

CITY ARISE LIMITED

(AS THE SELLER)

AND

GIANT HARMONY LIMITED

(AS THE BUYER)

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AGREEMENT FOR THE SALE AND  
PURCHASE OF THE  
ENTIRE ISSUED SHARE CAPITAL OF AND THE  
SHAREHOLDER LOAN TO  
TRUE PROMISE LIMITED

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**THIS AGREEMENT** is made on 18 February 2022

**BETWEEN:**

- (1) **CITY ARISE LIMITED**, a company incorporated in the British Virgin Islands (company number: 2057850), whose registered office is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (the "**Seller**"); and
- (2) **GIANT HARMONY LIMITED**, a company incorporated in Hong Kong whose registered office is at Room 3602, Level 36, Tower 1, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong (company number: 3071206) (the "**Buyer**"),

each a "**Party**" and together the "**Parties**".

**RECITAL:**

- (A) The Seller is the legal and beneficial owner of one fully-paid ordinary share in the Company, being the entire issued share capital of the Company as at the date of this Agreement (the "**Sale Share**") and the Shareholder Loan (as defined below).
- (B) As at the date of this Agreement, the Company is the sole legal and beneficial owner of the Approved Project.
- (C) The interest in and rights to the Approved Project is the Company's principal asset. The Approved Project and the Sale Share are subject to Existing Encumbrance, and will be subject to the New Encumbrance upon Completion. Save as aforementioned and as Disclosed, the Approved Project and the Sale Share are free from any Encumbrance upon Completion.
- (D) On the terms and subject to the conditions set out in this Agreement, the Seller agrees to sell, and the Buyer agrees to purchase, the Sale Share and the benefit of the Shareholder Loan.
- (E) The Parties agree that APG, as a shareholder of the Buyer, shall have the right to rely on and make Claims for breach of any Seller Warranty provided under this Agreement.

**THE PARTIES AGREE** as follows:

**1. INTERPRETATION**

**1.1** In this Agreement:

"**Agreement**" means this agreement.

"**APG**" means Stichting Depository APG Strategic Real Estate Pool as depository of APG Strategic Real Estate Pool, a private foundation incorporated in the Netherlands with its registered office at Oude Lindestraat 70, Heerlen 6411EJ, the Netherlands.

"**APG's Losses**" has the meaning given in Clause 10.2.

"**Applicable Laws**" means with respect to any person or matter, any of the following that is binding upon or applicable to that person or matter, as amended from time to time unless expressly specified otherwise: (a) any statute, subsidiary legislation, rules of common law or equity, constitution and treaty, and (b) any policy, practice direction, practice note, programme, initiative, scheme and the like, as adopted, promulgated, pursued, implemented, interpreted or applied by a Government Authority from time to time.

"**Approved Project**" means the real property details of which are set out in Schedule 4 (*Information of the Approved Project*).

"**Asset Management Agreement**" means the asset management agreement substantially in the form of the Pro Forma Asset Management Agreement to be entered into by the Company and Wang On Asset Management Limited as asset manager of the Approved Project immediately on Completion.

"**Audited Completion Accounts**" means the statement of financial position of the Company as at close of business on the Completion Date, as audited and/or reviewed by the Auditors.

"**Auditors**" means Ernst & Young.

"**Base Case Net Asset Value**" has the meaning given to them in Clause 3.1.

"**Business Day**" means any day (other than a Saturday or Sunday or public holiday) on which banks in Hong Kong, the Netherlands and the British Virgin Islands are open for the transaction of normal business.

"**Buyer's Group Company**" means the Buyer or a company which is, on or after the date of this Agreement, a subsidiary or holding company of the Buyer or a subsidiary of a holding company of the Buyer and includes, for the avoidance of doubt, the Company after Completion.

"**Buyer Warranty**" means a statement contained in Part B of Schedule 3 (*Warranties*).

"**Claim(s)**" means any claim(s) made by the Buyer or APG (as the case may be) arising out of or in connection with this Agreement (or otherwise contemplated by, or referred to in, this Agreement), howsoever arising.

