC Company are set out in Schedule 2.
- (D) The Purchaser is a wholly owned subsidiary of Holdings (as defined below) and the issued Holding Shares (as defined below) are listed on the GEM (as defined below).
- (E) The Vendor has agreed to sell and the Purchaser has agreed to purchase 1,000,000 Shares (the “**Sale Shares**”) 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 (including the Recitals and Schedule), unless the context requires otherwise, the following words and expression shall have the meanings ascribed to each of them respectively below:

“Associates”	has the meaning ascribed thereto under the GEM Listing Rules
“Audited Accounts”	together the audited balance sheet of the Company as at the Audited Accounts Date and the audited profit and loss accounts of the Company for the year ended on the Audited Accounts Date copies of which have been attached to this Agreement as Exhibit “A”
“Audited Accounts Date”	31 December 2012
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	has the meaning ascribed thereto in Recital
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of this Agreement
“Completion Date”	the date of falling on the third Business Day after the fulfillment (or waiver) of the conditions set out in Clause 3.2
“Consideration”	has the meaning ascribed thereto in Clause 4.1
“Control Agreements”	together, the Loan Agreement, the Management Agreement, the Equity Charge, the Irrevocable Equity Transfer Agreement, the Shareholders Undertaking, the Director Undertaking and the Legal Representative Undertaking
“Director Undertaking”	an undertaking in the agreed form to be executed by the sole director of the PRC Company and confirmed by the PRC Company, Mr. Xu and Mr. Yuan in favour of the WOFE that Mr. Xu, as the sole director of the PRC Company, will act according to the instructions of the WOFE upon the exercise of the powers of the director(s) of the PRC Company until the fulfillment of all obligations under the Loan Agreement, the Equity Charge and the Irrevocable Equity

	Transfer Agreement, a draft of which is set out in Schedule 5
“Disclosed”	disclosed in a full, fair, specific and accurate manner elsewhere in this Agreement (including the Schedules) or in the Management Accounts
“Encumbrance”	any mortgage, charge, pledge, lien, (otherwise than arising by statute or operation of law), hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same and “Encumber” shall be construed accordingly
“Equity Charge”	an equity charge in the agreed form to be created by Mr. Xu and Mr. Yuan in favour of any company nominated by the WOFE in the PRC to secure the obligations of the PRC Company under the Management Agreement, a draft of which is set out in Schedule 5
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	together the Company and its subsidiaries to be established or acquired on a later date and the expressions “Group Company” and “member of the Group” shall be construed accordingly
“Holdings”	ETS Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM
“Holdings Share(s)”	share(s) of HK\$0.01 each in the capital of Holdings
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Irrevocable Equity Transfer Agreement”

an irrevocable equity transfer agreement in the agreed form to be entered into among the WOFE, Mr. Xu, Mr. Yuan and the PRC Company in relation to the granting of the irrevocable and exclusive right by Mr. Xu and Mr. Yuan to the WOFE to acquire the entire equity interest in the PRC Company at a consideration of RMB7,000,000.00, a draft of which is set out in Schedule 5

“Leased Properties”

all the properties leased to or by the Group, brief details of which are set out in of Schedule 6

“Legal Representative Undertaking”

an undertaking in the agreed form to be executed by the existing legal representative of the PRC Company, and confirmed by Mr. Xu and Mr. Yuan and the PRC Company in favour of the WOFE that Mr. Xu, as the legal representative of the PRC Company, will act according to the instructions of the WOFE upon the exercise of the powers of the legal representative of the PRC Company until the fulfillment of all obligations under the Loan Agreement, the Equity Charge and the Irrevocable Equity Transfer Agreement, a draft of which is set out in Schedule 5

“Loan Agreement”

a loan agreement in the agreed form to be entered into between the Company, Mr. Xu and Mr. Yuan in relation to the grant of loan in the aggregate principal amount of RMB7,000,000.00 by the Company to Mr. Xu and Mr. Yuan for a term ending on the date of the exercise of the exclusive right by the WOFE under the Irrevocable Equity Transfer Agreement to acquire the equity interest in the PRC Company, a draft of which is set out in Schedule 5

“Long Stop Date”

has the meaning ascribed thereto in Clause 3.4

“Management Accounts”

together the unaudited management balance sheet of the Company as at the Management Account Date and the unaudited profit and loss accounts of the Company for the period

commencing from 1st January 2013 to the Management Account Date copies of which has been attached to this Agreement as Exhibit "B"

"Management Accounts Date"	31 May 2013
"Management Agreement"	an exclusive management agreement in the agreed form to be entered into among the WOFE, the PRC Company, Mr. Xu and Mr. Yuan in relation to the provision of management consultancy services by the WOFE (or its subsidiary) to the PRC Company for the initial term of 10 years
"Mr. Xu"	Mr. Xu Jie, who holds 82% of the registered capital of the PRC Company as at the date hereof
"Mr. Yuan"	Mr. Yuan Linxiang, who holds 18% of the registered capital of the PRC Company as at the date hereof
"PRC"	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
"PRC Company"	has the meaning ascribed thereto in the Recital
"PRC Management Accounts"	together (i) the unaudited management balance sheet of the WOFE as at the PRC Management Accounts Date; (ii) the unaudited profit and loss accounts of the WOFE for the period commencing from 1st January 2013 to the PRC Management Accounts Date; (iii) the unaudited management balance sheet of the PRC Company as at the PRC Management Accounts Date; and (iv) the unaudited profit and loss accounts of the PRC Company for the period commencing from 1st January 2013 to the PRC Management Accounts Date, copies of which has been attached to this Agreement as Exhibit "C"

“PRC Management Accounts Date”	31 May 2013
“Sale Shares”	has the meaning ascribed thereto in the Recital
“SFC”	the Securities and Futures Commission of Hong Kong
“Share”	has the meaning ascribed thereto in the Recital
“Shareholders Undertaking”	an undertaking in the agreed form to be executed by each of Mr. Xu and Mr. Yuan and confirmed by the PRC Company in favour of the WOFE that they will act in accordance with the instructions of the WOFE upon the exercise of the powers of the shareholders of the PRC Company including the right to vote on any resolutions proposed at the shareholders’ meetings of the PRC Company until the fulfillment of all obligations under the Loan Agreement, the Equity Charge and the Irrevocable Equity Transfer Agreement, a draft of which is set out in Schedule 5
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“this Agreement”	this agreement for the sale and purchase of the Sale Shares, as amended from time to time
“Taxation”	all forms of taxation including overseas taxation and all forms of profits tax, interest tax, estate duty and stamp duty and all levies, imposts, duties, charges, fees, deductions and withholdings whatsoever charged or imposed by any statutory, governmental state, provincial, local government or municipal authority whatsoever and the expression “Tax” shall be construed according
“Tax Indemnity”	the deed of indemnity in the agreed form to be made between the Vendor, the Company and the Purchaser, a draft of which is set out in Schedule 4
“Tenancy”	the tenancy agreements entered into by the

Group in relation to the leasing of the Leased Properties

“Title Deeds”

represent all title deeds and documents necessary to prove the Company's title to the properties owned or occupied by each Group Company and the documents of title consist of the original document and/or properly certified copies thereof

“Warranties”

the representations, warranties and undertakings set out in Schedule 3 and all other representations, undertakings and warranties provided by the Vendor under this Agreement

“WFOE”

has the meaning ascribed thereto in the Recital

“HK\$”

Hong Kong dollars, the lawful currency of Hong Kong

“RMB”

Renminbi, the lawful currency of the PRC

- 1.2 References herein to Clauses, the Schedules and the Exhibit are to clauses in, the schedules to and the exhibit to, this Agreement unless the context requires otherwise and the Schedules to this Agreement shall be deemed to form part of this Agreement.
- 1.3 The expressions the “Vendor” the “Purchaser” and “Holdings” shall, where the context permits, include their respective successors and personal representatives.
- 1.4 The headings are inserted for convenience only and shall not affect the construction of this Agreement.
- 1.5 Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing a gender include every gender.
- 1.6 In this Agreement, any reference to a document in the “**agreed form**” is to a form of the relevant document which is in form and substance satisfactory to the Purchaser.

2. SALE AND PURCHASE OF THE SALE SHARES

- 2.1 Subject to and upon the terms and conditions of this Agreement, the Vendor shall as beneficial owner sell and the Purchaser shall purchase the Sale Shares free from all Encumbrances with effect from Completion together with all rights now and hereafter attaching thereto including but not limited to all dividends paid, declared or made in respect thereof at any time on or after the Completion Date.

2.2 The Purchaser shall not be obliged to purchase any of the Sale Shares unless the sale and purchase of the Sale Shares are completed simultaneously.

3. CONDITIONS

3.1 The Purchaser shall and shall procure that its agents shall forthwith upon the signing of this Agreement conduct such review of the assets, liabilities, operations and affairs of the Group as it may reasonably consider appropriate and the Vendor shall provide and procure the Group and its agents to provide such assistance as the Purchaser or its agents may reasonably require in connection with such review.

3.2 Completion shall be conditional upon and subject to:

- (a) all necessary consents and approvals required to be obtained on the part of the Vendor in respect of this Agreement and the transactions contemplated have under having been obtained;
- (b) all necessary consents and approvals required to be obtained on the part of the Purchaser in respect of this Agreement and the transactions contemplated hereunder having been obtained;
- (c) the Warranties remaining true and accurate in all respects;
- (d) the obtaining of a PRC legal opinion in the agreed form from a firm of PRC legal advisers appointed by the Purchaser in relation to the validity and legality of the establishment of the PRC Company, and its operations as going concern entity and the transactions contemplated under this Agreement;
- (e) the Purchaser being satisfied with the results of the due diligence review to be conducted under Clause 3.1; and
- (f) the entering into the Control Agreements.

3.3 The Vendor shall use its best endeavours to assist the Purchaser in connection with the due diligence review to be conducted under Clause 3.1 and, in particular, shall procure the fulfillment of the conditions set out in Clause 3.2 (a), (c), (d), (e) and (f). The Vendor shall procure that all information and documents required pursuant to the GEM Listing Rules, and other applicable rules, codes and regulations whether in connection with the preparation of all circulars, reports, documents, independent advice or otherwise are duly given promptly to the Purchaser, Holdings, the Stock Exchange, the SFC and other relevant regulatory authorities. The Purchaser shall use its best endeavours to procure the fulfillment of the conditions set out in Clause 3.2 (b).

3.4 The Purchaser may at its absolute discretion at any time waive in writing any of the conditions set out in Clause 3.2(c) and (e). If the conditions set out in Clause

3.2 have not been satisfied (or as the case may be, waived by the Purchaser) on or before 12:00 noon on 31 July 2013, or such later date as the Vendor and the Purchaser may agree (the “**Long Stop Date**”), this Agreement shall cease and determine (save and except Clauses 6, 11, 12, 13, 14, 15, 16, 18 and 19 which shall continue to have full force and effect), in any event, thereafter the Vendor shall refund the Deposit (as defined below)(without interest) to the Purchaser forthwith and neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms hereof.

