

**Dated the 31<sup>st</sup> day of March 2023**

**CHINA ENVIRONMENTAL RESOURCES GROUP LIMITED**  
(中國環境資源集團有限公司)  
(as Vendor)

and

**WONG SHING CHAU**  
(黃成就)  
(as Purchaser)

and

**FIRST RANK CORPORATION**

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**AGREEMENT**  
**for the sale and purchase of shares in,**  
**and shareholder's loan advanced to**  
**FIRST RANK CORPORATION**

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**TONY KAN & CO.**  
**Solicitors & Notaries**  
Suite 1901-2, 19<sup>th</sup> Floor,  
World-wide House,  
19 Des Voeux Road Central,  
Hong Kong  
Tel: (852) 3515 8388  
Fax (852) 2810 5269  
Ref: CWD/D23-207587/DC

**THIS AGREEMENT** is made the **31st** day of **March** 2023

**BETWEEN:**

- (1) **CHINA ENVIRONMENTAL RESOURCES GROUP LIMITED** (中國環境資源集團有限公司) a company incorporated in Cayman Islands with limited liability whose principal place of business is situated at Unit 2608, 26/F., Greenfield Tower, Concordia Plaza, No.1 Science Museum Road, Tsim Sha Tsui East, Hong Kong (Stock code :1130) (the “**Vendor**”);
- (2) **WONG SHING CHAU** (黃成就) (holder of Hong Kong Identity Card Number G024057(4)) of Flat D, 9<sup>th</sup> Floor, Tai King Industrial Building, 100-2 King Fuk Street, San Po Kong, Kowloon, Hong Kong (the “**Purchaser**”);

**AND**

- (3) **FIRST RANK CORPORATION**, a company incorporated in British Virgin Islands with limited liability whose registered office is situated at 263 Main Street, Road Town, Tortola, British Virgin Islands and whose details are more particularly set out in **Part A of Schedule 1** hereto (the “**Company**”).

**WHEREAS:**

- (A) As at the date hereof, the Company has a share capital of US\$1 comprising 1 ordinary share, which has been fully paid and is issued to and registered in the name of and beneficially owned by the Vendor.
- (B) As at the date hereof, the Company is the legal and beneficial owner of 80% of respectively the shareholding and the aggregate shareholders' loans (if any) of **WARNER INVESTMENTS LIMITED** (華盟投資有限公司) (Company No. 707240), a company incorporated in Hong Kong with limited liability and whose details are more particularly set out in **Part B of Schedule 1** hereto.

- (C) As at the date hereof, the Hong Kong Company is the sole shareholder of 东莞大新科技有限公司 (formerly known as 「东莞新科(远东)电子有限公司」), a wholly foreign-owned enterprise registered and incorporated under the laws of the People's Republic of China (the “WFOE”) and whose details are more particularly set out in **Part C of Schedule 1** hereto;
- (D) As at the date hereof, the WFOE is the registered and beneficial owner of the Property whose details are more particularly set out in **Schedule 3** free from Encumbrances.
- (E) The Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Share (defined hereunder) subject to and upon the terms and conditions of this Agreement.
- (F) The Vendor has agreed to sell and assign, and the Purchaser has agreed to take up an assignment of, the Sale Loan (defined hereunder) 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 Schedules), unless the context otherwise requires or permits, the following words and expressions shall have the meanings ascribed to each of them respectively below:

“Applicable Laws” : means with respect to any person, any laws, regulations, rules, measures, guidelines, treaties, judgments, determination, orders or notices of any Government Authority that is applicable to such person;

“Audited Accounts” : means the management account of the Company, the audited financial statements (consolidated or otherwise) of each of the Group Companies (except the Company) for the financial year ended on the Accounts Date and the notes thereto, copies of which are annexed hereto as Annexure A;

- “Accounts Date”** : 30 June 2022;
- “Business Day”** : means 9:00 a.m. to 5:00 p.m. on any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are open for normal banking business;
- “Completion”** : means completion of the sale and purchase of the Sale Share and the assignment of the Sale Loan pursuant to Clause 5;
- “Companies Ordinance”** : means the Companies Ordinance, Chapter 622, the laws of Hong Kong;
- “Completion Accounts”** : means the consolidated management accounts of the Company comprising the unaudited balance sheet as at Completion on the Completion Date, and the unaudited profit and loss account of the Company, prepared in accordance with generally accepted accounting principles, standards, and practices in Hong Kong, for the period from the date immediately after the Accounts Date up to Completion on the Completion Date certified to be true and correct by a director of the Company;
- “Completion Date”** : means any day within 6 months after the date of passing of the necessary resolutions by the shareholders of the Vendor in general meeting approving the transaction hereby contemplated and on a date mutually agreed upon in advance by the Parties in writing;
- “Deed of Assignment”** : means the deed of assignment of the Sale Loan to be entered into by the Vendor, the Purchaser (or its nominee(s)) and the Company in the form set out in **Schedule 6** hereto;
- “Deed of Tax Indemnity”** : means the deed of tax indemnity to be entered into by the Vendor, the Purchaser (or its nominee(s)) and the Group in the form set out in **Schedule 7** hereto;
- “Disclosed”** : in relation to matters which have been disclosed to the Purchaser and/or the Purchaser’s Solicitors and/or their other professional advisers and/or agents (including such matters disclosed in the

documents which have been provided by or on behalf of the Vendor to the Purchaser and/or the Purchaser's Solicitors and/or their other professional advisers and/or agents for the purpose of due diligence investigation);

- “Encumbrance(s)”** : means any mortgage, charge, pledge, lien, rental assignment, priority or security interest, whatsoever over or in any property, assets or rights whatsoever nature and includes any agreement for any of the same held by or conferred upon any person other than the owner of the subject matter;
- “Government Authority(ies)”** : means any national, provincial, municipal or local government, administrative or regulatory body or department, court or judicial bodies, tribunal, arbitrator or any body that exercises the function of a regulator, including but not limited to those in British Virgin Islands, Hong Kong and PRC;
- “Group”** : means collectively the Company, Hong Kong Company and the WFOE; and **“Group Company(ies)”** shall mean any of them;
- “HK\$” or “Hong Kong Dollars”** : means Hong Kong dollars, the lawful currency of Hong Kong;
- “Hong Kong”** : means the Hong Kong Special Administrative Region of the PRC;
- “Hong Kong Company”** means WARNER INVESTMENTS LIMITED (華盟投資有限公司) (Company No. 707240), a company incorporated in Hong Kong with limited liability and whose details are more particularly set out in **Part B of Schedule 1** hereto
- “Loan Consideration”** : means an amount equal to the Sale Loan, and in case the Sale Loan exceeds the Transaction Consideration, an amount equivalent to the Transaction Consideration less HK\$8.00, being the consideration for the sale and purchase of the Sale Loan;
- “Listing Rules”** : the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;

|                                    |   |
|------------------------------------|---|
| <b>“Parties”</b>                   | : means the parties to this Agreement and <b>“Party”</b> means any of them;   |
| <b>“PRC”</b>                       | : the People's Republic of China, excluding, for the purposes of this Agreement, Hong Kong, Macao Special Administrative Region and the territory of Taiwan;  |
| <b>“Property”</b>                  | : means the property more particularly described in <b>Schedule 3</b> hereto;   |
| <b>“Purchaser’s Solicitors”</b>    | : means Messrs. Tse Yuen Ting Wong, Solicitors, being the solicitors acting for the Purchaser in the transactions hereby contemplated;  |
| <b>“Sale Loan”</b>                 | : means the total amount of the Shareholder’s Loan;   |
| <b>“Sale Share”</b>                | : means <b>one (1)</b> issued ordinary share in the issued share capital of the Company representing the total issued share of the Company as at the date of this Agreement and on Completion;  |
| <b>“Share Consideration”</b>       | : means the consideration for the sale and purchase of the Sale Share, being the difference between the Transaction Consideration and the Loan Consideration and in case the Sale Loan exceeds the Transaction Consideration, HK\$8.00;   |
| <b>“Shareholder’s Loan”</b>        | means all amounts, including principal and interest, owing by the Company to the Vendor as at Completion on the Completion Date;  |
| <b>“Tax” or “Taxation”</b>         | : any form of taxation, levy, duty, charge, contribution, or withholding of whatever nature (including any related fine, penalty, surcharge or interest) imposed, collected or assessed by, or payable to, any national, provincial, municipal or local government or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function; |
| <b>“Transaction Consideration”</b> | : means the consideration to be paid by the Purchaser to the Vendor for the Sale Share and the Sale Loan pursuant to Clause 4.1;  |
| <b>“this Agreement”</b>            | : means this agreement for the sale and purchase of   |

the Sale Share and the assignment of the Sale Loan, as amended or supplemented from time to time;

- “US\$” or “US Dollars”** : means United States dollars, the lawful currency of the United States of America;
- “Vendor’s Solicitors”** : means Messrs. Tony Kan & Co., Solicitors & Notaries, being the solicitors acting for the Vendor and the Group in the transactions hereby contemplated; and
- “Warranties”** : means the representations, warranties, undertakings made or given by the Vendor to the Purchaser as contained in **Schedule 2** hereto.