"**Companies Ordinance**" means the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

"**Company**" means True Promise Limited (祥諾有限公司), a company incorporated in Hong Kong (company number 3029446) whose registered office is at Suite 3201, 32/F., Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.

"**Completion**" means completion of the sale and purchase of the Sale Share and the Shareholder Loan in accordance with this Agreement.

"**Completion Date**" has the meaning given in Clause 5.1.

"**Condition**" has the meaning given in Clause 4.1.

**"Confidential Information"** means all information which is used in or otherwise relates to the Company's business, customers or financial or other affairs including, without limitation, information relating to:

- (a) the marketing of goods or services including, without limitation, customer names and lists and other details of customers, sales targets, sales statistics, market share statistics, prices, market research reports and surveys, and advertising or other promotional materials; or
- (b) know-how (including trade secrets and all technical information in relation to products and processes); or
- (c) future projects, business development or planning, commercial relationships and negotiations,

but does not include information which is made public by, or with the consent of, the Buyer (which shall not be unreasonably withheld).

**"Contract"** means any binding contract, obligation, commitment, agreement, arrangement, mortgage, indenture, memorandum of understanding, license or lease.

**"Deed of Assignment"** means the deed of assignment of the Shareholder Loan in the agreed form set out in Schedule 5 (*Deed of Assignment*) to be entered into between the Seller and the Buyer upon Completion.

**"defaulting party"** has the meaning given in Clause 5.4.

**"Disclosed"** means fully, fairly and clearly disclosed in Schedule 6 (*Disclosure*).

**"Encumbrance(s)"** means a mortgage, charge, pledge, lien, option, restriction, right to acquire, lease, tenancy, licence, right to occupy, easement, covenant, right of first refusal, right of pre-emption, third-party right or interest, assignment, deed of trust, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect and any agreement or obligation creating or granting any of the aforesaid.

**"Estimated Net Asset Value"** means the Net Asset Value according to the Pro Forma Completion Accounts, as calculated and determined based on financial figures stated in the Pro Forma Completion Accounts.

**"Existing Encumbrance"** means the Encumbrance arising from the Existing Loan.

**"Existing Loan"** means the loan from Hang Seng Bank Limited to the Company pursuant to a loan agreement entered into among Hang Seng Bank Limited, the Company and WOP dated 26 November 2021, and as supplemented from time to time for an amount up to HK\$338,800,000.

**"Final Net Asset Value"** means the Net Asset Value according to the Audited Completion Accounts, as calculated and determined based on financial figures stated in the Audited Completion Accounts.

**"Government Authority"** means: (a) any government authority (whether supranational, national, federal, state or local) in any relevant jurisdiction including the Government of Hong Kong or any bureau, department or official of any of the above, (b) any statutory or public authority or body in any relevant jurisdiction, (c) any court, tribunal or other judicial authority in any relevant jurisdiction, (d) the Government of Hong Kong as grantor and/or landlord in respect of the Government Lease.

**"Government Lease"** means the relevant lease or conditions with a Government Authority (as the case may be) applicable to the Approved Project and any variation or modification thereof.

**"HKFRS"** means, in respect of any date, the applicable Hong Kong Financial Reporting Standards of such date.

**"HKIAC"** has the meaning given in Clause 19.2.

**"Hong Kong"** means the Hong Kong Special Administrative Region of the People's Republic of China.

**"Intellectual Property"** means:

- (a) patents, trade marks, service marks, registered designs, applications and rights to apply for any of those rights, trade, business and company names, internet domain names and e-mail addresses, unregistered trade marks and service marks, copyrights, database rights, rights in software, knowhow, rights in designs and inventions;
- (b) rights under licences, consents, orders, statutes or otherwise in relation to a right in paragraph (a);
- (c) rights of the same or similar effect or nature as or to those in paragraphs (a) and (b) which now or in the future may subsist; and
- (d) the right to sue for past infringements of any of the foregoing rights.

**"Laws"** has the meaning given in the Subscription and Shareholders Agreement.

**"Listing Rules"** means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

**"Longstop Date"** means six (6) months from the date of this Agreement or such later date as the Seller and the Buyer may agree in writing.