4. CONSIDERATION

- 4.1 The aggregate consideration (the “**Consideration**”) for the sale and purchase of the Sale Shares shall be the sum of HK\$3,100,000.00.
- 4.2 The Consideration shall be satisfied by the Purchaser in cash to the Vendor in the following manner:
- (a) a refundable deposit (the “**Deposit**”) in the sum of HK\$1,000,000.00 shall be paid by the Purchaser in cash to the Vendor or its nominees upon signing of this Agreement; and
 - (b) the remaining HK\$2,100,000.00 shall be paid by the Purchaser in cash to the Vendor or its nominees upon Completion.
- 4.3 Payment of the Consideration or any part thereof shall be made by the Purchaser delivering to the Vendor on the relevant due dates by a cheque or a cashier order issued by a licenced bank in Hong Kong made payable to the Vendor for the relevant amount.
- 4.4 If Completion does not take place, as a result of the default of the Purchaser, the Vendor may forthwith determine this Agreement by giving notice of termination in writing to the Purchaser to such effect, in which event, the Vendor shall return the Deposit (without interest) to the Purchaser forthwith and neither party shall have any obligations and liabilities hereunder and neither party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies save for any antecedent breaches by the Purchaser of the terms hereof.
- 4.5 If Completion does not take place as a result of the default of the Vendor, the Purchaser may forthwith determine this Agreement by giving notice of termination in writing to the Vendor to such effect, in which event, the Vendor shall return the Deposit (without interest) to the Purchaser forthwith and neither party shall have any obligations and liabilities hereunder and neither party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies save for any antecedent breaches by the Vendor of the terms hereof.
- 4.6 If Completion does not take place otherwise than the default of the Purchaser or the Vendor, this Agreement shall be terminated and the Vendor shall return the Deposit (without interest) to the Purchaser forthwith, and neither party shall have any obligations and liabilities hereunder and neither party shall take any action to

claim for damages or to enforce specific performance or any other rights and remedies save for any antecedent breaches of the terms hereof.

5. COMPLETION

5.1 Upon compliance with or fulfilment (or waiver) of all the conditions set out in Clause 3.2, Completion shall take place at 4:00 p.m. on the Completion Date, or such later date as the Vendor and the Purchaser may agree at the head office and principal place of business of the Purchaser in Hong Kong when all the acts and requirements set out in this Clause 5 shall be complied with.

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

- (a) instrument of transfer in respect of the transfer of the Sale Shares duly executed by the Vendor in favour of the Purchaser;
- (b) original share certificate in respect of the Sale Shares;
- (c) certificate of incorporation, common seal, rubber chop, minutes book, register of directors, register of members and transfer and share certificate book and memorandum and articles of association of each Group Company which are in the possession of the Vendor;
- (d) all books of account, records and documents of and relating to the Group which are in the possession of the Vendor;
- (e) the Title Deeds and other books, records and documents of and relating to each Group Company, including without limitation, contracts and policies of insurance, cheque books and the current bank statements up to the date immediately preceding Completion of all relevant accounts;
- (f) the Tax Indemnity duly executed under seal by the Vendor and the Company;
- (g) copy, certified as true and complete by a director of the Vendor, of resolutions of the board of directors of the Vendor approving this Agreement, the Tax Indemnity and other documents necessary for the purpose of effecting this transaction and authorising a person or persons to execute the same (with seal, where appropriate) for and on its behalf;
- (h) copy, certified as true and complete by a director of the relevant Group Company, of the resolutions of the board of directors of the relevant Group Company referred to in Clause 5.3;
- (i) such other documents as may be required to give to the Purchaser good title to the Sale Shares and to enable the Purchaser or its nominees to become the registered owner thereof;
- (j) the Control Agreements duly executed by the relevant parties; and

- (k) copy, certified in such manner as the Purchaser may require, of:
- (1) the enterprise legal person business licence (企業法人營業執照) of the WFOE issued by the relevant municipal office of the governmental bureau of the PRC;
 - (2) the certificate of approval (批准證書) of the WFOE issued by the relevant municipal office of the governmental bureau of the PRC;
 - (3) tax registration certificate (稅務登記證), both national and local (國稅及地稅) of the WFOE issued by the relevant tax authority in the PRC;
 - (4) tax registration for enterprises with foreign investment (外商投資企業稅務登記證), both national and local (國稅及地稅) of the WFOE issued by the relevant tax authority in the PRC; and
 - (5) certificate of organisation identification code (組織機構代碼證) of the WFOE.

5.3 The Vendor shall procure a meeting of the board of directors of the relevant Group Company to be held at which resolutions shall be passed for:

- (a) in the case of the Company, the approval for the transfer of the Sale Shares to the Purchaser (or its nominees) and the registration of such transfer, subject to the relevant instrument of transfer being presented for registration; and
- (b) in the case of the Company, the approval of the Tax Indemnity and authorisation of execution of the same under seal for and on behalf of the Company.

5.4 Against compliance and fulfillment of all acts requirements set out in Clauses 5.2 and 5.3, the Purchaser shall:

- (a) deliver to the Vendor a cheque or a cashier order drawn against a licenced bank in Hong Kong for the Consideration referred to in Clause 4.1 and made payable to the Vendor;
- (b) deliver to the Vendor duly executed instrument of transfer in respect of the Sale Shares;
- (c) deliver to the Vendor a copy, certified as true and complete by a director of the Purchaser, of resolutions of the boards of directors of the Purchaser approving this Agreement, the Tax Indemnity and other documents necessary for the purpose of effecting this transaction and authorising a person or persons to execute the same (with seal, where appropriate) for

and on its behalf; and

- (d) deliver to the Vendor the Tax Indemnity duly executed under seal by the Purchaser.

5.5 In the event that the Vendor shall fail to do anything required to be done by them under Clauses 5.2, and 5.3, without prejudice to any other right or remedy available to the Purchaser, the Purchaser may in its sole discretion without any liability on its part, by notice in writing to the Vendor:

- (a) defer Completion to a day not more than 28 days after the date fixed for Completion or upon mutual consent by the Vendor and the Purchaser, a further 14 days after the 28 days deferral as referred hereto; or
- (b) proceed to Completion so far as practicable but without prejudice to the Purchaser's right to the extent that the Vendor and the Company shall not have complied with their obligations hereunder; or
- (c) rescind this Agreement without liability on its part.

6. RESTRICTION ON ANNOUNCEMENTS

6.1 Each of the parties undertakes to the others that it will not, at any time after the date of this Agreement, divulge or communicate to any person other than to its professional advisers, or when required by law or any rule of any relevant stock exchange body, or to its respective officers or employees whose province it is to know the same any confidential information concerning the business, accounts, finance or contractual arrangements or other dealings, transactions or affairs of any of the others which may be within or may come to its knowledge and it shall use its best endeavours to prevent the publication or disclosure of any such confidential information concerning such matters.

6.2 No public announcement or communication of any kind shall be made in respect of the subject matter of this Agreement unless specifically agreed between the parties or unless an announcement is required pursuant to the applicable law and the regulations or the requirements of the Stock Exchange, the SFC or any other regulatory body or authority. Any announcement by any party required to be made pursuant to any relevant law or regulation or the requirements of the Stock Exchange, the SFC or any other regulatory body or authority shall be issued only after such prior consultation with the other party as is reasonably practicable in the circumstances.

7. WARRANTIES AND UNDERTAKING

7.1 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.

7.2 Each of the Warranties is without prejudice to any other Warranty and, except here 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.

7.3 The Vendor hereby agrees to fully indemnify and keep the Purchaser and its assigns fully indemnified on demand from and against any depletion of assets, all losses, costs and expenses (including legal expenses) which the Purchaser may incur or sustain from or in consequence of any of the Warranties not being correct or fully complied with. This indemnity shall be without prejudice to any of the rights and remedies of the Purchaser and its assigns in relation to any such breach of Warranties and all such rights and remedies are hereby expressly reserved.

7.4 If it shall be found at any time after Completion that any of the Warranties is not true, correct and accurate or is not as represented, warranted or undertaken and:

- (a) the effect thereof is that the value of some assets of the Group including, without limitation, the value of any asset stated in the Audited Accounts or the Management Accounts is less than its value would have been had there been no such breach or the matter warranted were as warranted; or
- (b) the Group has incurred or is under any liability or contingent liability which would not have been incurred if such matter were as represented or warranted or the relevant undertaking were performed; or
- (c) the effect thereof is that the amount of a liability of the Group is higher than its amount would have been had there been no such breach or the matter warranted were as warranted,

then, without prejudice to any other provisions of this Agreement, the Vendor shall indemnify the Purchaser on demand on a full indemnity basis, and holds it harmless from and against all liabilities, damages, costs, claims, reduction in net consolidated assets or increase in net consolidated liabilities and all reasonable expenses which the Purchaser may sustain, suffer, or incur as a result of any of the foregoing and the Vendor shall pay to the Purchaser on demand the full amount of any such loss as aforesaid in immediately available funds.

7.5 The Warranties 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.

7.6 The Purchaser shall be entitled to take action both before and after Completion in

respect of any breach or non-fulfillment of any of the Warranties and Completion shall not in any way constitute a waiver of any right of the Purchaser.

7.7 The Vendor undertakes in relation to any Warranty which refers to the knowledge, information or belief of the Vendor that it has made full enquiry into the subject matter of that Warranty and that it does not have the knowledge, information or belief that the subject matter of that Warranty may not be correct, complete or accurate.

7.8 The Vendor shall immediately inform the Purchaser in writing of any fact, matter, event or circumstance which renders any of the Warranties untrue, inaccurate or misleading or will give rise to a breach of any of the Warranties.

8. CONDUCT OF BUSINESS PENDING COMPLETION

8.1 The Vendor hereby undertakes with the Purchaser and that, except as required by this Agreement or in the ordinary and usual course of business of the Group, no resolution of the directors or members of the Group shall be passed prior to Completion without the prior written consent of the Purchaser (such consent shall not be unreasonably withheld).

8.2 The Vendor hereby undertakes with the Purchaser that until Completion the Group shall carry on its business in a manner consistent with its existing practice and shall:

- (a) procure that the Group shall not without first obtaining the prior written consent of the Purchaser (such consent not to be unreasonably withheld or delayed) enter into any contract or commitment of an unusual or onerous nature or other than in the normal and ordinary course of business; and
- (b) keep the Purchaser and Holdings reasonably informed of all significant matters relating to the Group, its business, assets and prospects.