- 1.2 The headings of this Agreement are inserted for convenience only and shall be ignored in construing this Agreement.
- 1.3 References in this Agreement to the singular shall be deemed to include references to the plural and vice versa; references to one gender shall include all genders and references to any person shall include an individual, firm, body corporate or unincorporate.
- 1.4 References to any statute or statutory provision shall include any statute or statutory provision which amends or replaces or has amended or replaced it and shall include any subordinate legislation made under the relevant statute.
- 1.5 The Schedules form part of this Agreement and shall be interpreted and construed as though they were set out in this Agreement.
- 1.6 References herein to "Clauses", "Recitals" and "Schedules" are references to clauses and recitals of and schedules to this Agreement.

## **2. CONDITIONS PRECEDENT**

- 2.1 Completion of this Agreement and the obligations of the parties to this Agreement shall be subject to and conditional upon:-
- 2.1.1. the Vendor having shown and proved that it has good title to the Sale Share and the Sale Loan free from all Encumbrances to the reasonable satisfaction of the Purchaser;

- 2.1.2 the Vendor having shown and proved that the Hong Kong Company is the sole shareholder of the WFOE and has a good title to (a) the entire registered capital of the WFOE; and (b) all amounts, including principal and interest, owing by the WFOE to the Hong Kong Company, if any, free from all Encumbrances;
  - 2.1.3 the Vendor having shown and proved that the WFOE has a good title to the Property free from all Encumbrances;
  - 2.1.4 the passing of the necessary resolutions by the shareholders of the Vendor in general meeting approving the transactions hereby contemplated.
- 2.2 None of the parties to this Agreement is entitled to waive the condition referred to in Clause 2.1.4 above. The Purchaser may waive (in whole or in part) any of the conditions referred to in Clauses 2.1.1 and 2.1.3 above, such waiver shall be effective only if it is made in writing and notified to the Vendor's Solicitors.

### **3. SALE AND PURCHASE OF THE SALE SHARE & SALE LOAN**

- 3.1 Subject to the terms and conditions of this Agreement, the Vendor agrees to sell as beneficial owner and the Purchaser or its nominee(s) agrees to purchase the whole of the Vendor's legal and beneficial interests of and in the Sale Share free from all Encumbrances together with all rights attaching or accruing thereto at Completion.
- 3.2 Subject to the terms and conditions of this Agreement and the Deed of Assignment, the Vendor agrees to sell and assign as beneficial owner and the Purchaser or its nominee(s) agrees to purchase and take up the assignment of the Sale Loan free from all Encumbrances and with all rights, title and interests therein immediately after Completion.
- 3.3 The Vendor waives and agrees to procure the waiver of any restrictions on transfer (including pre-emptive rights) which may exist in relation to the transfer of the Sale Share under the articles of association of the Company or otherwise.
- 3.4 The Purchaser shall not be obliged to complete the sale and purchase of the Sale Share unless the sale and purchase of the Sale Share and the assignment of the Sale Loan are completed simultaneously

### **4. CONSIDERATION**



- 4.1 The Transaction Consideration shall be HK\$59,000,000.00 to be paid and satisfied by the Purchaser in the following manner:-
- 4.1.1 a sum of HK\$5,900,000 shall be paid to the Vendor upon signing of this Agreement;
- 4.1.2 a sum of HK\$5,900,000 shall be paid to the Vendor within 7 days after the passing of the necessary resolutions by the shareholders of the Vendor in general meeting approving the transactions hereby contemplated this Agreement; and
- 4.1.3 the remaining balance of the Transaction Consideration shall be paid on Completion.
- 4.2 The Vendor shall, at its costs and expenses, prepare and deliver to the Purchaser or the Purchaser's Solicitors at least **ten (10) Business Days** before the Completion Date the draft Completion Accounts for the approval by the Purchaser's Solicitors.
- 4.3 The Vendor hereby declares that the Vendor's Solicitors is the Vendor's agent for the purpose of receiving the Transaction Consideration or any part thereof and other moneys payable to the Vendor pursuant to this Agreement. The Vendor further declares that payment to such agent of any deposits, part payments and balance of the Transaction Consideration shall be a full and sufficient discharge of the Purchaser's obligation hereunder.
- 4.4 Save as herein otherwise provided, any payment to be made under this Clause 4 shall be made by cashier order drawn on licensed bank(s) in Hong Kong or solicitors' cheque(s) in **Hong Kong Dollars**.
5. **COMPLETION**
- 5.1 Completion shall take place at or before 1:00 pm on the Completion Date at such place as may be mutually agreed by the Vendor and the Purchaser and failing agreement, at the office of the Vendor's Solicitors, when all the acts deeds matters and things set out in Schedule 4 shall be completed and complied with.
- 5.2 At Completion, the Vendor shall do those things listed in Part A of Schedule 4 and the Purchaser shall do those things listed in Part B of Schedule 4.
- 5.3 If the Completion does not proceed on the Completion Date because the Vendor has failed or is unable to discharge any of its obligations under this Clause 5, the Purchaser may:-

- 5.3.1 by written notice to the Vendor defer Completion to a Business Day not more than seven (7) days after the Completion Date; or
  - 5.3.2 proceed to Completion so far as practicable but without prejudice to the Purchaser's rights to the extent that the Vendor shall not have complied with its obligations hereunder; or
  - 5.3.3 rescind this Agreement upon giving written notice with immediate effect to the Vendor without liability on the part of the Purchaser.
- 5.4 Upon rescission of this Agreement by the Purchaser pursuant to Clause 5.3.3 above, all moneys paid by the Purchaser to the Vendor under this Agreement shall be returned to the Purchaser forthwith who shall also be entitled to recover from the Vendor damages (if any) which the Purchaser may sustain by reason of such failure on the part of the Vendor.
- 5.5 If Completion does not proceed on the Completion Date because the Purchaser has failed or is unable to discharge any of its obligations under this Clause 5, the Vendor may determine this Agreement by giving written notice of termination to the Purchaser or the Purchaser's Solicitors. The Vendor shall be entitled to forfeit any sums paid under Clauses 4.1.1 and 4.1.2 absolutely as agreed liquidated damages but not as penalty without prejudice to any other rights and remedies of the Vendor.
- 5.6 Nothing contained in this Agreement shall be so construed as to prevent either party from bringing an action and obtaining a decree for specific performance either in lieu of the aforesaid damages or in addition thereto as the non-defaulting party may have sustained by reason of the neglect or refusal of the defaulting party to complete this sale and purchase at the time and in manner aforesaid.

## **6. PROPERTY**

- 6.1 The Vendor shall show and prove the title of the WFOE to the Property free from Encumbrances to the reasonable satisfaction of the Purchaser.
- 6.2 The Vendor shall procure the WFOE to allow the Purchaser or the Purchaser's representatives to inspect the Property from time to time before Completion.

## **7. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

- 7.1 The Vendor represents, warrants and undertakes to the Purchaser and its successors and assigns that each of the Warranties is true and accurate in all

material respects and not misleading in any material respect.

- 7.2 Each of the Warranties shall be interpreted as a separate and independent Warranty and shall survive Completion and shall continue to have full force and effect notwithstanding Completion.
- 7.3 The Vendor agrees that the Purchaser shall treat each of the Warranties as a condition of this Agreement. If prior to the Completion Date, any of the Warranties are found to be untrue, misleading or incorrect in any material respect, the Vendor shall make its best efforts to duly and completely rectify or remedy the same to the reasonable satisfaction of the Purchaser within a reasonable period before the Completion Date and the Purchaser shall be entitled to give notice in writing to the Vendor to postpone the Completion Date to 7 business days until and after all such untrue, misleading or incorrect Warranties are rectified or remedied to its reasonable satisfaction.
- 7.4 The Warranties shall be deemed to be repeated as at Completion as if all references therein to the date of this Agreement were references to Completion Date. The Warranties are given by the Vendor subject to the intent that they shall continue to have full force and effect notwithstanding Completion.
- 7.5 Notwithstanding Clause 7.3, The Purchaser or its nominee(s) shall be entitled to take action 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.
- 7.6 The Vendor shall before Completion promptly notify the Purchaser in writing of any matter or thing of which the Vendor becomes aware which is a breach of or inconsistent in any material respect with any of the Warranties herein contained.
- 7.7 If the Vendor shall, due to causes not within its control, become unable to rectify or remedy the breach of any of the Warranties or any inconsistency of them on or before Completion, the Purchaser shall be entitled to rescind this Agreement by written notice to the Vendor or the Vendor's Solicitors whereupon the rights and obligations of the Parties under this Agreement (other than this Clause 7.7, Clauses 10 to 16) shall automatically lapse and be of no further force and effect and no party shall have any liability under them (without prejudice to the rights of the Parties in respect of any antecedent breaches).

## **8. FURTHER ASSURANCE**

- 8.1 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 in order to give full effect to this Agreement.

- 8.2 Without prejudice to the generality of Clause 8.1 above, the Vendor shall, insofar as the same have not been provided, provide the Purchaser with a copy of all the title documents and certificates relating to the Property within fourteen (14) days from the date hereof.