**"Loss(es)"** means losses, damages, claims, demands, liabilities, obligations, penalties, actions, judgments, suits and costs (including the cost of investigating or defending any claims, demands, penalties, actions, judgments, suits or liabilities, and any reasonable legal fees so incurred and related properly and reasonably incurred expenses and disbursements).

**"Management Accounts"** means the unaudited profit and loss account of the Company in respect of the period starting on 18 March 2021 (being the date of incorporation of the Company) and ending on 31 January 2022 and the unaudited balance sheet of the

Company as at 31 January 2022 to which the relevant Management Accounts have been drawn up.

**"Material Adverse Effect"** means any material adverse change in, or any change in circumstances that has a material adverse effect on, the condition or the Company's title of, and/or right to acquire, the Approved Project.

**"Misrepresentation Ordinance"** means the Misrepresentation Ordinance (Cap. 284 of the Laws of Hong Kong).

**"Net Asset Value"** means the total assets of the Company minus total liabilities of the Company (other than the liability in respect of the Shareholder Loan and the New Loan, if any). For the avoidance of doubt, for the calculation or determination of the Net Asset Value:

- (a) the book value (or the actual cost base, as applicable) of each asset or liability line item shall be used, as opposed to using any appraised values or fair market value, and no re-valuation or re-adjustment shall be carried out for any such line item;
- (b) all outstanding principal amount or interest in respect of: (i) any mortgage loan entered into by the Group; or (ii) any Shareholder Loan, shall be excluded; and
- (c) all salary, staff costs or any other indirect costs and expenses incurred by any member of the WOP Group in connection with the acquisition of the Approved Project shall be excluded.

**"New Encumbrance"** means the new security to be granted in favour of Hang Seng Bank Limited incidental to the drawdown of the New Loan upon Completion.

**"New Loan"** means such new loan from Hang Seng Bank Limited obtained by the Company pursuant to the loan agreement to be entered into between, among others, the Company and Hang Seng Bank Limited for repaying the Existing Loan at the same time with Completion.

**"non-defaulting party"** has the meaning given in Clause 5.4.

**"Notice"** has the meaning given in Clause 18.1.

**"Notice and/or Order"** has the meaning given in Paragraph 4.1.12, Part A of Schedule 3 (*Warranties*).

**"Policies"** has the meaning given to it in Paragraph 8.1, Part A of Schedule 3 (*Warranties*).

**"Pro Forma Asset Management Agreement"** means the pro forma asset management agreement in the agreed form.

**"Pro Forma Completion Accounts"** means the pro forma statement of financial position of the Company as at close of business on the Completion Date, as prepared by the Seller in good faith and acting reasonably based on its knowledge as at the Pro Forma Completion Accounts Date.

"**Pro Forma Completion Accounts Date**" has the meaning given in Clause 3.2.

"**Promissory Note(s)**" means the promissory note(s) to be issued on Completion by WOP SPV to the Buyer or as they may direct for an amount of HK\$141,216,000.

"**Property Proceeding(s)**" means a civil, criminal, arbitration, administrative or other proceeding(s) concerning the Approved Project.

"**Rules**" has the meaning given in Clause 19.2.

"**Sale Share**" has the meaning given in Recital (A).

"**Seller's Account**" means the bank account with the following details:

Bank Name:	The Hongkong and Shanghai Banking Corporation Limited
Bank Address:	1 Queen's Road Central, Hong Kong
Bank Code:	004
Swift Code:	HSBCHKHHHKH
Account Name:	More Action Investments Limited
Account No:	808-558050-001
Currency:	Hong Kong Dollar

"**Seller's Breach**" has the meaning given in Clause 10.2.

"**Seller's Group**" means the Seller and any company which is, on or after the date of this Agreement, a subsidiary or holding company of the Seller or a subsidiary of a holding company of the Seller, and excludes, for the avoidance of doubt, the Company, and "**Seller's Group Company**" shall be construed accordingly.

"**Seller Warranty(ies)**" means a statement contained in Part A of Schedule 3 (*Warranties*).

"**Shareholder Loan**" means the loan owing by the Company to the Seller on Completion, the outstanding amount of which is, at the date of this Agreement, HK\$282,433,000.