8.3 Without prejudice and notwithstanding Clauses 8.1 and 8.2, the Vendor undertakes that it shall pending Completion take all steps necessary to ensure that except as required by this Agreement or by any applicable law or in the ordinary and usual course of business of the Group, the Group shall not carry out any of the following actions and no resolution of the board of directors of each Group Company or of its general meeting shall be passed to carry out the same unless the written consent of the Purchaser is obtained (such consent shall not be unreasonably withheld):

- (a) the creation or issue of any shares in any Group Company or the grant of any options over any shares or the uncalled capital of any Group Company or the issue of any warrant, debentures, securities or other obligations convertible into shares in any member of the Group or enter into any agreement to do any of the same;
- (b) the capitalisation, repayment or other from of distribution of any amount standing to the credit of any reserve of any member of the Group on the

redemption or purchase of any shares in member of the Group or any other reorganisation of share capital;

- (c) the winding-up or liquidation of any Group Company;
- (d) the alteration of the rights attaching to any of the Sale Shares or the shares in any member of the Group;
- (e) the alteration of the memorandum and articles of association of any member of the Group and the passing of any resolutions inconsistent with the provision of this Agreement;
- (f) the acquisition or disposal of any lease or any other interests in real property owned or occupied by each Group Company or the creation of any mortgage or other encumbrance over such property;
- (g) the acquisition or disposal of any property or other asset by each Group Company other than acquisition or disposals in the ordinary course of business of the Group;
- (h) the acquisition or formation by any Group Company of any subsidiary or the acquisition of any share in any other company or the participation by any Group Company in any partnership or joint venture;
- (i) the sale or disposal of the whole or a substantial part of the undertaking of any Group Company;
- (j) the entering into of any material contract by any Group Company other than in its ordinary course of business;
- (k) the lending of any moneys (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposit), the granting of any credit or the giving of any guarantee or indemnity;
- (l) the amalgamation or merger of any Group Company with any other company or concern;
- (m) the alteration of the composition of any board of directors of any Group Company;
- (n) the making, declaration or payment of any dividend or distribution save as disclosed in the Audited Accounts, the Management Accounts or the PRC Management Accounts;
- (o) doing, allowing or procuring any act or omission on or before Completion which will constitute a breach of any of the Warranties; or
- (p) doing anything which is likely to materially jeopardize or diminish the

value of any material tangible assets of the Group.

9. RESCISSION

9.1 If at any time before Completion, the Purchaser finds that any of the Warranties is incorrect or has not been or is incapable of being fulfilled, the Purchaser may rescind this Agreement by written notice to the Vendor. If the Purchaser shall elect to rescind this Agreement, the Vendor shall fully indemnify the Purchaser and keep the Purchaser fully indemnified in respect of all fees, costs and expenses (including legal fees) reasonably incurred by the Purchaser in connection with the negotiation, preparation, execution and rescission of this Agreement.

9.2 The Purchaser's rights under Clause 9.1 are in addition to and without prejudice to all other rights and remedies available to them and any partial exercise of or failure to exercise such rights shall not constitute a waiver of such rights or of any other rights whether conferred under this Agreement or otherwise.

10. FURTHER ASSURANCE

The Vendor shall 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 to vest effectively the legal and beneficial ownership of the Sale Shares in the Purchaser.

11. ACCESS TO INFORMATION

The Vendor shall procure that, pending Completion, the Purchaser, their agents, representatives and professional advisers are given promptly on request full access to all such facilities and information regarding the business, assets, liabilities, contracts and affairs of the Group and other evidence of ownership of the assets owned by the Group as the Purchaser may require.

12. NOTICES

12.1 Each notice, demand or other communication given, made or serve under this Agreement shall be in writing and delivered or sent to the relevant party by prepaid postage (by airmail if to another country), facsimile transmission or personal delivery to its address or fax number as set out below (or such other address or fax number as the addressee has by five (5) days' prior written notice specified to the other parties):

To the Vendor: Epro Group International Limited

Address : Room 601-3, New Bright Building,
 11 Sheung Yuet Road, Kowloon Bay,
 Kowloon

Fax Number : (852) 2180 9900

Attention : The Board of Directors

To the Purchaser: Elite Depot Holdings Limited

Address : Room 601-3, New Bright Building,
11 Sheung Yuet Road, Kowloon Bay,
Kowloon

Fax Number : (852) 2180 9900

Attention : The Board of Directors

- 12.2 Each notice, demand or other communication given, made or serve under this Agreement shall be deemed to have been given and received by the relevant parties (i) within two (2) days after the date of posting, if sent by local mail; four (4) days after the date of posting, if sent by airmail; (ii) when delivered, if delivered by hand; and (iii) on despatch, if sent by facsimile transmission.

13. **TIME AND NO WAIVER**

Time shall in every respect be of the essence of this Agreement but no failure on the part of any party hereto to exercise, and no delay on its part in exercising any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise of it or the exercise of any other right(s) or prejudice or affect any right(s) against any other parties hereto under the same liability, whether joint, several or otherwise. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

14. **INVALIDITY**

If at any time any one or more of the provisions of this Agreement is/are or become(s) illegal, invalid or unenforceable in any respect under laws of any jurisdiction, the legality, validity or enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

15. **AMENDMENTS**

This Agreement shall not be amended, supplemented or modified except by instruments in writing signed by each of the parties hereto.

16. **ASSIGNMENT**

This Agreement shall be binding on and enure to the benefit of each party hereto and its respective successors and permitted assigns provided that none of the parties hereto shall assign or transfer or purport to assign or transfer any of its rights or obligations hereunder without the prior written consent of the other parties.

17. ENTIRE AGREEMENT

This Agreement constitutes an entire agreement between the parties hereto with respect to the matters dealt with herein and supersedes any previous agreements, arrangements, statements or transactions between the parties hereto in relation to the subject matters hereof.

18 COSTS AND STAMP DUTY

18.1 The Vendor shall bear all the costs and expenses (including legal fees) incurred in connection with the preparation, negotiation, execution and performance of this Agreement and all documents incidental or relating to Completion.

18.2 All stamp duty (if any) payable in respect of the sale and purchase of the Sale Shares shall be borne by the Vendor and the Purchaser in equal shares.

19. COUNTERPART

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of parties hereto may execute this Agreement by signing any such counterparts.

20. GOVERNING LAW AND JURISDICTION

20.1 This Agreement shall be governed by and construed in accordance with the laws of Hong Kong.

20.2 The parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong.

SCHEDULE 1

Details of the Company

Company name:	Epro BPO Services Limited
Place of incorporation:	Hong Kong
Company no.:	673603
Date of incorporation:	26 April 1999
Registered office:	Room 601-3, New Bright Building, 11 Sheung Yuet Road, Kowloon Bay, Kowloon
Authorised capital:	5,000,000 shares at HK\$1.00 each
Issued capital:	1,000,000 shares at HK\$1.00 each
Shareholder (shareholdings in %):	Epro Group International Limited 99.99% Merry Silver Limited (<i>on trust for Epro Group International Limited</i>) 0.01%
Director:	Ling Chiu Yum Wong Wai Hon Telly Chang Men Yee Carol
Nature of business:	Investment holding

SCHEDULE 2

Details of the WOFE

Company name:	廣州普廣科技有限公司	
Place of establishment:	PRC	
Date of establishment:	19 September 2007	
Approval certificate No.:	440101400034514	
Legal address:	廣州市天河區建中路64、65號西601房	
Registered capital:	HK\$4,208,000	
Total investment:	HK\$4,208,000	
Shareholders and (shareholdings in %):	Epro BPO Services Limited	100%
Legal representative:	潘美慧	
Directors:	潘美慧 吳穎翰	
Financial year end	31 December	
Principal activities:	目前工商登記的經營範圍為：電子元器件、儀表儀器、計算機軟件的研究、開發，銷售本公司產品，傳訊系統軟件及電子技術的信息諮詢（法律、法規禁止的不得經營，涉及許可經營的凭許可證經營）。正在辦理經營範圍變更，將增加電子技術的資訊諮詢、電腦網路技術開發及諮詢、資訊服務諮詢、投資管理、投資諮詢、企業管理諮詢、財務諮詢、資訊諮詢、企業形象設計與策劃、市場行銷策劃；以承接服務外包方式從事系統應用管理和維護、資訊技術支援管理、財務結算、人力資源服務、軟體發展、呼叫中心、資料處理等資訊技術和業務流程外包服務；電子商務技術開發、提供相關的技術諮詢、售後服務；經濟資訊諮詢。最終增加的經營範圍，以有關政府部門的核准及批准的經營範圍為準	

Details of the PRC Company

Company name:	廣州浚峰網絡技術有限公司	
Place of establishment:	PRC	
Date of establishment:	19 October 2000	
Approval certificate No.:	440106000247849	
Legal address:	廣州市天河區建中路66號801房	
Registered capital:	RMB5,000,000	
Total investment:	RMB5,000,000	
Shareholders and (shareholdings in %):	許杰	82%
	原林祥	18%
Legal representative:	許杰	
Directors:	許杰	
Financial year end	31 December	
Principal activities:	计算机网络技术的开发及技术服务；批发贸易（国家专营专控商品除外）；呼叫中心业务、信息服务业务（仅限互联网信息服务和移动网信息服务业务；业务覆盖范围：广东省；不含新闻、出版、教育、医疗保健、药品、医疗器械、电子公告以及其他按法律、法规规定需前置审批或专项审批的服务项目）（持有效许可证经营，有效期至2013年10月16日）	

SCHEDULE 3

WARRANTIES

PART A – WARRANTIES APPLICABLE TO THE COMPANY GENERALLY

Save as Disclosed:

1. GENERAL

- (A) All information which has been given by the Vendor or by the directors, officers, advisers or agents of the Company to the Purchaser or their employees or advisers in the course of negotiations leading to this Agreement is true and accurate in all material respects and there is no fact, matter or circumstance which has not been disclosed in writing to the Purchaser which renders any such information untrue, inaccurate or misleading in any material respects.
- (B) The facts stated in the Recitals to this Agreement are true and correct in all respects.
- (C) All facts concerning the Sale Shares and the business and affairs of the Company material for disclosure to an intending purchaser of the Sale Shares have been disclosed to the Purchaser and the Vendor is not aware of any facts or circumstances which might reasonably affect the willingness of a willing purchaser to purchase the Sale Shares on the terms of this Agreement.
- (D) The Vendor has the right, power and authority to enter into and perform this Agreement and the Tax Indemnity which constitute or when executed will constitute legal, valid and binding obligations on the Vendor in accordance with their respective terms.

2. OWNERSHIP OF THE SALE SHARES

- (A) The Vendor is the beneficial owner of the Sale Shares free from all Encumbrances and there are no agreements or arrangements to create any Encumbrance over or affecting any of the Sale Shares.
- (B) There are no agreements or arrangements in force which provide for the present or future issue, allotment or transfer of, or grant to any person the right whether conditional or otherwise to call for the issue, allotment or transfer of any share or loan capital of the Company including any option, right of pre-emption or conversion and no such right will be granted on or before Completion.