## **9. NEGATIVE UNDERTAKINGS**

- 9.1 The Vendor hereby covenants and undertakes with the Purchaser that from the date of this Agreement until Completion (save with the prior consent in writing of the Purchaser) none of the Group Companies shall, except as expressly provided in this Agreement or in the normal course of business:-

- 9.1.1 issue or agree to issue any of its shares or loan capital or grant or agree to grant any option over or right to acquire any of its shares or loan capital;
- 9.1.2 borrow or otherwise raise money or incur any indebtedness or create any security;
- 9.1.3 enter into any capital commitment or undertake or incur any contingent liability;
- 9.1.4 in any respect depart from its ordinary course of business;
- 9.1.5 create or permit to arise any lien, charge, pledge, mortgage or other security interest on to or in respect of any of its undertaking, property or asset;
- 9.1.6 declare, pay or make any dividends or other distributions;
- 9.1.7 do or permit to do any act or thing that constitutes a breach of the Applicable Laws;
- 9.1.8 enter into or terminate any material contract;
- 9.1.9 change or otherwise alter its articles of association or other constitutive documents;
- 9.1.10 consolidate, subdivide or convert any of its share capital;
- 9.1.11 incorporate any subsidiary, directly or indirectly, in any subsidiary

or acquire shares or interests in any company or dispose of any shares or interests in any company or acquire or dispose of any loans or loan capital;

- 9.1.12 sell, transfer, lease, license or in any other way dispose of any of the material assets, business or undertaking (or any interest therein) of any of the Group Companies or contract to do so;
- 9.1.13 create or assume any guarantee or indemnity for or otherwise secure the liabilities or obligations of any third parties;
- 9.1.14 commence, defend or settle any litigation, arbitration or other proceedings;
- 9.1.15 undertake anything which would require accounting treatment by way of provision reserve or extraordinary item;
- 9.1.16 grant any power of attorney or delegate directors' powers save for the purposes of completing this Agreement;
- 9.1.17 make any material change to the accounting procedures or principles by reference to which its accounts are drawn up;
- 9.1.18 permit any of their insurance policies to lapse or do anything which would reduce the amount or scope of cover or make any of their insurance policies void or voidable;
- 9.1.19 do or permit to do any act or thing that constitutes a breach of the Applicable Laws; or
- 9.1.20 enter into any new contracts or agree to do so except in the ordinary course of business of the respective Group Company.

## **10. TIME AND WAIVER**

- 10.1 Time shall in every respect be of the essence of this Agreement.
- 10.2 No time or indulgence given by any Party to the other Party shall be deemed or in any way be construed as a waiver of any of its rights and remedies hereunder.

## **11. NOTICES**

- 11.1 Each notice, demand or other communication given or made under this

Agreement shall be in writing and delivered or sent to the Vendor, the Group or the Purchaser at the following address set out below :-

To the Vendor or the Group:

Name : The Vendor or the Group, c/o Daisy Chan of  
Messrs. Tony Kan & Co., Solicitors  
Address : Suites 1901-2, 19<sup>th</sup> Floor, World-wide House, 19  
Des Voeux Road Central, Hong Kong  
E-mail address : [daisy152@tonykan.com.hk](mailto:daisy152@tonykan.com.hk)  
Fax number : 28105269

To the Purchaser:

Name : The Purchaser c/o Bess Seatwo of Messrs. Tse  
Yuen Ting Wong, Solicitors  
Address : 1501, 15/F, Ovest, 71 – 77 Wing Lok Street,  
Hong Kong  
E-mail address : [bseatwo@tytwsol.com](mailto:bseatwo@tytwsol.com)  
Fax number : 39580422

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

## **12. COSTS, EXPENSES AND TAXES**

- 12.1 Each of the Parties hereto shall bear its own costs and expenses. All taxes incidental to and arising out of this Agreement and all transactions hereby contemplated or in accordance with the Applicable Laws (including but not limited to any taxes payable in PRC and stamp duty (if any) on the transfer of the Sale Share and the assignment of the Sale Loan) shall be borne solely and absolutely by the Purchaser.

## **13. CONFIDENTIALITY**

- 13.1 Subject to Clause 13.2, each party hereto shall, and shall procure that their respective affiliates, directors, officers and agents will, treat as strictly confidential all information received or obtained as a result of entering into or performing this Agreement which relates to the provisions of this Agreement, the negotiations relating to this Agreement, the matters

contemplated under this Agreement or the other parties to this Agreement.

- 13.2 The Vendor hereto may disclose, or permit its directors, officers and agents to disclose, information which would otherwise be confidential if and to the extent:
- (a) required by Applicable Laws and/or the Listing Rules;
  - (b) required by any regulatory or governmental body to which such party is subject or submits, wherever situated, whether or not the requirement of information has the force of law;
  - (c) required to vest the full benefit of this Agreement in such party;
  - (d) disclosed to the professional advisers and auditors of such party; and
  - (e) the information has come into the public domain through no fault of such party.
- 13.3 The Vendor shall, promptly and in any event not later than 28 days from the date of this Agreement, provide to the Purchaser or such representatives as the Purchaser may nominate all such information relating to the Group and/or the Property and such access to the premises and all books, records, and other documents of the Group and/or the Property as the Purchaser may request and duly and promptly answer any question that the Purchaser or its representatives may raise in respect of such information and other materials and things so provided by the Vendor or otherwise relating to the Sale Share or the Property to the reasonable satisfaction of the Purchaser.

#### **14. GENERAL**

- 14.1 This Agreement shall be binding on and shall enure for the benefits of the successors and assigns of the Parties hereto but shall not be assigned by any Party without the prior written consent of the other Party.
- 14.2 No failure of any Party to exercise and no delay on its part in exercising any right hereunder will operate as a release or waiver thereof, nor will any single or partial exercise of any right under this Agreement preclude any other or further exercise of it or the exercise of any right or prejudice or affect any right against others under the same liability whether joint, several or otherwise.
- 14.3 Any variation to this Agreement shall be binding only if it is recorded in a document signed by all the Parties.
- 14.4 This Agreement constitutes the entire agreement and understanding between the Parties in connection with the subject-matter of this Agreement and supersedes all previous proposals, representations, warranties, agreements or

undertakings relating thereto whether oral, written or otherwise and neither Party has relied on any such proposals, representations, warranties, agreements or undertakings.

- 14.5 If at any time any one or more provisions hereof is or becomes invalid, illegal, unenforceable or incapable of performance in any respect, the validity, legality, enforceability or performance of the remaining provisions hereof shall not thereby in any way be affected or impaired.
- 14.6 This Agreement may be entered into in any number of counterparts and by the Parties to it on separate counterparts, each of which when so executed and delivered shall be the original, but all the counterparts shall together constitute one and the same instrument.
- 14.7 In this Agreement, where any liability is undertaken by two or more persons the liability of each of them shall be joint and several. If any Party shall consist of two or more persons, all the covenants agreements undertakings obligations and liabilities herein expressed or implied on the part of that Party shall be deemed to be joint and several.

#### **15. THIRD PARTIES' RIGHTS**

- 15.1 A person who is not a party to this Agreement shall have no rights under the Contracts (Rights of Third Parties) Ordinance (Cap.623) to enforce or enjoy the benefit of any provisions of this Agreement.

#### **16. GOVERNING LAW**

- 16.1 This Agreement shall be governed by and construed in accordance with the laws of Hong Kong and the Parties hereto agree to submit to the non-exclusive jurisdiction of the courts of Hong Kong.



## **SCHEDULE 1 – PART A**

### **DETAILS OF THE COMPANY**

|                           |   |
|---------------------------|---|
| Name of company           | : FIRST RANK CORPORATION  |
| Company number            | : 1937301   |
| Date of incorporation     | : 17 <sup>th</sup> February 2017                                      |
| Place of incorporation    | : British Virgin Islands  |
| Paid share capital        | : US\$1.00  |
| Issued shares             | : One ordinary share  |
| Shareholder(s)            | : 1. China Environmental Resources Group Limited –<br>holding 1 share |
| Director(s)               | : 1. CHUGN SIU WAH 鍾少樺<br>2. WONG PO KEUNG 黃保強                        |
| Registered office address | : 263 Main Street, Road Town, Tortola, British Virgin Islands         |
| Sole business             | : Investing in and holding the Hong Kong Company                      |

## **SCHEDULE 1 – PART B**

### **DETAILS OF THE HONG KONG COMPANY**

|                           |  |
|---------------------------|--|
| Name of company           | : WARNER INVESTMENTS LIMITED<br>華盟投資有限公司   |
| Company number            | : 707240   |
| Date of incorporation     | : 8 <sup>th</sup> March 2000   |
| Place of incorporation    | : Hong Kong  |
| Paid share capital        | : HK\$1,000.00   |
| Issued shares             | : One Thousand (1,000) ordinary shares   |
| Shareholder(s)            | : 1. FIRST RANK CORPORATION – holding 800 shares<br>2. CHU YING MAN 朱英文 – holding 200 shares                       |
| Director(s)               | : 1. CHUGN SIU WAH 鍾少樺<br>2. WONG PO KEUNG 黃保強<br>3. CHU YING MAN 朱英文  |
| Secretary                 | : WONG PO KEUNG 黃保強  |
| Registered office address | : Room 2608, 26/F., Greenfield Tower, Concordia Plaza, 1 Science Museum Road, Tsimshatsui East, Kowloon, Hong Kong |
| Sole business             | : Investing in and holding the WFOE  |
| Mortgage and Charges      | : Nil  |