3. THE ACCOUNTS

The Audited Accounts or the Management Accounts (as the case may be):

- (A) are complete and accurate in all material respects and give a true and fair view of the state of affairs and financial position of the Company at the dates to which they

respectively relate;

- (B) comply with all the requirements of the Companies Ordinance (Cap.32) and other relevant statutes;
- (C) have been prepared in accordance with Hong Kong Financial Reporting Standards (the “**Reporting Standards**”) and comply with all relevant Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants for the time being in force applicable to a Hong Kong company;
- (D) are not affected by any extraordinary, exceptional or non-recurring item (except as disclosed in the Audited Accounts or the Management Accounts);
- (E) fully disclose all the assets of the Company as at its respective dates;
- (F) make full provision or reserve or note in accordance with the Reporting Standards for all liabilities and capital commitments of the Company outstanding at the date to which they relate, including contingent, unqualified, deferred or disputed liabilities present; and
- (G) make provision or reserve, in accordance with the principles set out in the notes respectively included in them, for all taxation liable to be assessed on the Company, or for which the Company may be accountable, in respect of the period ended on the Audited Accounts Date or the Management Accounts Date as regards the Audited Accounts or the Management Accounts and such provision will be sufficient to cover all Taxation assessed or liable to be assessed on the Company or for which the Company, is, may be or may become accountable in respect of profits, income earnings, receipts, transfers, events and transactions up to and including the last day to which they relate.

4. BOOK DEBTS

- (A) Other than expressly provided for in the Management Accounts, no part of the amounts as owing by any debtor is overdue for more than six (6) months, or has been released on terms that any debtor pays less than the full book value of his debt, or has been written off, or has proved to any extent to be irrecoverable, or is now or should properly be regarded by the Company as irrecoverable in whole or in part.
- (B) The accounts receivables and other amounts due from the debtors as at Completion will be recoverable in full in the ordinary course of business, none of those amounts is subject to any dispute, counter-claim or set off.

5. FINANCIAL RECORDS

- (A) The Company has kept and duly made up all minutes books, registers and records and these and all other deeds and documents (properly stamped where necessary) belonging to or which ought to be in the possession of the Company are in its possession.

- (B) All the accounts, books, ledgers, financial and other records of whatsoever kind of the Company:
- (1) are in its possession;
 - (2) have been fully, properly and accurately kept and completed up to date;
 - (3) do not contain any material inaccuracies and discrepancies of any kind; and
 - (4) give and reflect a true and fair view of all its transactions, and its financial, contractual and trading positions.

6. TAXATION

- (A) The Company has fully, duly and punctually complied with its obligations to account to the relevant tax authorities for all amounts for which it is or may become accountable in respect of Taxation and the Company is not or is unlikely to be subject to any tax penalties.
- (B) All returns in connection with taxation that should have been made by the Company have been made correctly and on a proper basis and no such return is or is likely to be disputed and there are no facts known or which would on reasonable enquiry be known to the Company, its directors or the Vendor which may give rise to any such dispute or to any claim for any taxation or the deprivation of any relief or advantage that might have been available.
- (C) The Company has fully and punctually paid all taxes, duties and levies as the same became due and payable and is not likely to be subject to any tax penalties.

7. CORPORATE MATTERS

- (A) Other than the members of the Group, its 10% interest in Charm Gold Investments Limited, the Company is not the holder or beneficial owner of, or has not agreed to acquire, any share or loan capital or any investments of any company (whether incorporated in Hong Kong or elsewhere).
- (B) The memorandum and articles of association of the Company which had been supplied to the Purchaser is accurate and complete in all respects.
- (C) The registers of members and other statutory books of the Company have been properly kept and duly written up to date and contain an accurate and complete record of the matters with which they should deal with.
- (D) The minute books of directors' meetings and of shareholders' meetings respectively contain full and accurate records of all resolutions passed by the directors and the shareholders respectively of the Company and no resolutions have been passed by either the directors or the shareholders of the Company which are not recorded in

the relevant minute books.

- (E) Since the date of its incorporation, no alteration has been made to the memorandum and articles of association of the Company and no resolution of any kind of the shareholders of the Company has been passed save as otherwise disclosed herein or filed with the Registrar of Companies in Hong Kong.
- (F) All returns, particulars, resolutions and documents required by the Companies Ordinance (Cap. 32) or any other legislation to be filed with the Registrar of Companies, or any other authority, in respect of the Company have been duly filed and were correct; and due compliance has been made with all the provisions of the Companies Ordinance (Cap. 32) and other relevant legislation.
- (G) All charges against the Company have (if appropriate) been registered in accordance with the provisions of the Companies Ordinance (Cap. 32) and at the relevant Land Registry.
- (H) All title deeds relating to the assets of the Company and an executed copy of all agreements to which the Company is a party, and the original copies of all other documents which are owned by, or which ought to be in the possession of the Company are in its possession.
- (I) The Company has never reduced, repaid or repurchased any of its share capital.

8. DIVIDENDS AND DISTRIBUTIONS

- (A) No dividends or other distributions has been, or is treated as having been, declared, made or paid by the Company since its incorporation.
- (B) All dividends or distributions declared, made or paid are in accordance with its articles of association or other constituent documents and all applicable laws and regulations.

9. BANKING FACILITIES

- (A) The total amounts from time to time borrowed by the Company do not exceed any limitation on its borrowing powers contained in its memorandum and articles of association, or in any debenture or other deed or document binding upon the Company.
- (B) The Company has no outstanding, or has not agreed to create or issue, any loan capital, nor have the Company factored any of its debts, or engaged in financing of a type which would not require to be shown or reflected in the Management Accounts or borrowed any money which have not been repaid, save for borrowings not exceeding the amounts shown in the Management Accounts.
- (C) The Company does not have, or as the case may be, has not provided:

- (1) any borrowing or indebtedness save for such borrowings or indebtedness in the nature of borrowing or any other credit facility including any bank overdrafts and acceptance credits incurred in the ordinary and usual course of business of the Company;
 - (2) any mortgage, charge or debenture or any obligation (including a conditional obligation) to create a mortgage, charge or debenture;
 - (3) any guarantee, letter of comfort, indemnity or suretyship in respect of the obligations or solvency of any other party; and
 - (4) any indebtedness other than those arising in the ordinary course of business.
- (D) In relation to all mortgages, overdrafts and other loan or financial facilities available to the Company:
- (1) there has been no contravention of, or non-compliance with any provision of any of those documents;
 - (2) no steps for the early repayment of any indebtedness have been taken or threatened;
 - (3) there have not been, nor are there any circumstance whereby the continuation of any of the facilities might be prejudiced, or which might give rise to any alteration in the terms and conditions of any of the facilities;
 - (4) none of the facilities may be terminated, or mature prior to its stated maturity as a result of the acquisition of the Sale Shares or any thing contemplated by this Agreement; and
 - (5) full and accurate details of which have been disclosed in writing to the Purchaser.
- (E) The Company has not lent any money or provided any credit which has not been repaid or owns the benefit of any debt (whether or not due for repayment), other than debts which have arisen in the ordinary course of its business; and the Company has not made any loans or extended any credit contrary to the applicable laws and regulations and its constituent documents.

10. EVENTS SINCE THE MANAGEMENT ACCOUNTS DATE

- (A) Since the Management Accounts Date,
- (1) there has been no material and adverse change in the assets and liabilities, financial position, trading condition and prospects of the Company;
 - (2) the business of the Company has been carried on in the ordinary and usual course and so as to maintain the same as a going concern;

- (3) the Company has not become bound or liable to be called upon to repay prematurely any loan capital;
 - (4) the Company has not (i) acquired any assets of whatsoever nature; (ii) sold, transferred or otherwise disposed of any assets of whatsoever nature; (iii) cancelled or waived or released or discounted in whole or in part any debts or claims;
 - (5) the Company has not incurred any capital expenditure or made any capital commitment otherwise than in its ordinary course of business; and
 - (6) the Company has not changed any method of management or operation in respect of the business, undertaking or assets of the Company except in manner consistent with proper prior practice.
- (B) No circumstances exist whereby (whether by reason of an existing agreement or arrangement or otherwise) as a result of the acquisition of the Sale Shares referred to in this Agreement:
- (1) any supplier of the Company will cease, or be entitled to cease, supplying the Company, or may substantially reduce its supplies to the Company or will vary the terms and conditions of such supplies to a material extent; and
 - (2) any customer of the Company will cease, or be entitled to cease, to deal with it or may substantially reduce its existing level of business with it.
- (C) Compliance with the terms of this Agreement does not and will not:
- (1) conflict with, or result in the breach of, or constitute a default under, any of the terms, conditions or provisions of any agreement or instrument to which the Company is a party, or any provision of the memorandum and articles of association of the Company or any Encumbrance, lease, contract, order, judgment, award, injunction, regulation or other restriction or obligation of any kind or character by which or to which the Company or any asset of the Company is bound or subject;
 - (2) relieve any person from any obligation to the Company (whether contractual or otherwise), or enable any person to determine any obligation, or any right or benefit enjoyed by the Company;
 - (3) result in the creation, imposition, crystallisation or enforcement of any Encumbrance whatsoever on any of the assets of the Company; and
 - (4) result in any present or future indebtedness of the Company becoming due, or capable of being declared due and payable, prior to its stated maturity.
- (D) The Company is empowered and duly qualified to carry on its business in all

jurisdictions in which it now carries on.

- (E) The Company is not and has not agreed to become a member of any joint venture, consortium, partnership or other unincorporated association; and the Company is not and has not agreed to become, a party to any agreement or arrangement for sharing commissions or other income.
- (F) The Company is not a party to any agency, distributorship, marketing, purchasing, manufacturing or licensing agreement or arrangement, or any restrictive trading or other agreement or arrangement pursuant to which any part of its business is carried on, or which in any way restricts its freedom to carry on the whole, or any part, of its business in any part of the world in such manner as it thinks fit.

11. COMPLIANCE WITH LAWS

- (A) The Company has conducted and is conducting its business in all respects in accordance with all applicable laws, regulations and codes of practice whether of Hong Kong or elsewhere and its memorandum and articles of association from time to time in force and there is no violation of, or default with respect to any ordinance, statute, regulation, order, decree or judgment of any court or any governmental agency of Hong Kong or any foreign country.
- (B) The Company has obtained all necessary licences, permissions, authorisations, consents and exemptions from any person, authority or body for the proper carrying on of its business and all such licences, permissions, authorisations, consents and exemptions are in full force and effect and there are no circumstances (including the sale and purchase of the Sale Shares as provided in this Agreement) which may lead to any of such licences, permissions, authorisations, consents or exemptions being revoked or not being renewed in whole or in part.
- (C) The Company has not committed, or omitted to do any act or thing, the commission or omission of which is, or could be, in contravention of any ordinance, order, regulation (whether of Hong Kong or elsewhere) giving rise to any fine, penalty, default proceedings or other liabilities on its part.

12. MATERIAL CONTRACTS

- (A) Save as provided in this Agreement, the Company has not entered into any contract since its incorporation other than agreements for the acquisition of the shareholding or beneficial interests of the members of the Group and there is no claim under any agreement, instrument or arrangement which the Company is a party in respect of any default, breach, negligent or defective performance or otherwise and no such claim is threatened against the Company and there is no circumstances that will likely give rise to such a claim.
- (B) No party to any agreement with, or under an obligation to the Company is in default under it. The Company is not in default under any agreement or covenant to which it is a party.

- (C) There is no offer, tender or the like outstanding which is capable of being converted into an obligation of the Company by acceptance, or other act of some other person, firm or company.
- (D) The Company is not a party to any contract, transaction, arrangement or liability which:
 - (1) is of an unusual or abnormal nature, or outside the ordinary and proper course of business;
 - (2) cannot readily be fulfilled or performed by it on time without undue, or unusual, expenditure of money, effort or personnel; or
 - (3) involves, or is likely to involve obligations or liabilities which, by reason of their nature or magnitude ought reasonably to be made known to an intending purchaser of the Sale Shares.
- (E) The Company has not manufactured, sold or supplied services or products which are, or were, or will become, in any respect faulty or defective, or which do not comply in any respect with any term, warranties or representations, expressly or impliedly made by the relevant member or with all applicable regulations, standards, requirements and codes of practice.
- (F) The Company is not subject to any liability or obligation to service, repair, remedy or is otherwise required to do anything in respect of any services or contracts which have been performed by it.
- (G) There is not now outstanding, and there has not at any time during the two years prior to the date of this Agreement been outstanding any contract or arrangement to which the Company is a party and in which the Vendor or any director of the Company, is or has been interested, whether directly or indirectly.
- (H) The Company is not a party to, and its profits or financial position during the three years prior to the date of this Agreement have not been affected by, any contract or arrangement which is not of an arm's length nature.

13. **EMPLOYMENT**

- (A) The Company is not under any obligation and liability to pay any party (including its director and secretary) any remuneration, damages or other payments for services rendered to the Company or by virtue of the office they held in the Company.
- (B) There is no claim by any person or his estate or dependents who is or had been an employee, director or other officer of the Company whether for any damages, compensation (whether under the Employees' Compensation Ordinance, or otherwise) or other payments and there are no circumstances likely to give rise to such claim.

- (C) The Company and its employees are not involved in any industrial dispute, and there are no facts known, or which would on reasonable enquiry be known to the Vendor which might suggest that there may be any industrial dispute involving the Company.
- (D) Since the Management Accounts Date,
 - (1) no change has been made in the rate of remuneration, or the emoluments or pension benefits, of any officer, ex-officer or executive of the Company; and
 - (2) no change has been made in any other terms of employment of any officer or executive.
- (E) The Company is not under any legal liability or obligation, nor is it a party to any ex-gratia arrangement or promise, to pay retirement benefits, pensions, gratuities, superannuation allowances or the like, to or for the benefit of any past or present officers or employees or their dependents and there are no retirement benefit or pension or death benefits or employment scheme or arrangement in relation to or binding on the Company or to which the Company has to make contribution.

14. ASSETS

- (A) The Company owned and had good and marketable title to, and (except for current assets subsequently sold or realised in the normal and ordinary course of business) still owns and has good and marketable title to, all the assets included in the Management Accounts and to all assets acquired since the date to which the Management Accounts has been made up and not subsequently sold or realised as aforesaid.
- (B) The Company has not created, or granted or agreed to create or grant, any security interest or other Encumbrance in respect of any of the fixed assets included in the Management Accounts or acquired or agreed to be acquired since the date to which the Management Accounts have been made up.
- (C) None of the property, assets, undertaking, goodwill or uncalled capital of the Company is subject to any Encumbrance or is held under any hire purchase, leasing or rental agreements.
- (D) The stock of raw materials, packaging materials and finished goods now held are not obsolete, slow moving, unusable, unmarketable or inappropriate or of limited value in relation to the current business of the Company.
- (E) The plant, machinery, vehicles and other equipment used in connection with the business of the Company:
 - (1) are in a good and safe state of repair and condition and satisfactory working order and have been regularly and properly maintained;

- (2) are not to any extent surplus to the requirements of the Company;
- (3) are in the possession and control of the Company; and
- (4) are all capable, and (subject to normal wear and tear) will remain capable, throughout the respective periods of time during which they are each written down to a nil value in the respective accounts of the relevant member of the Company (in accordance with the normal recognised accounting principles consistently applied prior to the date hereof), fit for the purpose for which they were designed or purchased.

15. **INSURANCES**

- (A) The Company has taken out insurances which provide cover in similar amounts and against such risk (including without limitation, risk in respect of personal injury, occupational diseases and death to employees in carrying out their respective duties) usually insured by prudent companies carrying on the same type of business as the Company and in particular has maintained all insurance required by all applicable laws and regulations.
- (B) All such insurances are in full force and effect and nothing has been done or omitted to be done which could make any policy void or voidable and all premium payable has been paid and no claim is outstanding under any of such insurance.

16. **BUSINESS**

- (A) The principal business activity of the Company is investment holding.
- (B) The Company has not and will not pending Completion carried on any other business or activities or entered into any contracts, commitments and transactions since the date of its incorporation.

17. **LITIGATION**

- (A) The Company is not engaged in any material litigation or arbitration proceedings, as plaintiff or defendant; there are no proceedings pending or threatened, either by or against the Company and there are no circumstances which are likely to give rise to any litigation or arbitration.
- (B) There is no dispute with any revenue, or other official, governmental department in Hong Kong or elsewhere, in relation to the affairs of the Company and there are no facts which may give rise to any dispute.
- (C) There are no claims pending or threatened, or capable of arising, against the Company by an employee or workman or third party, in respect of any accident or injury, which are not fully covered by insurance.

- (D) No order has been made, or petition presented, or resolution passed for the winding up of the Company nor has any distress, execution or other process been levied in respect of the Company which remains undischarged; nor is there any unfulfilled or unsatisfied judgment or court order outstanding against the Company.

18. INTELLECTUAL PROPERTY RIGHTS

- (A) None of the operations or business of the Company infringes any right or confidential information or other intellectual property rights held or alleged by any third party.
- (B) The Company has not entered into any agreement for the use by any third party of any know-how or technology, or other intellectual property rights held by the Company which restricts the disclosure or use by the Company of any of the same.
- (C) The Company has not disclosed or permitted to be disclosed or undertaken or arranged to disclose to any person other than the Purchaser any of its know-how, trade secrets, confidential information or lists of customers or suppliers.

19. PROPERTIES

- (A) The Company does not own or have any rights to own any real property in Hong Kong or any part of the world.
- (B) The Company has paid all rent, licence fees (if applicable) and all other outgoings which have become due in respect of the Leased Properties and has performed and observed all its obligations under the Tenancy relative thereto in all material respects and no notice of any breach of any such matter has been received and no use of any of the Leased Properties contravenes any provisions contained in such Tenancy relating to the permitted user of the Leased Properties.
- (C) As at the date hereof, there is no agreement to sell or part with the possession of or let or license or grant any option over or otherwise dispose of any interest in any of the Leased Properties or any part thereof.
- (D) The Company has not sub-let or licensed any of the Leased Properties and no person occupies or has a licence or right to occupy or enter upon any of the Leased Properties other than the rights of landlords pursuant to the Tenancy relating to the Leased Properties.
- (E) There is no obligation to reinstate any of the Leased Properties by removing or dismantling any alteration made to it by the Company.
- (F) No notice in writing to terminate has been given by any party to any agreement for the leasing of any of the Leased Properties.
- (G) The Company has not received:
- (1) any notice from any person that the present user of the Leased Properties is in

contravention of any applicable laws, orders or official directions;

- (2) any notice from any person that anything done or omitted on any of the Leased Properties or any part thereof is in contravention of any applicable laws, regulations, orders or official directions;
 - (3) any notices, complaints or requirements issued by any governmental body, authority or department in respect of the Leased Properties or any part thereof;
 - (4) any notice of any proposals made by any governmental body, authority or department concerning the compulsory acquisition or resumption of any of the Leased Properties or any part thereof or which would adversely affect the Leased Properties or any part thereof; nor
 - (5) notice of any orders, restrictions or notices affecting the Leased Properties which might adversely affect the value of the Leased Properties or any part thereof.
- (H) The rates, property tax and all other outgoings in respect of the Leased Properties have been duly paid up to the date hereof and will be paid up to the Completion Date.
- (I) The current use of each of the Leased Properties are in compliance with the provisions, covenants, terms and conditions of any conditions and any regulations in force relating to the Leased Properties.
- (J) So far as the Vendor is aware, there are no outstanding complaints or orders of any district or other authority affecting the Leased Properties or the use thereof or the owner and there are no pending applications in respect of the Leased Properties.
- (K) In respect of the Company:
- (1) it has the right to the use, occupation and enjoyment of all the Leased Properties currently leased, used or otherwise occupied by it, all applicable legislation and government rules and regulations in the jurisdictions in which the Leased Properties are located, whether of a national or a local nature, have been complied with and all applicable government consents and approvals (if relevant) have been obtained;
 - (2) it has in all material respects observed and performed all covenants, obligations and restrictions contained in the Tenancy;
 - (3) there is no person in possession or occupation of or who has or claims any right or easement of any kind in respect of the Leased Properties which may adversely affect its use occupation and enjoyment thereof, in any material respect;
 - (4) there are no rights, interests, covenants, conditions, restrictions, exceptions, reservations, licences, easements, agreements, claims or any other matters or things which may adversely affect its use and enjoyment of the Leased

Properties for the purpose of the business now being carried on at the Leased Properties by it;

- (5) there are no disputes or outstanding or expected notice (whether given by a lessor, a licensor, a governmental authority or any other person) affecting the Leased Properties, there are no rights for a lessor to vary the terms of or to terminate a tenancy agreement or a lease and there are no circumstances which would entitle or require a lessor, a licensor or any other person to exercise any power of entry upon or to take possession of the Leased Properties or which would otherwise restrict or terminate the continued possession and occupation thereof;
- (6) it has duly performed observed and complied with and so far as the Vendor is aware, there is no subsisting breach of any covenants, restrictions, conditions, agreements, statutory requirements, bye-laws, order, building regulations or other obligations adversely affecting the Leased Properties or the use thereof including the terms of the Tenancy and (without prejudice to the generality of the foregoing) all outgoings rents and service charges have been paid to date and no notice of any alleged material breach of any of the terms of the Tenancy has been served on or received by it;
- (7) there is no outstanding material monetary claim or liability contingent or otherwise affecting the Leased Properties or under any of the Tenancy. There are no rent reviews in the course of being determined or exercisable by a lessor at a date prior to the Completion Date; and
- (8) the Leased Properties are in good and substantial repair and condition and no flooding subsidence or other material defect of any kind adversely affects or has adversely affected the Leased Properties.

20. GRANTS AND ALLOWANCES

The Company has not supplied for or received any grant or allowance from any supranational, national or local authority or government agency.

21. TERMS OF TRADE

During the 12 months preceding the date of this Agreement, there has been no substantial change (apart from normal price changes) in the basis or terms on which any person has been prepared to enter into contracts or to do business with the Company.

22. POWERS OF ATTORNEY

There are no subsisting powers of attorney given by the Company and no person, as agent or otherwise, is entitled or authorised to bind or commit the Company to any obligation.

23. GENERAL MATTER

The execution, delivery and performance of this Agreement and the transactions contemplated upon the terms herein will not result in the breach or termination or cancellation or constitute a default under any agreement, commitment or other instrument to which the Company is a party or by which the Company or its property or assets may be bound.