## **SCHEDULE 1 – PART C**

### **DETAILS OF THE WFOE**

|          |   |
|----------|---|
| 名称       | : 东莞大新科技有限公司<br>(前名称为「东莞新科(远东)电子有限公司」)  |
| 统一社会信用代码 | : 61836539-4  |
| 成立地      | : 中华人民共和国   |
| 住所       | : 中华人民共和国广东省东莞市沙田镇稔洲村   |
| 法定代表人    | : 曾观明   |
| 注册资本     | : 港币77,000,000.00   |
| 实收资本     | : 港币77,000,000.00   |
| 公司类型     | : 有限责任公司 (台港澳法人独资)  |
| 经营范围     | : 设立研发机构、从事食品技术的研究开发；从事餐饮企业管理业务及自有厂房出租业务（涉限除外，涉及国家专项规定的按有关规定办理。【依法须经批准的项目，经相关部门批准后方可开展经营活动】 |
| 成立日期     | : 1993 年 10 月 28 日  |
| 营业期限     | : 自 1993 年 10 月 28 日起至 2028 年 10 月 27 日止  |
| 股东       | : 华盟投资有限公司  |
| 登记状态     | : 存续（在营、开业、在册）  |

## **SCHEDULE 2**

### **1. General information and powers of the Vendor**

- 1.1 Each of the Group Companies has been duly incorporated and is validly existing under the Applicable Laws.
- 1.2 The information set out in Recitals (A) to (C) and Schedules 1 to 3 is true and accurate in all material respects.
- 1.3 The Vendor has full power to enter into this Agreement and to exercise its rights and perform its obligations hereunder and this Agreement shall, when executed, be a legal, valid and binding agreement on them and enforceable in accordance with the terms hereof.

### **2. Effect of execution of this Agreement**

- 2.1 The execution or the performance of this Agreement will not result in a breach of, conflict with, or give rise to an event of default under, any agreement or arrangement to which any Group Company is a party or by which any Group Company is bound.
- 2.2 The execution or the performance of this Agreement will not have any material adverse effect on the assets or business of any of the Group Companies.

### **3. Sale Share**

- 3.1 The Sale Share was allotted issued and fully paid in accordance with the articles of association of the Company and in compliance with all relevant laws of the British Virgin Islands.
- 3.2 The Sale Share is free from all Encumbrances, and together with all rights and entitlements attaching thereto.
- 3.3 The Vendor is the registered and beneficial owner of the Sale Share and has the legal right to dispose of the Sale Share.
- 3.4 The Sale Share represents the total issued shares of the Company.

- 3.5 There is no Encumbrance on, over or affecting any part of the unissued share or loan capital of any of the Group Companies and there is no agreement or commitment to give or create any of the foregoing and no claim has been made by any person to be entitled to any of the foregoing which has not been waived in its entirety or satisfied in full.

#### **4. Sale Loan**

- 4.1 The Sale Loan was made and extended in compliance with the Applicable Laws and all relevant laws to which it is subject and there is no written loan agreement in respect thereof.
- 4.2 The Sale Loan constitutes direct, unconditional, unsecured, unsubordinated and general obligations of, and shall rank at least *pari passu* with, all other existing unsecured obligations (if any) issued, created or assumed by the relevant Group Companies, except for obligations accorded preference by mandatory provisions of the Applicable Laws.
- 4.3 The Sale Loan together with all rights, benefits and title thereof and thereto are as at the date hereof, and will up to Completion continue to be, legally and beneficially owned by the Vendor free from any and all Encumbrances.
- 4.4 The Vendor has the legal right to assign the Sale Loan to the Purchaser.
- 4.5 The Sale Loan represents the total amount of all outstanding indebtedness or liabilities (whether due or not) owing from the Group to the Vendor immediately prior to Completion.

#### **5. Accounts**

- 5.1 The Audited Accounts and the Completion Accounts (collectively “**Accounts**”) give a true and fair view of the state of affairs, the assets and liabilities and profits or losses of the Group as at the relevant accounts date and have been prepared in accordance with generally accepted accounting principles in Hong Kong consistently applied and have been prepared and/or audited in accordance with the Companies Ordinance and other applicable laws and accounting principles.
- 5.2 The Accounts are true and accurate in all material respects and include adequate provision or reserve for, or disclosure for all bad and doubtful debts and all established liabilities, make proper and adequate provision for (or contain or will contain a note in accordance with good accounting practice in respect of) all deferred, disputed or contingent liabilities (whether liquidated

or unliquidated) and all capital commitments of the Group as at the relevant accounts date, indicate clearly which of those liabilities are not usually provided or reserved, and the reserves and provisions (if any) made therein for all taxation relating to any period on or before the relevant accounts date are proper and adequate.

- 5.3 The Accounts are not adversely affected by any unusual, exceptional, extraordinary or non-recurring items which are not disclosed in the relevant Accounts.
- 5.4 All Group Companies' accounts, books, ledgers, financial and other records are in their possession or under their control, up-to-date and contain a complete and accurate record of all matters required to be entered in them by the applicable laws law and accounting principles.
- 5.5 Since the Accounts Date:-
- (i) there has been no material adverse change, nor any development reasonably likely to involve a prospective material adverse change, in the financial position of the Group;
  - (ii) there has been no adverse change in the financial, cashflow, trading position or prospects of the Group;
  - (iii) there has been no material change in the assets and liabilities as shown in the Audited Accounts;
  - (iv) no dividend has been declared, paid or made by the Group;
  - (v) no share or loan capital of any Group Company has been, or agreed to be, issued, allotted, redeemed, purchased or repaid by it;
  - (vi) the Group has not borrowed any money or raised any money save for the Shareholder's Loan; and
  - (vii) none of the Group Company has entered or will enter into any material contract or commitment binding on it and there has not been any acquisition or disposal by any Group Company of fixed or capital assets or any agreement to effect the same.
- 5.6 No part of the amounts included in the Accounts or subsequently recorded in the books of the Group Companies, as owing by any debtors, will have been released on terms that any debtor pays less than the full book value of its

debt, or has been written off, or will be proven to any extent to be irrecoverable, or is now regarded by the Group Companies as irrecoverable in whole or in part.

- 5.7 No transaction of any material importance to which any of the Group Companies is a party will have taken place which if it had taken place would have been required to be disclosed or reflected in the Accounts.

**6. Liabilities and Indebtedness**

The Group will not at Completion have any indebtedness or liabilities (whether actual or contingent) other than the following items : -

- (a) the Shareholder's Loan;
- (b) all deferred tax liabilities, if any; and
- (c) accrued expenses and other accounts payable in the ordinary course of business of the Group, if any.

**7. Material Contracts**

- 7.1 None of the Group Companies is a party to, or subject to any agreement, contract, arrangement, obligation or liability which:

- (i) involves a monetary value of more than RMB100,000.00 annually; or
- (ii) involves a term of more than 1 year; or
- (iii) is not terminable by notice; or
- (iv) restricts its freedom to carry on its business in any part of the world in such manner as it thinks fit; or
- (v) imposes such obligations or liabilities which by reason of their magnitude or nature ought reasonably to be disclosed or made known to the Purchaser.

- 7.2 There is no outstanding guarantee or indemnity given by or for the benefit of any of the Group Companies.

- 7.3 None of the Group Companies is in material breach or alleged to be in material breach of any contract to which it was, is or has been a party and so far as the Vendor is aware, there are no circumstances which could lead to such a breach.

**8. No litigation**

- 8.1 None of the Group Companies has been engaged in any civil, criminal, administrative or arbitration claim, proceedings or enquiries and there are no such proceedings or enquiries pending or threatened by or against it or any of its directors, legal representatives or officers and, to the best knowledge, information and belief of the Vendor, there is no matter or fact in existence which might give rise to the same.
- 8.2 None of the Group Companies has given any undertaking to any court or to any third party arising out of any legal proceedings and none of its property or assets is subject to any outstanding injunction, order, judgment, decree or arbitral award of any court, tribunal, arbitrator, governmental agency or other regulatory body.

**9. Insurance**

- 9.1 The assets of the Group which are of an insurable nature have at all material times been insured against all such risks normally insured by a prudent person carrying on a similar business to the Group and has at all times effected all insurances required by law.
- 9.2 All premiums due on any insurance policies taken out by any of the Group Companies have been duly and punctually paid and all such policies are valid and in force and the Group Companies have not done anything or omitted to do anything which might make any of the policies void or voidable or might entitle any insurer not to pay all or part of any claim under any of such policies.
- 9.3 No claim is outstanding under any of the insurance policies taken out by any of the Group Companies and no circumstance exists which might give rise to a claim under any of the policies.

**10. Employment arrangements**

- 10.1 Save and except WFOE has employed employees who will be terminated before Completion, the other Group Companies has not employed any



employees on or before the date of this Agreement and will not employ any employees on or before Completion.

10.2 There are not now outstanding, nor will there be outstanding at Completion, with respect to each of the Group Companies:-

- (i) any contracts of service with directors, legal representatives, supervisors, employees or consultants;
- (ii) any agreements or arrangements to which the relevant Group Company is a party for profit sharing, share incentives, share options, incentive payments or payment to employees of bonuses; or
- (iii) any obligation or arrangement to pay any pension, gratuity, retirement annuity or benefit or any similar obligation or arrangement in favour of any person.

## **11. Taxation**

- 11.1 Each of the Group Companies has, in respect of all years of assessment since their incorporation falling before the date of this Agreement made or caused to be made all proper tax returns, and has supplied or caused to be supplied all information regarding taxation matters which it is required to be made or supply to any tax authority (in PRC, Hong Kong or elsewhere) and there is no dispute or disagreement nor is there any contemplated dispute or disagreement with any of such authority.
- 11.2 All taxation for which any Group Company is or has been liable to account for has been duly paid or provision has been made in the Accounts.
- 11.3 The provisions in the Accounts (if any) are sufficient to cover all taxation in respect of all periods ending on or before the relevant accounts date for which any of the Group Companies was then or might at any time thereafter become or have become liable.
- 11.4 Since the Accounts Date, none of the Group Companies has been involved in any transaction outside the ordinary course of business which has given or may give rise to a liability to taxation on it.
- 11.5 None of the Group Companies is in dispute with any taxation or revenue authority and, so far as the Vendor and/or the Group is/are aware, no such dispute is pending or threatened.

**12. Intellectual Property Rights**

- 12.1 None of the Group Companies owns or holds any legal or beneficial interest in any trademarks, copyrights, patents or other intellectual properties, and no licenses or licences of right have ever been granted to it in respect of any trademarks, copyrights, patents or other intellectual properties.

**13. No winding-up**

- 13.1 None of the Group Companies is in receivership or liquidation and so far as the Vendor is aware, no Group Company has taken any steps to enter liquidation and no petition has been presented for winding up or appointment of a receiver of any Group Company.
- 13.2 No order has been made or resolution passed for the winding up of any Group Company and there is no outstanding:-
- (i) petition or order for the winding up of any Group Company;
  - (ii) receivership of the whole or any part of the undertaking or assets of any Group Company;
  - (iii) petition or order for the administration of any Group Company; or
  - (iv) voluntary arrangement between any Group Company and any of its creditors.
- 13.3 There are no circumstances which are known, or would on reasonable enquiry be known, to the Vendor and/or the Group and which would entitle any person to present a petition for the winding up or administration of any Group Company or to appoint a receiver of the whole or any part of its undertaking or assets.
- 13.4 No distress, execution or other process has been levied against any Group Company or action taken to repossess goods in the possession of any Group Company.
- 13.5 None of the Group Companies has created any floating charge which has not yet been discharged.

**14. Subsidiary and Associated Companies**

- 14.1 Save and except the Hong Kong Company and the WFOE, the Company does not have any interest (whether directly or indirectly) in any subsidiary

or associated companies, nor has it agreed to acquire any interest in any body corporate.

- 14.2 None of the Group Companies is, or has it agreed to become, a member of any partnership or other unincorporated association or joint venture.

**15. Compliance with Constitutions**

- 15.1 Copies of the Group Companies' memoranda and articles which have been produced to the Purchaser are true and complete in all respects. So far as the Vendor is aware, each of the Group Companies has complied with its memorandum and articles of association in all respects and none of the activities, agreements, commitments or rights of any of the Group Companies is ultra vires or unauthorised.

**16. Corporate Records**

- 16.1 The Group Companies' registers of members, directors, secretary and charges and the statutory books of them are up to date and contain true records of all matters required by the applicable laws and regulations to be dealt with therein and all annual or other returns required to be filed with the Government Authorities have been properly filed within any applicable time limit. The Company has complied in all respects with all applicable laws and regulations.
- 16.2 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 each of the Group Companies and no resolution has been passed by either the directors or the shareholders of any of the Group Companies which are not recorded in the relevant minute books.
- 16.3 The registers of mortgages, charges and other encumbrance maintained by each of the Group Companies are correct and there is no mortgage charge and encumbrance of any of the Group Companies which has not yet been discharged and satisfied as at the date hereof and there will be no mortgage charge and encumbrance of any of the Group Companies at Completion.

**17. The Property**

- 17.1 There is no transfer, sale, assignment, further charge, mortgage or otherwise disposal of the WFOE's interests in the Property or any agreement to do any of the aforesaid save as otherwise expressly provided in this Agreement.
- 17.2 The WFOE is at the date hereof, and will at the Completion Date be, the sole registered, legal and beneficial owner of the Property free from all Encumbrances.
- 17.3 There is no outstanding and unobserved or unperformed obligation with respect to the Property necessary to comply with the requirements (whether formal or informal) of any competent authority exercising statutory or delegated powers.
- 17.4 There are no outstanding or anticipated monetary or other claims or liabilities contingent or otherwise in respect of the Property including compensation for disturbance or improvements in respect of any past tenancy, letting, lease or licence.
- 17.5 There are no compulsory purchase notices, resumption orders, drainage proposals, environmental protection or control notices or orders or other notices or orders or resolutions affecting the Property, nor are there any circumstances likely to lead to any being made.
- 17.6 There is no closure, demolition, clearance orders, or other orders affecting the Property, nor are there any circumstances likely to lead to any being made.
- 17.7 The Group has not received any notice from any governmental body, authority or department concerning the resumption of the Property or any part thereof.
- 17.8 There are no disputes with any adjoining or neighbouring owners with respect to boundary walls and fences, or with respect to any easement, right or means of access to the Property.
- 17.9 There is no outstanding and unobserved or unperformed obligation necessary to comply with any notice or other requirement given by the competent governmental authorities.
- 17.10 The Property is accessible by public roads and enjoys the main services of water, drainage, electricity, gas, telephone line and other utility services.
- 17.11 The Property is insured in its full reinstatement value, and against third party and public liabilities to an adequate extent.

- 17.12 All premiums payable in respect of insurance policies with respect to the Property which have become due have been duly paid, and no circumstances have arisen which would vitiate or permit the insurers to avoid such policies.
- 17.13 All licences, consents and approvals required from the competent governmental authorities relating to the Property have been obtained, and the covenants on the part of the WFOE contained in such licences, consents and approvals have been duly performed and observed.
- 17.14 No structural or other material defects have appeared in respect of or is affecting the Property or any parts thereof and all its structures are in good and substantial repair and condition. No development or construction work had been carried out in relation to the Property which would require any consent under or by virtue of the Applicable Laws without such consent having been properly obtained and any conditions or restrictions imposed thereon have been fully observed and performed.
- 17.15 The title documents and certificates to be delivered to the Purchaser by the Vendor, represent all title documents and certificates relating to the Property.
- 17.16 The use permitted under the title documents and certificates and the Applicable Laws is "industrial". The current use of the Property are in compliance with the provisions, covenants, terms and conditions of any conditions and any regulations in force relating to the Property, and all necessary certificates of compliance, occupation permits and other consents and authorities for such use have been issued and are in force and there are no circumstances known or which would on reasonable enquiry be known to the Vendor which are likely to result in the forfeiture, avoidance, withdrawal or non-renewal of or restriction on or amendment to the same.
- 17.17 There are no outstanding complaints, orders, actions, disputes, claims or demands between any of the Group Companies and any third party affecting the Property or any part thereof.
- 17.18 The management fees, property related tax and all other outgoings in respect of the Property, if due for payment before Completion, have been duly paid.
- 17.19 None of the Group Companies has contracted to sell or grant any option over or otherwise dispose of its interest in or part with possession of the Property or any part thereof and none of the Group Companies has mortgaged, charged or otherwise encumbered such interest or agreed to do so.
- 17.20 Save as disclosed prior to the signing hereof, no leases, tenancy agreements, licence agreements or agreements to part with possession or occupation or

options to renew in any manner or commitments therefor have been entered into in relation to the Property, or any part thereof.

**18. Business of the WFOE**

- 18.1 Save and except for acquisition, holding and past letting of the Property, the WFOE has not been engaged in any business activities since its inception.

**19. Powers of Attorney**

- 19.1 There has been no power of attorney granted by any of the Group Companies.
- 19.2 No person is entitled or authorized in any capacity to bind or commit any of the Group Companies to any obligation outside the ordinary course of its business.

**20. No material non-disclosures**

- 20.1 To the best knowledge of the Vendor, all disclosures made and to be made by the Vendor and the Group in connection with the subject matter of this Agreement are accurate and not misleading in all material respects.
- 20.2 There is no adverse material or substantial factors or circumstances known to the Vendor relating to the business or affairs of the Group which have not been disclosed to the Purchaser before Completion.