PART B – WARRANTIES APPLICABLE TO THE WOFE AND THE PRC COMPANY

Unless the context otherwise requires and save and except otherwise specified, the representations, warranties and undertakings in relation to the PRC Company contained in this part shall be deemed to be repeated mutatis mutandis in relation to the WOFE.

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

1. THE PRC MANAGEMENT ACCOUNTS

The PRC Management Accounts:

- (A) are complete and accurate in all material respects and give a true and fair view of the state of affairs and financial position of the PRC Company at the dates to which they respectively relate;
- (B) comply with all the requirements of the relevant statutes in PRC;
- (C) have been prepared in accordance with accounting standards generally accepted in the PRC (the “**Reporting Standards**”) and comply with all relevant Reporting Standards issued by the Chinese Institute of Certified Public Accountants for the time being in force applicable to a PRC company;
- (D) are not affected by any extraordinary, exceptional or non-recurring item;
- (E) fully disclose all the assets of the PRC Company as at their respective dates;
- (F) make full provision or reserve or note in accordance with the Reporting Standards for all liabilities and capital commitments of the PRC Company outstanding at the date to which they relate, including contingent, unqualified, deferred or disputed liabilities present; and
- (G) make provision or reserve, in accordance with the principles set out in the notes respectively included in them, for all taxation liable to be assessed on the PRC Company, or for which the PRC Company may be accountable, in respect of the period ended on the Completion Date in respect of the PRC Management Accounts Date and the PRC Management Accounts Date as regards the PRC Management Accounts and the PRC Management Accounts respectively and such provision will be sufficient to cover all Taxation assessed or liable to be assessed on the PRC Company or for which the PRC Company, is, may be or may become accountable in respect of profits, income earnings, receipts, transfers, events and transactions up to and including the last day to which they relate.

2. BOOK DEBTS

All accounts receivable of the PRC Company as at the PRC Management Accounts Date, save to the extent of the provisions shown in the PRC Management Accounts, will be fully recovered by the PRC Company within six (6) months from the date of this

Agreement.

3. RECORDS AND TAXATION

- (A) All the accounts, books, ledgers, financial and other records of whatsoever kind, of the PRC Company:
 - (1) are in its possession or control;
 - (2) have been fully, properly and accurately kept and completed;
 - (3) do not contain any material inaccuracies or discrepancies or any kind; and
 - (4) give and reflect a true and fair view of its trading transactions, and its financial, contractual and trading position.
- (B) The PRC Company have duly complied with its obligations to account to the taxation authorities and all other fiscal authorities in the PRC or otherwise for all amounts for which it is or may become accountable in respect of Taxation.
- (C) Save for liabilities for Taxation arising out of the normal and ordinary course of business of the PRC Company since the date to which the PRC Management Accounts were made up, the PRC Company have no liability for Taxation in excess of the provision therefor in the PRC Management Accounts.

4. CORPORATE MATTERS

- (A) The PRC Company is validly constituted and established and has the requisite corporate power and all permits, authorities, licences and consents (whether granted by public or private authority) necessary to carry on its business in the matter and in the places in which its business is now carried on and there are no circumstances which might lead to the suspension or cancellation of any such permits, authorities, licences or consents.
- (B) The register of members and other statutory books of the PRC Company have been properly kept and contain an accurate and complete record of the matters with which they should deal up to the date of this Agreement.
- (C) The business licence and approval certificate issued by the relevant PRC governmental authorities and all other necessary approvals, licences, permits and consents in respect of the PRC Company or their respective business have been obtained and are valid and subsisting. The entering into of this Agreement and/or the Completion pursuant to this Agreement will not prejudice any such approvals, licences, permits and consents or violate against the relevant PRC laws or any other applicable legislation or legislative or administrative regulations, directions or orders.
- (D) No notice or allegation that any of the documents referred to in this paragraph 4 is invalid, incorrect or should be rectified has been received.

5. FINANCE

- (A) There were no material commitments on capital account outstanding as at the PRC Management Accounts Date and, since the PRC Management Accounts Date, the PRC Company has not made, or agreed to make, any material capital expenditure, or incurred or agreed to incur any material capital commitments nor has it disposed of, or realised, any capital assets material to its normal course of business or any interest therein.
- (B) The PRC Company has not received notice (whether formal or informal) from any lenders of money to it, requiring repayment or intimating the enforcement of any security the lender may hold over any of its assets; and, so far as the Vendor can reasonably foresee, there are no circumstances likely to give rise to any such notice.
- (C) The PRC Company has not lent any money which has not been repaid to it, or owns the benefit of any debt (whether or not due for repayment), other than debts which have arisen in the ordinary course of its business; and the PRC Company has not made any loan or quasi-loan contrary to any applicable legislation.
- (D) The net tangible asset value of the PRC Company as at the date of this Agreement calculated in accordance with the accounting standards and regulations of the PRC is not less than the amount shown in the PRC Management Accounts and the Vendor considers that the accounting basis and policies adopted for such calculations are fair, reasonable and appropriate to reflect the net tangible assets of the PRC Company as at such date.

6. WORKING CAPITAL

In relation to all debentures, acceptance credits, overdrafts, loans or other financial facilities outstanding or available to the PRC Company (referred to in this paragraph 6 as “**facilities**”):

- (1) no steps for the early repayment of any indebtedness have been taken or, so far as the Vendor can reasonably foresee, likely to be required;
- (2) there have not been, nor are there, any circumstances known to the Vendor whereby the continuation of any of the facilities might be materially prejudiced, or which might give rise to any alteration in the material terms and conditions of any of the facilities;
- (3) the Vendor has no knowledge that, as a result of Completion or any other matters contemplated by this Agreement, any of the facilities might be terminated by their lenders or mature prior to their standard maturity;
- (4) full and accurate details of such facilities have been disclosed in writing to the Purchaser; and
- (5) there has been no contravention of, or non-compliance with any clauses contained in the agreements in relation to the provisions of such facilities.

7. **TRADING**

(A) Since the PRC Management Accounts Date:

- (1) the business of the PRC Company has continued in the ordinary and normal course;
- (2) there has been no material change in the turnover, or the financial or trading position of the PRC Company;
- (3) the PRC Company has not by doing, or omitting to do, anything materially prejudiced its goodwill or prospects;
- (4) no material part of the business of the PRC Company has been affected by any abnormal factor; and
- (5) the PRC Company has paid its creditors in accordance with its credit terms; and there are no material amounts owing by the PRC Company which have been overdue for more than 120 days.

(B) So far as the Vendor can reasonably foresee, no circumstances exist whereby (whether by reason of an existing agreement or arrangement or otherwise) as a result of the proposed acquisition of the Sale Shares by the Purchaser:

- (1) any supplier of the PRC Company will cease, or be entitled to cease, supplying it or may substantially reduce its supplies to it;
- (2) any customer of the PRC Company will cease, or be entitled to cease, to deal with it or may substantially reduce its existing level of business with it;
- (3) the PRC Company will lose the benefit of any material right or privilege which it enjoys under any applicable law or regulations; or
- (4) any senior technical or management staff will leave their employment or office with the PRC Company.

(C) The PRC Company is empowered and duly qualified to carry on business at its legal address and have not carried on and are not carrying on any business in any other places.

(D) There are no arrangements or undertakings (whether legally enforceable or not) by the PRC Company to any person relating to the management of the PRC Company's business, or the appointment or removal of director(s) or legal representative(s) of the PRC Company or the ownership or transfer of ownership of the letting of any of the assets of the PRC Company, or the provision, supply or purchase of finance, goods, services or other facilities to, by or from the PRC Company, or in any other respect relating to their affairs.

(E) The PRC Company has conducted and is conducting its business in all material respects

in accordance with all applicable laws and legislative and administrative orders and regulations, whether of the PRC or elsewhere.

- (F) The PRC Company has obtained all necessary licenses and consents from any person, authority or body for the proper carrying on of its business and all the licences and consents are valid and subsisting.
- (G) The PRC Company is not in material breach of any of the terms or conditions of any of the licences or consents; and so far as the Vendor can reasonably foresee there are no material factors that might in any way prejudice the continuation, or renewal, of any of them.
- (H) The PRC Company is not a party to any contract or commitment which:
 - (1) is of an unusual or abnormal nature, or outside the ordinary and proper course of business;
 - (2) is of a long-term nature (that is, unlikely to have been fully performed, in accordance with its terms, more than twelve months after the date on which it was entered into or undertaken);
 - (3) is of a loss-making nature (that is, known to be likely to result in a loss to it on completion of performance);
 - (4) cannot readily be fulfilled or performed by it on time without undue, or unusual, expenditure of money, effort or personnel;
 - (5) involves payment by it of amounts determined by reference to fluctuations in the index of retail prices, or any other index, or in any currency (other than HK\$, US\$ or RMB) not fully matched by an equivalent amount of the reserve or receivable of the PRC Subsidiary in such currency available for the discharge of such payment on or before the due date therefor; or
 - (6) involves an aggregate outstanding expenditure by it of more than the amount disclosed in the PRC Management Accounts.
- (I) No threat or claim of default of material importance, under any agreement, instrument or arrangement to which the PRC Company is a party has been made and is outstanding against it and, so far as the Vendor can reasonably foresee, there is nothing whereby any such agreement, instrument or arrangement may be prematurely terminated or rescinded by any other party.
- (J) No party to any agreement with, or under an obligation to, the PRC Company is in default under it, being a default which would be material in the context of the party's or the PRC Company's financial or trading position; and so far as the Vendor can reasonably foresee, there are no circumstances likely to give rise to such a default.
- (K) The PRC Company has not produced, sold or supplied services or products which are, or were, or will become, in any material respect not of marketable quality, toxic,

harmful, noxious or otherwise faulty or defective or unfit for their purposes, or which do not comply in any material respect with any warranties or representations, expressly or impliedly made by it, or with any applicable regulations, standards and requirements.

- (L) No material source of supply to the PRC Company, or any material outlet for the sales of the PRC Company, is in jeopardy or, so far as the Vendor can reasonably foresee, likely to be in jeopardy.
- (M) There is not now outstanding in respect of the PRC Company any guarantee or agreement for indemnity or for suretyship given by it or for its accommodation not in its normal and ordinary course of business.

8. RELATED PARTY TRANSACTIONS

- (A) Save as disclosed in the PRC Management Accounts, there is not now outstanding, and there has not been at any time after the PRC Management Accounts Date outstanding, any contract or arrangement to which the PRC Company is a party and the Vendor or its Associates or any then or present director of the PRC Company or any Associate of any such director, is or has been interested, whether directly or indirectly.
- (B) Save as disclosed in the PRC Management Accounts, neither the PRC Company is a party to, or have its profits or financial position after the PRC Management Accounts Date been affected by, any contract or arrangement which is not of an entirely arm's length nature.
- (C) Save as disclosed in the PRC Management Accounts, none of the Vendor nor any of its Associates owe any money to the PRC Company nor are there currently outstanding any guarantee, indemnity or any security given by the PRC Company for the account the Vendor or any of its Associates or in respect of any indebtedness or other obligations of the Vendor or any of its Associates (in each case other than the PRC Company).
- (D) The PRC Company does not owe any money to the Vendor or any of its Associates nor are there currently outstanding any guarantee, indemnity or any security given by the Vendor or any of its Associates for the account or benefit of the PRC Company or in respect of any indebtedness or other obligations of the PRC Company.