### **SCHEDULE 3**

#### **THE PROPERTY**

位于中华人民共和国广东省东莞市沙田镇稔洲村龙船洲小组的若干土地, 包括其所有的附属设施、设备、公共区域以及对应的土地使用权及房屋使用权。有关该物业的土地使用权证(编号: 东府国用(1996)第特 312 号)、房地产权证(编号: 粤房地证字第 C4931901 号、粤房地证字第 C4931911 号、粤房地证字第 C4931912 号、粤房地证字第 C4931913 号、粤房地证字第 C4931914 号、粤房地证字第 C4931915 号、粤房地证字第 C4931916 号、粤房地证字第 C4931917 号、粤房地证字第 C4931918 号、粤房地证字第 C4931919 号)及其他产权文件的复印本附录于此协议作为 **Annexure B**, 以资识别。

## **SCHEDULE 4**

### **PART A – VENDOR’S OBLIGATIONS**

At Completion:-

- (a) the Vendor shall, insofar as the same have not been delivered, deliver to the Purchaser’s Solicitors originals of the following (unless the context specifies otherwise) :-
- (i) instruments of transfer (and, where applicable, bought and sold notes) for the Sale Share duly executed by the Vendor on its part in favour of the Purchaser (or its nominee(s)) and attested in such form as approved by the Purchaser’s Solicitors;
  - (ii) share certificate(s) in the name of the Vendor in respect of the Sale Share;
  - (iii) all corporate documents of the Company and the Hong Kong Company:-
    - 1. Certificate of Incorporation;
    - 2. Certificate of Change of Name (if any);
    - 3. All previous and current business registration certificates;
    - 4. Statutory records and minute book written up to the Completion Date;
    - 5. Issued and unissued share certificates;
    - 6. Common seal;
    - 7. All company chops and rubber chops;
    - 8. Cheque stubs and bank statements;
    - 9. All accounting records, ledgers, vouchers and receipt books;
    - 10. All tax returns and assessments and all other documents and correspondence relating to taxation;
    - 11. All documents and correspondence relating to their business and affairs;
    - 12. All copies of memoranda and articles of association or bye-laws; and
    - 13. All contracts of which any of them is a party.
  - (iv) if required by the Purchaser, letters of resignation, in the form set out in Part A of Schedule 5 duly signed by all the existing director(s) and secretary of the Company and the Hong Kong Company;



- (v) if required by the Purchaser, letters of resignation, in the form set out in Part B of Schedule 5 duly signed by the incumbent auditors of the Company and the Hong Kong Company;
- (vi) if required by the Purchaser, all documents required for the purpose of changing the incumbent auditors of the WFOE to such firm(s) as the Purchaser may nominate, duly signed and executed by all relevant parties including but not limited to the incumbent auditors in accordance with the Applicable Laws, regulations and practices;
- (vii) all applicable corporate documents, certificates, contracts, permits, approvals and items of the WFOE including but not limited to : -
  - 1. 港澳台僑投資企業批准證書（正本及副本）；
  - 2. 企業法人營業執照（三證合一）（正本及副本）；
  - 3. 外匯登記證；
  - 4. 所有驗資報告；
  - 5. 過去五年審計報告；and
  - 6. 公章、財務章、法定代表人章。
- (viii) if required by the Purchaser, all documents required for the change of the legal representative, directors, supervisors and other officers of the WFOE including but not limited to resignation letters from their respective offices or positions of, in or relating to the WFOE, duly signed and executed by its legal representative, management, directors, supervisors and officers in accordance with the Applicable Laws and regulations in PRC;
- (ix) two (2) counterparts of the Deed of Assignment duly executed by the Vendor and the Company and attested;
- (x) two (2) counterparts of the Deed of Tax Indemnity duly executed by the Vendor and the Company and attested;
- (xi) Completion Accounts;
- (xii) if required by the Purchaser, all documents required for the purpose of changing the authorized signatories of all bank accounts of the Group Companies to such person(s) as the Purchaser may nominate, duly signed and executed by all relevant parties including but not limited to the existing authorized signatories in accordance with the Applicable Laws, regulations and practices;

(xiii) the board resolutions of the Company :-

1. approving the execution of this Agreement, the Deed of Assignment and the Deed of Tax Indemnity;
2. approve the transfer of the Sale Share to the Purchaser (or its nominee(s)) and authorise the issue of new certificate therefor;
3. appointing such person(s) as the Purchaser may nominate as director(s) and secretary of the Company and, where applicable, accepting the resignation of the incumbent directors and secretary of the Company, such appointment and resignation (if any) to take effect from the Completion Date;
4. (if required by the Purchaser) appointing such firm(s) as the Purchaser may nominate as auditors of the Company and accept the resignation of the incumbent auditors of the Company, such appointment and resignation to take effect from the Completion Date; and
5. changing the registered address of the Company (if required) to such place as the Purchaser may nominate;

(xiv) the board resolutions of the Hong Kong Company :-

1. acknowledging the execution of this Agreement;
2. appointing such person(s) as the Purchaser may nominate as director(s) and secretary of the Hong Kong Company and, where applicable, accepting the resignation of the incumbent directors and secretary of the Hong Kong Company, such appointment and resignation (if any) to take effect from the Completion Date;
3. (if required by the Purchaser) appointing such firm(s) as the Purchaser may nominate as auditors of the Hong Kong Company and accept the resignation of the incumbent auditors of the Hong Kong Company, such appointment and resignation (if any) to take effect from the Completion Date; and
4. changing the registered address of the Company (if required) to such place as the Purchaser may nominate;

(xv) if required by the Purchaser, the board resolutions of the WFOE :-

1. acknowledging the execution of this Agreement;
2. appointing such person(s) as the Purchaser may nominate as legal representative, management, directors, supervisors and

- officers of the WFOE and accepting the resignation of the incumbent legal representative, management, directors, supervisors and officers of the WFOE, such appointment and resignation to take effect from the Completion Date subject to consents and approvals of PRC Government Authorities, if any;
3. (if required by the Purchaser) appointing such firm(s) as the Purchaser may nominate as auditors of the WFOE and accept the resignation of the incumbent auditors of the WFOE, such appointment and resignation to take effect from the Completion Date; and
  4. changing the principal place of business of the WFOE (if required) to such place as the Purchaser may nominate;
- (xvi) insofar as the same has not been delivered to the Purchaser's Solicitors prior to Completion, all the title documents and certificates of the Property;
- (xvii) if required by the Purchaser, all books, records, accounts and other documentation, articles and things belonging to the Group Companies; and
- (xviii) if required by the Purchaser, keys of all parts and units in the Property.

## **PART B – PURCHASER’S OBLIGATIONS**

On Completion:-

- (a) the Purchaser shall deliver to the Vendor’s Solicitors:
  - (i) cashier order(s) or solicitors’ cheque(s) in favour of the Vendor’s Solicitors and/or such other parties as the Vendor may direct in writing for the balance of the Transaction Consideration pursuant to Clause 4.2.3 of this Agreement;
  - (ii) One (1) part of the Deed of Assignment duly executed by the Purchaser and attested; and
  - (iii) One (1) part of the Deed of Tax Indemnity duly executed by the Purchaser and attested.

## **SCHEDULE 5**

## **PART A – RESIGNATION LETTER**

Date: *[Completion Date]*

To : The Board of Directors  
[FIRST RANK CORPORATION] /  
[WARNER INVESTMENTS LIMITED  
[華盟投資有限公司]]

**Re: Resignation as Director**

I/We, [Name], hereby resign as director of [FIRST RANK CORPORATION.] / [WARNER INVESTMENTS LIMITED 華盟投資有限公司] (the “Company”) with effect from the date hereof.

I/We confirm that I/we have no claim, demand, litigation or proceeding whatsoever whether present or future against the Company in respect of disbursements, compensation for loss of office, unpaid fees or otherwise howsoever in relation to my/our office as director.

Signed by:-

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**SCHEDULE 5 (continued)**

**PART A – RESIGNATION LETTER**

Date:     *[Completion Date]*

To     :     The Board of Directors  
              *[FIRST RANK CORPORATION] /*  
              *[WARNER INVESTMENTS LIMITED]*  
              *[華盟投資有限公司]*

**Re:   Resignation as Secretary**

I/We, *[Name]*, hereby resign as secretary of *[FIRST RANK CORPORATION] / [WARNER INVESTMENTS LIMITED 華盟投資有限公司]* (the “**Company**”) with effect from the date hereof.

I/We confirm that I/we have no claim, demand, litigation or proceeding whatsoever whether present or future against the Company in respect of disbursements, compensation for loss of office, unpaid fees or otherwise howsoever in relation to my/our office as secretary.

Signed by:-

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**SCHEDULE 5 (continued)**

**PART B – RESIGNATION LETTER**

Date:     *[Completion Date]*

To     :     The Board of Directors  
              *[FIRST RANK CORPORATION] /*  
              *[WARNER INVESTMENTS LIMITED*  
              *華盟投資有限公司]*

Dear Sirs,

**Re:   Resignation as Auditors**

We hereby tender our resignation as the auditors of *[FIRST RANK CORPORATION] / [WARNER INVESTMENTS LIMITED 華盟投資有限公司]* (the “**Company**”) with effect from the date of this resignation letter.

We confirm that we have no claim against the Company for breach of contract or on any other account whatsoever and that no agreement or arrangement is outstanding under which the Subsidiary has or could have any obligation to us.