9. EMPLOYMENT

The PRC Company has in relation to their employees complied with all applicable PRC legislation, regulations, directions and orders with regard to employment and wholly owned foreign enterprises.

10. ASSETS

Save as disclosed in the PRC Management Accounts, none of the property, assets, undertaking, goodwill or uncalled capital of the PRC Company is subject to, and the PRC Company has not agreed to grant in respect of the same, any option or Encumbrance.

11. INSURANCE

The PRC Company has maintained all necessary insurance policies required under all applicable legislation, regulations, directions and orders of the PRC in relation to employment and foreign invested enterprises and has paid all premiums payable thereon. All such policies are in full force and effect, and nothing has been done or omitted to be done which could make any such policy void or voidable.

12. LITIGATION, DISPUTES AND WINDING UP

- (A) The PRC Company is not engaged in any material litigation or arbitration proceedings, as plaintiff or defendant; there are no material proceedings pending or threatened, either by or against the PRC Company.
- (B) Neither the PRC Company nor any of the Company and the Vendor has in relation to the PRC Company committed nor are they liable for any criminal, illegal, unlawful or unauthorised act or breach of any obligation whether imposed by or pursuant to the laws of the PRC or Hong Kong, contract or otherwise.
- (C) No order has been made, or petition presented, or resolution passed for the winding up of or the taking of any analogous proceedings against the PRC Company; nor has any distress, execution or other process been levied in respect of the PRC Company which remains undischarged; nor is there any unfulfilled or unsatisfied judgement or court order outstanding against the PRC Company.

13. INTELLECTUAL PROPERTY RIGHTS AND TRADE SECRETS

- (A) The business of the PRC Company (and of any licensee under a licence granted by the PRC Company) as now carried on, does not, and is not likely to, infringe any intellectual property right (that is to say, patent, patent application, knowhow, trade or service mark, trade or service mark application, trade name, registered design, copyright, logo or other similar intellectual, industrial or commercial right) ("**Intellectual Property Rights**") of any other person (and would not do so if the same were valid).
- (B) To the extent that the PRC Company has been granted any licence for the use of any Intellectual Property Right, all such licences are in full force and effect.
- (C) Without prejudice to paragraph 13(A) above, the PRC Company does not use any processes and is not engaged in any activities which involve the misuse of any knowhow, lists of customers or suppliers, trade secrets, technical processes or other confidential information ("**Confidential Information**") belonging to any third party. There has been no actual or alleged misuse by any person of any of its Confidential Information. The PRC 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 PRC 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 PRC Company.

- (D) The PRC Company has not (otherwise than in the ordinary and normal course of business and to its staff and officers whose province it is to know and its professional advisers) disclosed, or permitted to be disclosed, or undertaken or arranged to disclose, to any person other than the Purchaser any of its knowhow, trade secrets, confidential information, price lists or lists of customers or suppliers.

14. PLANT AND EQUIPMENT

- (A) The fixed and loose plant, machinery, furniture, fixtures, fittings, equipment and vehicles used in connection with the business of the PRC Company are the property of and are held by the PRC Company free from any hire purchase agreement or agreement for payment on deferred terms or bills of sale or other Encumbrance.
- (B) All plant, machinery, vehicles and equipment owned or used by the PRC Company are in good and safe condition and working order (fair wear and tear excepted).

15. TAXATION

The PRC Company has fully, duly and punctually complied with its obligations to account to the relevant tax authorities for all amounts for which it is or may become accountable in respect of taxes and the PRC Company is not or is unlikely to be subject to any tax penalties. The PRC Company has properly made provision or reserve, in accordance with the principles set out in the notes respectively included in them, for all taxes liable to be assessed on it, or for which it may be accountable, in respect of the period ended on the PRC Management Accounts Date as regards the PRC Management Accounts and such provision will be sufficient to cover all taxes assessed or liable to be assessed on it or for it, is, may be or may become accountable in respect of profits, income earnings, receipts, transfers, events and transactions up to and including the last day to which it relates.

16. OWNERSHIP OF CORPORATE INTEREST

Mr. Xu is beneficially interested in 82% of the registered capital of the PRC Company and Mr. Yuan is beneficially interested in 18% of the registered capital of the PRC Company. The entire beneficial interest in the registered capital of the WOFE is wholly owned by the Company.

17. PROPERTIES

- 17.1 The PRC Company does not own any real property in PRC or any part of the world.
- 17.2 The PRC Company has paid all rent, licence fees (if applicable) and all other outgoings which have become due in respect of the Leased Properties and has performed and observed all its obligations under the Tenancy relative thereto in all material respects and no notice of any breach of any such matter has been received and no use of any of the Leased Properties contravenes any provisions contained in such Tenancy relating to the permitted user of the Leased Properties.

- 17.3 As at the date hereof, there is no agreement to sell or part with the possession of or let or license or grant any option over or otherwise dispose of any interest in any of the Leased Properties or any part thereof.
- 17.4 The PRC Company has not sub-let or licensed any of the Leased Properties and no person occupies or has a licence or right to occupy or enter upon any of the Leased Properties other than the rights of landlords pursuant to the Tenancy relating to the Leased Properties.
- 17.5 There is no obligation to reinstate any of the Leased Properties by removing or dismantling any alteration made to it by the PRC Company.
- 17.6 No notice in writing to terminate has been given by any party to any agreement for the leasing of any of the Leased Properties.
- 17.7 The PRC Company has not received:
- (A) any notice from any person that the present user of the Leased Properties is in contravention of any applicable laws, orders or official directions;
 - (B) any notice from any person that anything done or omitted on any of the Leased Properties or any part thereof is in contravention of any applicable laws, regulations, orders or official directions;
 - (C) any notices, complaints or requirements issued by any governmental body, authority or department in respect of the Leased Properties or any part thereof;
 - (D) any notice of any proposals made by any governmental body, authority or department concerning the compulsory acquisition or resumption of any of the Leased Properties or any part thereof or which would adversely affect the Leased Properties or any part thereof; nor
 - (E) notice of any orders, restrictions or notices affecting the Leased Properties which might adversely affect the value of the Leased Properties or any part thereof.
- 17.8 The rates, property tax and all other outgoings in respect of the Leased Properties have been duly paid up to the date hereof and will be paid up to the Completion Date.
- 17.9 The current use of each of the Leased Properties are in compliance with the provisions, covenants, terms and conditions of any conditions and any regulations in force relating to the Leased Properties.
- 17.10 So far as the Vendor is aware, there are no outstanding complaints or orders of any district or other authority affecting the Leased Properties or the use thereof or the owner and there are no pending applications in respect of the Leased Properties.
- 17.11 In respect of the PRC Company:

- (A) it has the right to the use, occupation and enjoyment of all the Leased Properties currently leased, used or otherwise occupied by it, all applicable legislation and government rules and regulations in the jurisdictions in which the Leased Properties are located, whether of a national or a local nature, have been complied with and all applicable government consents and approvals (if relevant) have been obtained;
- (B) it has in all material respects observed and performed all covenants, obligations and restrictions contained in the Tenancy;
- (C) there is no person in possession or occupation of or who has or claims any right or easement of any kind in respect of the Leased Properties which may adversely affect its use occupation and enjoyment thereof, in any material respect;
- (D) there are no rights, interests, covenants, conditions, restrictions, exceptions, reservations, licences, easements, agreements, claims or any other matters or things which may adversely affect its use and enjoyment of the Leased Properties for the purpose of the business now being carried on at the Leased Properties by it;
- (E) there are no disputes or outstanding or expected notice (whether given by a lessor, a licensor, a governmental authority or any other person) affecting the Leased Properties, there are no rights for a lessor to vary the terms of or to terminate a tenancy agreement or a lease and there are no circumstances which would entitle or require a lessor, a licensor or any other person to exercise any power of entry upon or to take possession of the Leased Properties or which would otherwise restrict or terminate the continued possession and occupation thereof;
- (F) it has duly performed observed and complied with and so far as the Vendor is aware, there is no subsisting breach of any covenants, restrictions, conditions, agreements, statutory requirements, bye-laws, order, building regulations or other obligations adversely affecting the Leased Properties or the use thereof including the terms of the Tenancy and (without prejudice to the generality of the foregoing) all outgoing rents and service charges have been paid to date and no notice of any alleged material breach of any of the terms of the Tenancy has been served on or received by it;
- (G) there is no outstanding material monetary claim or liability contingent or otherwise affecting the Leased Properties or under any of the Tenancy. There are no rent reviews in the course of being determined or exercisable by a lessor at a date prior to the Completion Date; and
- (H) the Leased Properties are in good and substantial repair and condition and no flooding subsidence or other material defect of any kind adversely affects or has adversely affected the Leased Properties.

18. OTHER WARRANTIES

- (A) The execution and delivery of, the performance of its obligations under, and compliance with the provisions of, this Agreement by the Vendor will not (a) conflict with, or result in any breach of any of the terms of, or constitute a default under, any agreement or other instrument to which any of the Vendor is a party; or (b) result in the creation or imposition of or oblige the any of the Vendor to create any encumbrance on the Vendor's undertaking or on any of the Vendor's assets, rights or revenues.
- (B) This Agreement constitutes its legal, valid and binding obligations and enforceable in accordance with its terms.
- (C) It is not necessary or advisable under any law to file, register or otherwise record this Agreement in any public office or elsewhere or to pay any stamp, registration or similar tax on or in relation to this Agreement in order to ensure the legality, validity, enforceability, effectiveness or admissibility in evidence of this Agreement.
- (D) In any proceedings in relation to this Agreement taken in the country and the relevant jurisdiction where it carries on its business or has assets, the choice of Hong Kong law should be recognised and enforced.
- (E) It is generally subject to civil and commercial law and to legal proceedings and neither it nor any of its assets or revenues is entitled to any immunity or privilege (sovereign or otherwise) from any set-off, judgment, execution, attachment or other legal process.
- (F) No litigation, arbitration or administrative proceeding is currently taking place or pending or threatened against the Vendor or her assets which if adversely determined would have a material adverse effect on the ability of the Vendor to perform its obligations under this Agreement.