We further confirm that there are no circumstances connected with our resignation which we consider should be brought to the attention of any members or creditors of the Company.

**SIGNED BY:-**

---

*[Name]*

Practicing Certificate No.: *[Number]*

**SCHEDULE 6**

**DEED OF ASSIGNMENT**



**Dated the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_**

**CHINA ENVIRONMENTAL RESOURCES GROUP LIMITED**  
**(中國環境資源集團有限公司)**  
(as Assignor)

and

**WONG SHING CHAU (黃成就)**  
(as Assignee)

and

**FIRST RANK CORPORATION**  
(as Company)

---

**ASSIGNMENT OF SHAREHOLDER'S LOAN**  
**in respect of**  
**FIRST RANK CORPORATION**

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**TONY KAN & CO.**  
**Solicitors & Notaries**  
Suite 1808, 18<sup>th</sup> Floor,  
World-wide House,  
19 Des Voeux Road Central,  
Hong Kong  
Tel: (852) 3515 8388  
Fax (852) 2810 5269  
Ref: CWD/D23-207587/DC

**THIS DEED OF ASSIGNMENT** is made the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

**BETWEEN:**

- (1) **CHINA ENVIRONMENTAL RESOURCES GROUP LIMITED** (中國環境資源集團有限公司) a company incorporated in Cayman Islands with limited liability whose principal place of business is situated at Unit 2608, 26/F., Greenfield Tower, Concordia Plaza, No.1 Science Museum Road, Tsim Sha Tsui East, Hong Kong (Stock code :1130) (the “**Assignor**”);
- (2) **WONG SHING CHAU** (黃成就) (holder of Hong Kong Identity Card Number G024057(4)) of [●] (the “**Assignee**”);

**AND**

- (3) **FIRST RANK CORPORATION** (BVI Company No. 1937301), a company incorporated in the British Virgin Islands with limited liability whose registered office is situated at 263 Main Street, Road Town, Tortola, British Virgin Islands (the “**Company**”).

**WHEREAS:**

- (A) This Deed is made pursuant to an Agreement for Sale and Purchase in relation to the Company dated \_\_\_\_\_ and made between, *inter alia*, the Assignor as vendor and the Assignee as purchaser (“**Agreement**”).
- (B) As at the date hereof, the Company is indebted to the Assignor in the total amount of \_\_\_\_\_ (the “**Sale Loan**”).
- (C) The Assignor has agreed to transfer and assign all its title, rights, interests and benefits of and in the Sale Loan to the Assignee.

**NOW THIS DEED WITNESSETH** as follows :-

- (1) In consideration of the amount of \_\_\_\_\_ (receipt of which is hereby acknowledged by the Assignor), the Assignor as beneficial owner hereby transfers and assigns unto the Assignee all the title, rights, interests and benefits of the Assignor (whether directly or indirectly) in and to the Sale Loan absolutely and with immediate effect to the intent that the Assignee shall be solely and absolutely entitled to the same to the exclusion of the Assignor.

- (2) The Assignor hereby warrants to the Assignee that :-
- (a) the Sale Loan is duly and validly owing by the Company to the Assignor;
  - (b) the Assignor is the beneficial owner of the Sale Loan (whether directly or indirectly) and has full power and authority to enter into this Deed and assign the Sale Loan without any consent or approval from any third party;
  - (c) the Sale Loan is hereby assigned to the Assignee free from any charge, lien and encumbrances; and
  - (d) the Assignor will as soon as practicable after being called upon by the Assignee so to do execute all further assurances and do all acts and deeds as may be reasonably required by the Assignee to perfect the title of the Assignee to the Sale Loan.
- (3) The Company hereby acknowledges and confirms to the Assignee that due notice in writing of the assignment of the full benefit and advantage of the Sale Loan has been received by the Company and as from the date hereof, the Sale Loan is owed to the Assignee and the Company will henceforth make all payments due under the Sale Loan, and discharge all of its obligations in respect thereof, to the Assignee directly instead of to the Assignor.
- (4) The Assignor covenants with and in favour of the Assignee to pay to the Assignee immediately on receipt of repayment of principal and/or interest which may be received by the Assignor after the date hereof from the Company in respect of the Sale Loan, and until such payment, to hold the same on trust for the Assignee absolutely.
- (5) This Deed shall be binding upon and enure for the benefit of each party's successors and assigns.
- (6) The provisions of Clause 11 of the Agreement relating to service of notice shall (*mutatis mutandis*) be incorporated in and be deemed to be part of this Deed.
- (7) This Deed shall be governed by and construed in accordance with Hong Kong law and the parties hereby irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts.

IN WITNESS whereof the parties hereto have executed this Assignment as a deed  
the day and year first above written.

THE ASSIGNOR

SEALED with the Common Seal of )  
CHINA ENVIRONMENTAL )  
RESOURCES GROUP LIMITED )  
中國環境資源集團有限公司 )  
and SIGNED by )

)  
)  
its director(s) and person(s) duly authorized )  
by its board of directors )  
in the presence of / whose signature(s) )  
being verified by:- )

THE COMPANY

SEALED with the Common Seal of )  
FIRST RANK CORPORATION )  
and SIGNED by )

)  
)  
its director(s) and person(s) duly authorized )  
by its board of directors )  
in the presence of / whose signature(s) )  
being verified by:- )

THE ASSIGNEE

**SIGNED SEALED and DELIVERED** )  
by WONG SHING CHAU 黃成就 )  
holder of Hong Kong Identity Card )  
Number G024057(4) )  
in the presence of:- )

Interpreted to the Assignee by:-

**SCHEDULE 7**

**DEED OF TAX INDEMNITY**

**Dated the \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_.**

**CHINA ENVIRONMENTAL RESOURCES GROUP LIMITED**  
**(中國環境資源集團有限公司)**  
**(as Vendor)**

**and**

**WONG SHING CHAU (黃成就)**  
**(as Purchaser)**

**and**

**FIRST RANK CORPORATION**

---

**DEED OF TAX INDEMNITY**

---

**TONY KAN & CO.**  
**Solicitors & Notaries**  
Suite 1808, 18<sup>th</sup> Floor,  
World-wide House,  
19 Des Voeux Road Central,  
Hong Kong  
Tel: (852) 3515 8388  
Fax (852) 2810 5269  
Ref: CWD/D23-207587/DC

**THIS DEED OF TAX INDEMNITY** is made the                      day of                      20

**BETWEEN:**

- (1) **CHINA ENVIRONMENTAL RESOURCES GROUP LIMITED** (中國環境資源集團有限公司) a company incorporated in Cayman Islands with limited liability whose principal place of business is situated at Unit 2608, 26/F., Greenfield Tower, Concordia Plaza, No.1 Science Museum Road, Tsim Sha Tsui East, Hong Kong (Stock code :1130) (the “**Covenantor**”);
- (2) **WONG SHING CHAU** (黃成就) (holder of Hong Kong Identity Card Number G024057(4)) of [●] (the “**Purchaser**”);

**AND**

- (3) **FIRST RANK CORPORATION** (BVI Company No. 1937301), a company incorporated in the British Virgin Islands with limited liability whose registered office is situated at 263 Main Street, Road Town, Tortola, British Virgin Islands (the “**Company**”).

(the Purchaser and the Company shall hereinafter be referred to collectively as the “**Indemnified Parties**”)

**WHEREAS :-**

- (A) The Covenantor is the registered legal and beneficial owner of one (1) ordinary share of and in the Company and has agreed to sell the one (1) ordinary share of and in the Company, representing the total issued share capital of the Company (“**Sale Share**”) to the Purchaser.
- (B) By an agreement dated \_\_\_\_\_ (“**Agreement**”) in respect of, amongst other things, the sale and purchase of the Sale Share entered into between the Covenantor (as seller), the Purchaser (as buyer) and the Company, the Covenantor agreed to sell and the Purchaser agreed to purchase the Sale Share subject to the terms and conditions therein provided.
- (C) The Covenantor has agreed to execute this Deed in favour of the Indemnified Parties subject to the terms and conditions hereunder appearing.

**NOW THIS DEED WITNESSETH** as follows :-

1. **INTERPRETATION**



1.1 Words and expressed used herein, unless otherwise expressed or required by the context, shall have the same meanings as those used or defined in the Agreement.