SCHEDULE 4

Tax Indemnity

Date: _____

**EPRO GROUP INTERNATIONAL LIMITED
(as the Vendor)**

AND

**ELITE DEPOT HOLDINGS LIMITED
(as the Purchaser)**

AND

**EPRO BPO SERVICES LIMITED
(as the Company)**

DEED OF INDEMNITY

**MICHAEL LI & CO.
19/F., Prosperity Tower
No. 39 Queen's Road Central
Central, Hong Kong**

Ref: CCL/LA/136764

THIS DEED OF INDEMNITY is dated

AMONG:

- (1) **Epro Group International Limited**, a company incorporated in Hong Kong with limited liability and having its registered office at Room 601-3, New Bright Building, 11 Sheung Yuet Road, Kowloon Bay, Kowloon (the "**Vendor**");
- (2) **Elite Depot Holdings Limited**, a company incorporated in BVI with limited liability and having its registered office at PO Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands (the "**Purchaser**"); and
- (3) **Epro BPO Services Limited**, a company incorporated in Hong Kong and having its registered office at Room 601-3, New Bright Building, 11 Sheung Yuet Road, Kowloon Bay, Kowloon (the "**Company**") on its own behalf and as trustee for **THE SEVERAL COMPANIES** whose names and places of incorporation are set out in the Schedule (the "**Subsidiaries**").

WHEREAS:

- (A) This Deed is supplemental to an agreement (the "**Agreement**") dated 5 July 2013 and made between, among others, the Vendor as vendor and the Purchaser as purchaser in relation to, inter alia, the sale and purchase of the entire issued share capital of the Company.
- (B) It is a condition of the Agreement that the Vendor shall enter into this Deed to provide the Purchaser and the Companies with an indemnity subject to the terms and conditions herein contained.

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

1. (A) In this Deed, expressions defined or to which a meaning is assigned in the Agreement shall, unless otherwise defined herein, bear the same meanings when used herein.
- (B) In this Deed:
 - (i) "**Relief**" includes any relief, allowance, set off or deduction in computing profits or credit granted by or pursuant to any legislation or otherwise relating to all forms of Taxation;
 - (ii) "**Taxation**" means:
 - (a) any liability to any form of taxation whenever created or imposed and whether of Hong Kong, the PRC or of any other part of the world and without prejudice to the generality of the foregoing includes profits tax, capital gains tax in respect of the sale of a PRC resident enterprise by a nonresident company (非居民企业股权转让所得企业所得税), turnover tax (營業稅(由勞務、轉讓

無形資產或銷售不動產而產生的)), provisional profits tax, interest tax, salaries tax, property tax, estate duty, death duty, capital duty, stamp duty, payroll tax, withholding tax, rates, customs and excise duties and generally any tax duty, impost, levy or rate or any amount payable to the revenue, customs or fiscal authorities whether of Hong Kong or of any other part of the world;

- (b) such an amount or amounts as is or are referred to in paragraph (iv) of this Clause; and
 - (c) all costs, interest, penalties, charges and expenses incidental or relating to the liability to taxation or the deprivation of Relief or of a right to repayment of taxation which is the subject of the indemnity contained herein to the extent that the same is/are payable or suffered by the Companies;
 - (iii) **"Taxation Claim"** includes any assessment, notice, demand or other documents issued or action taken by or on behalf of the Inland Revenue Department of Hong Kong, the PRC or any other statutory or governmental authority whatsoever in Hong Kong, the PRC or any other part of the world from which it appears that the Companies is liable or is sought to be made liable for any payment of any form of Taxation or to be deprived of any Relief or right to repayment of any form of Taxation which Relief or right to repayment would but for the Taxation Claim have been available to the Companies;
 - (iv) in the event of any deprivation of any Relief or of a right to repayment of any form of Taxation there shall be treated as an amount of Taxation for which a liability has arisen the amount of such Relief or repayment or (if smaller) the amount by which the liability to any such Taxation of the Companies would have been reduced by such Relief if there had been no such deprivation as aforesaid, applying the relevant rates of taxation in force in the period or periods in respect of which such Relief would have applied or (where the rate has at the relevant time not been fixed) the last known rate and assuming that the Companies had sufficient profits against which such Relief might be set or given; and
 - (v) **"Companies"** means the Company and the Subsidiaries.
- (C) In this Deed, unless the context otherwise requires, the singular includes the plural and vice versa, words importing any gender include every gender and references to persons include firms, companies and corporations.
- (D) In this Deed, references to clauses are to Clauses of this Deed.
2. (A) Without prejudice to any of the foregoing provisions of this Deed and subject as hereinafter provided, the Vendor hereby agrees with the Purchaser and the

Companies that it will indemnify and at all times keep them and each of them indemnified against Taxation falling on the Companies resulting from or by reference to any income, profits or gains earned, accrued or received on or before the Completion Date or any event or transaction on or before the Completion Date whether alone or in conjunction with any circumstances whenever occurring and whether or not such Taxation is chargeable against or attributable to any other person, firm or company.

- (B) The indemnity contained in sub-clause (A) above shall not apply to Taxation falling on the Companies in respect of their current accounting periods or any accounting period commencing on or after the Completion Date unless liability for such Taxation would not have arisen but for some act or omission of, or transaction voluntarily effected by, the Companies (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) without the prior written consent or agreement of the Vendor other than any such act, omission or transaction:
- (i) carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets on or before the Completion Date; or
 - (ii) carried out, made or entered into pursuant to a legally binding commitment created on or before the Completion Date; or
 - (iii) consisting of the Companies ceasing, or being deemed to cease, to be a member of any group of companies or being associated with any other company for the purposes of any matter of Taxation.
3. The indemnity given by Clause 2 does not cover any Taxation Claim to the extent that such Taxation Claim arises or is incurred as a result of the imposition of Taxation as a consequence of any retrospective change in the law or practice coming into force after the Completion Date or to the extent that such Taxation Claim arises or is increased by an increase in rates of Taxation after such date with retrospective effect.
4. No claim under this Deed shall be made by the Purchaser and the Companies in respect of the same Taxation.
5. In the event of any Taxation Claim arising, the Purchaser and the Companies shall by way of covenant but not as a condition precedent to the liability of the Vendor hereunder give or procure that notice thereof is as soon as reasonably practicable given to the Vendor in the manner provided in Clause 10; and, as regards any such Taxation Claim, the Purchaser and the Companies shall at the request of the Vendor take such action, or procure that such action be taken, as the Vendor may reasonably request to cause the Taxation Claim to be withdrawn, or to dispute, resist, appeal against, compromise or defend the Taxation Claim and any determination in respect thereof but subject to the Purchaser and the Companies being indemnified and secured to its or their reasonable satisfaction by the Vendor against all losses (including additional Taxation), costs, damages and expenses which may be thereby incurred.

6. (A) If after the Vendor has made any payment pursuant to Clause 2 hereof, the Companies shall receive a refund of all or part of the relevant Taxation (whether pursuant to section 79 of the Inland Revenue Ordinance of Hong Kong or similar legislation elsewhere or otherwise) such company (if it shall receive such refund) shall repay or (if another of the Companies shall receive such refund) shall procure repayment by such Company, as the case may be to the Vendor) a sum corresponding to the amount of such refund less:
- (i) any expenses, costs and charges properly incurred by the Companies in recovering such refund; and
 - (ii) the amount of any additional Taxation which shall not have been taken into account in calculating any other payment made or to be made pursuant to this Clause but which is suffered by the Companies in consequence of such refund.
- (B) Any payments due by the Vendor pursuant to the foregoing provisions of this Deed shall be increased to include such interest on unpaid tax as the Companies shall have been required to pay pursuant to section 71(5) or section 71(5A) of the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) or similar legislation elsewhere or otherwise.
7. The Vendor shall not be liable in respect of any claim under this Deed unless the same shall have been made on or prior to the expiry of six years from the Completion Date by notice in writing to the Vendor.
8. The indemnities, guarantees, agreements and undertakings herein contained shall bind the personal representatives or successors of the Vendor and shall enure for the benefit of each party's successors or assigns.
9. The whole or any part of the benefit of this Deed may be assigned by the Purchaser and the Company.
10. Any notice required to be given under this Deed shall be in writing and shall be delivered personally or sent by facsimile or by registered or recorded delivery post, postage prepaid to the respective party at the address set out herein or such other address as may have been last notified in writing by or on behalf of such party to the other parties hereto. Any such notice shall be deemed to be served at the time when the same is handed to or left at the address of the party to be served and if served by post or facsimile transmission at the time it would have been received in the normal course of post or facsimile.
11. This Deed is governed by and shall be construed in accordance with the laws of Hong Kong and the parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong in relation to any proceedings arising out of or in connection with this Deed.

IN WITNESS whereof this Deed of Indemnity has been duly executed the day and year first

above written.

THE SCHEDULE

The Subsidiaries

<u>Name</u>	<u>Place of incorporation/establishment</u>
廣州普廣科技有限公司	People's Republic of China
廣州浚峰網絡技術有限公司	People's Republic of China

THE VENDOR

SEALED with the Common Seal and

SIGNED by

for and on behalf of

**EPRO GROUP
INTERNATIONAL LIMITED**

in the presence of:

For and on behalf of
EPRO GROUP INTERNATIONAL LIMITED
易寶國際集團有限公司
.....
Authorized Signature(s)

THE PURCHASER

SEALED with the Common Seal and

SIGNED by

for and on behalf of

**ELITE DEPOT
HOLDINGS LIMITED**

in the presence of:

For and on behalf of
ELITE DEPOT HOLDINGS LIMITED
匯德控股有限公司
.....
Authorized Signature(s)

THE COMPANY

SEALED with the Common Seal and

SIGNED by

for and on behalf of

EPRO BPO SERVICES LIMITED

in the presence of:

For and on behalf of
EPRO BPO SERVICES LIMITED
易寶互動資訊有限公司
.....
Authorized Signature(s)

SCHEDULE 5

Control Agreements

SCHEDULE 6

Leased Properties

Location	Use	Name of Owner	Name of tenants	Approximate gross floor area (Sq. m.)	Rental and other fees (per month)	Expiry date of the Tenancy
廣州市天河區建中路66號801房	For ancillary office use and operation of call centre services.	Take Shine Limited	廣州浚峰網絡技術有限公司	1,022 Sq. m.	Monthly rent: RMB76,690- Monthly management fee: RMB7,158-	1 February 2014
廣州市荔灣區134號9號樓501-508房	For ancillary office use and operation of call centre services.	廣東富睿實業發展有限公司	廣州浚峰網絡技術有限公司	1,281 Sq. m.	Monthly rent: RMB59,392.50 Monthly management fee: RMB7,442.50	27 August 2013

IN WITNESS WHEREOF this Agreement has been executed on the day and year first above written.

THE VENDOR

SIGNED by)

for and on behalf of)

**EPRO GROUP
INTERNATIONAL LIMITED**)

in the presence of:)

For and on behalf of
EPRO GROUP INTERNATIONAL LIMITED
易寶國際集團有限公司
.....
Authorized Signature(s)

THE PURCHASER

SIGNED by)

for and on behalf of)

**ELITE DEPOT
HOLDINGS LIMITED**)

in the presence of:)

For and on behalf of
ELITE DEPOT HOLDINGS LIMITED
匯高控股有限公司
.....
Authorized Signature(s)

EXHIBIT A
Audited Accounts

EXHIBIT B

Management Accounts

EXHIBIT C

PRC Management Accounts