1.2 In this Deed, in addition to the definitions in the Agreement, the following words and expressions shall have the meanings ascribed to each of them respectively below:

**“Claim”** includes in respect of Taxation, any assessment, notice, demand or other document issued or action taken by or on behalf of any other statutory or governmental authority whatsoever in PRC, Hong Kong or in any other part of the world under which any of the Indemnified Parties is liable or is sought to be made liable for any payment of any form of Taxation or is 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 such Indemnified Parties;

**“events”** includes (without limitation) the death of any person, any action, omission or transaction whether or not any of the Indemnified Parties is a party thereto and references to the result of events, on or before the date hereof shall include the combined result of two or more events, one or more of which shall have taken place before the date of this Deed;

**“Group”** the Company, Hong Kong Company and the WFOE; and **“Group Company(ies)”** shall mean any of them;

**“Relief”** means any relief, allowance, set-off or deduction in computing profits, right to repayment of Taxation available to any of the Indemnified Parties credit or granted by or pursuant to any legislation or otherwise relating to all forms of Taxation; and

**“Taxation”** (i) any liability to any form of taxation, duty, impost, levy, rate, or other amount payable to any revenue, customs or fiscal authorities whenever created or imposed and whether of PRC, of Hong Kong or of any other part of the world, including, without limitation, profits tax, provisional profits tax, interest tax, salaries tax, property tax, taxes on income,

estate duty, capital duty, stamp duty, payroll tax, withholding tax, rates, customs and excise duties and other similar liabilities – including but not limited to any PRC Tax imposed on the transfer gains or otherwise required to be paid pursuant to or in connection with Bulletin 7 on the sale and purchase of the Sale Share under the Agreement and all transactions thereby contemplated; and

- (ii) all interest, penalties, costs, charges and expenses incidental or relating to the liability to Taxation which is the subject of this Deed to the extent that the same is payable or suffered by any of the Indemnified Parties.

## **2. INDEMNITY**

2.1 Subject as hereinafter provided, the Covenantor hereby covenants and agrees with each of the Indemnified Parties, that it will fully and effectually indemnify and at all times keep fully and effectually indemnified the Indemnified Parties from and against :-

- (a) the amount of any and all Taxation falling on any of the Indemnified Parties, resulting from or by reference to any income, profits, gains, transactions, events, matters or things earned, accrued, received, entered into or occurring up to and including the date of this Deed, whether or not such Taxation is chargeable against or attributable to any other person, firm or company, including any and all Taxation resulting from the receipt by any of the Indemnified Parties of any amounts paid by the Covenantor under this Deed; and
- (b) any and all costs (including all legal and other professional costs) and expenses or other liabilities which any of the Indemnified Parties may incur in connection with:-
  - (i) the settlement of any claim under this Deed;
  - (ii) any legal proceedings in which any of the Indemnified Parties claims under or in respect of this Deed and in which judgement is given for any of the Indemnified Parties; and
  - (iii) the enforcement of any such settlement or judgement.

- 2.2 No claim under this Deed shall be made by more than one of the Indemnified Parties in respect of the same Taxation.
- 2.3 No claim shall be brought against the Covenantor in respect of any Claim relating to Taxation, after the expiry of seven (7) years from the date hereof.

### **3. CLAIM**

- 3.1 In the event of any Claim arising, the Indemnified Parties shall give or procure to give a written notice, as soon as practicable, to the Covenantor and, as regards any Claim, the Indemnified Parties shall, if directed in writing by the Covenantor, take such reasonable action to cause the Claim to be withdrawn, or to dispute, resist, appeal against, compromise or defend the Claim and any determination in respect thereof, but subject to it being indemnified and secured to its reasonable satisfaction by the Covenantor from and against any and all losses, liabilities (including additional Taxation), damages, interest, penalties, costs, charges and expenses which may be sustained or incurred.
- 3.2 Without the prior approval of the Indemnified Parties (which approval shall not be unreasonably withheld), the Covenantor shall make no settlement of any Claim nor agree any matter in the course of disputing any Claim likely to affect the amount thereof or the future taxation liability of any of the Indemnified Parties.
- 3.3 This Deed does not cover any Claim and the Covenantor shall be under no liability under this Deed in respect of Taxation:-
- (a) to the extent that provision has been made for such Taxation in the Accounts, and/or Completion Accounts and/or the Audited Completion Accounts; or
  - (b) which would not have arisen but for any act or omission by each of the Indemnified Parties effected without the prior written consent or agreement of the Covenantor, or otherwise than in the ordinary course of business after the date of this Deed; or
  - (c) to the extent that such 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 date of this Deed or to the extent such Claim arises or is increased by an increase in rates of Taxation after the date of this Deed with retrospective effect.

### **4. REFUNDS**

- 4.1 If, after the Covenantor has made any payment pursuant to this Deed, any of the Indemnified Parties shall receive a refund of all or part of the relevant Taxation, such Indemnified Party shall repay to the Covenantor a sum corresponding to the balance of the refund remaining after deducting the aggregate of (a) any costs, charges and expenses payable or sustained or incurred by such Indemnified Party in recovering such refund; and (b) the amount of any additional Taxation which may be suffered or incurred by such Indemnified Party in consequence of such refund.

**5. NO WAIVER**

- 5.1 No failure or delay by any party hereto in exercising any right, power or remedy under this Deed shall operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any further exercise thereof or the exercising of any other right, power or remedy. No waiver by any party hereto of any breach of any provision hereof shall be deemed to be a waiver of any subsequent breach of that or any other provision hereof. No breach of any provision of this Deed shall be capable of being waived or discharged except with the express written consent of the Indemnified Parties.

**6. NOTICES AND PROCESS AGENTS**

- 6.1 The provisions of Clause 11 of the Agreement relating to service of notice shall (mutatis mutandis) be incorporated in and be deemed to be part of this Deed.

**7. TIME OF ESSENCE**

- 7.1 Time shall be of the essence of this Deed.

**8. MISCELLANEOUS**

- 8.1 This Deed shall enure for the benefit of and be binding on each party and its respective successors Provided that none of the parties hereto may assign their respective rights and obligations hereunder without the others' prior written consent.
- 8.2 The terms and conditions herein contained constitute the entire agreement between the parties relating to the subject matter hereof and shall supersede all previous communications, oral or written, between the parties with respect to

the subject matter hereof which are inconsistent with the provisions of this Deed.

- 8.3 Any provision of this Deed prohibited by or becomes unlawful or unenforceable under any applicable law actually applied by any court of competent jurisdiction shall, to the extent required by such law, be severed from this Deed and rendered ineffective so far as is possible without modifying the remaining provisions of this Deed. Where, however, the provisions of any such applicable law may be waived, they are hereby waived by the parties hereto to the full extent permitted by such law to the end that this Deed shall be valid, binding and enforceable in accordance with its terms.

## **9. GOVERNING LAW AND JURISDICTION**

- 9.1 This Deed shall be governed by and construed in all respects in accordance with the laws of the Hong Kong and the parties hereto irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts in relation to any proceedings arising out of or in connection with this Deed, but this Deed may be enforced in any other courts of competent jurisdiction.

IN WITNESS whereof this Deed has been executed as a deed by or on behalf of the parties hereto the date and year first above written.

THE COVENANTOR

SEALED with the Common Seal of )  
CHINA ENVIRONMENTAL )  
RESOURCES GROUP LIMITED )  
中國環境資源集團有限公司 )  
and SIGNED by )  
)  
)  
its director(s) and person(s) duly authorized )  
by its board of directors )  
in the presence of / whose signature(s) )  
being verified by:- )

THE COMPANY

SEALED with the Common Seal of )  
FIRST RANK CORPORATION )  
and SIGNED by )  
)  
)  
its director(s) and person(s) duly authorized )  
by its board of directors )  
in the presence of / whose signature(s) )  
being verified by:- )

THE PURCHASER

**SIGNED SEALED and DELIVERED** )

by **WONG SHING CHAU 黃成就** )

holder of Hong Kong Identity Card )

Number G024057(4) )

in the presence of:- )

Interpreted to the Purchaser by:-

**ANNEXURE A**

**AUDITED ACCOUNTS**



**ANNEXURE B**

**CERTIFICATE OF LAND USE RIGHT  
AND  
CERTIFICATES OF REAL ESTATE OWNERSHIP  
AND  
OTHER TITLE DOCUMENTS**

IN WITNESS whereof the parties hereto have entered into this Agreement the day and year first above written.

THE VENDOR

SIGNED by WONG PO KEUNG, )

)

)

its director(s) and person(s) duly authorized )

by its board of directors )

for and on behalf of )

CHINA ENVIRONMENTAL )

RESOURCES GROUP LIMITED )

中國環境資源集團有限公司 )

in the presence of / whose signature(s) )

being verified by:- )

For and on behalf of  
China Environmental Resources Group Limited  
中國環境資源集團有限公司

Authorized Signature(s)

CHAN KIT YIN  
Solicitor, HKSAR  
Tony Kan & Co., Solicitors & Notaries

THE COMPANY

SIGNED by WONG PO KEUNG, )

)

)

its director(s) and person(s) duly authorized )

by its board of directors )

for and on behalf of )

FIRST RANK CORPORATION )

in the presence of / whose signature(s) )

being verified by:- )

For and on behalf of  
FIRST RANK CORPORATION

Authorized Signature(s)

RECEIVED on or before the day and  
year first above written of and from  
the Purchaser the sum of  
HK\$5,900,000.00

For and on behalf of  
China Environmental Resources Group Limited  
中國環境資源集團有限公司

Authorized Signature(s)

THE PURCHASER

**SIGNED** by

**WONG SHING CHAU 黃成就**

holder of Hong Kong Identity Card

Number G024057(4)

in the presence of:-


)

)

)

)

)



TING KOON HUNG  
Solicitor, Hong Kong SAR  
The Yuen Ting Wong, Solicitors

Interpreted to the Purchaser by:-



TING KOON HUNG  
Solicitor, Hong Kong SAR  
The Yuen Ting Wong, Solicitors