"**Subscription and Shareholders Agreement**" means the subscription and shareholders agreement dated 8 November 2021 and entered into among APG, WOP, the Buyer and WOP SPV as amended and supplemented by a side letter dated 23 December 2021 entered into among APG, WOP, the Buyer and WOP SPV.

"**Tax(es)**" means any form of taxation, levy, duty, charge, contribution, withholding or impost of whatever nature (including any related fine, penalty, surcharge or interest) imposed, collected or assessed by, or payable to, a Tax Authority.

"**Tax Authority**" means any government, state or municipality or any local, state, federal or other authority, body or official anywhere in the world competent to impose any liability in respect of Tax or responsible for the administration, imposition, assessment and/or collection of Tax or enforcement of any law in relation to Tax.



"**Third Parties Ordinance**" means the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong).

"**Total Consideration**" has the meaning given to it in Clause 3.1 (*Purchase Price*).

"**Updated Total Consideration**" has the meaning given to it in Clause 3.3.

"**Warranty**" means a statement contained in Schedule 3 (*Warranties*).

"**WOGL**" means Wang On Group Limited, a company incorporated in Bermuda and whose shares are listed on The Stock Exchange of Hong Kong Limited (stock code: 1222), whose registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

"**WOP**" means Wang On Properties Limited, a company incorporated in Bermuda and whose shares are listed on The Stock Exchange of Hong Kong Limited (stock code: 1243), whose registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

"**WOP Group**" means WOP and its subsidiaries from time to time.

"**WOP SPV**" means Lucky Dynasty International Limited, a company incorporated under the laws of the British Virgin Islands, with registration number 2071416, whose registered office is at Vistra Corporate Services Centre, Wickhams Cay II, Road town, Tortola, VG1110, British Virgin Islands.

1.2 In this Agreement, a reference to:

1.2.1 a "**subsidiary**" or "**holding company**" is to be construed in accordance with sections 13 to 15 of the Companies Ordinance;

1.2.2 a "**person**" includes a reference to any individual, firm, company, corporation or other body corporate, government, state or agency of a state or any joint venture, association or partnership, works council or employee representative body (whether or not having separate legal personality);

1.2.3 a document in the "**agreed form**" is a reference to a document in a form approved by APG and WOP SPV and appended to the Subscription and Shareholders Agreement or for the purposes of identification confirmed by e-mail by APG and WOP SPV (or by the respective legal counsel of APG and WOP SPV for and on their behalf);

1.2.4 a Clause, paragraph or schedule, unless the context otherwise requires, is a reference to a Clause or paragraph of, or schedule to, this Agreement;

1.2.5 a "**Party**" includes a reference to that Party's successors and permitted assigns;

1.2.6 a statutory provision includes a reference to:

(a) the statutory provision as modified or re-enacted or both from time to time whether before or after the date of this Agreement; and

- (b) any subordinate legislation made under the statutory provision (as so modified or re-enacted) whether before or after the date of this Agreement;
- 1.2.7 any Hong Kong legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall in respect of any jurisdiction other than Hong Kong be deemed to include what most nearly approximates in that jurisdiction to the Hong Kong legal term and any Hong Kong ordinance or regulation shall be construed so as to include equivalent or analogous laws of any other jurisdiction;
- 1.2.8 liability under, pursuant to or arising out of (or any analogous expression) any agreement, contract, deed or other instrument includes a reference to contingent liability under, pursuant to or arising out of (or any analogous expression) that agreement, contract, deed or other instrument;
- 1.2.9 a party being liable to another party, or to liability, includes but is not limited to, any liability in equity, contract or tort (including negligence) or under the Misrepresentation Ordinance;
- 1.2.10 a time of day is a reference to the time in Hong Kong;
- 1.2.11 the singular includes the plural and *vice versa*; and
- 1.2.12 one gender includes all genders.
- 1.3 The headings in this Agreement do not affect its interpretation.
- 1.4 The *ejusdem generis* principle of construction shall not apply to this Agreement. Accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words. Any phrase introduced by the terms "other", "including", "include" and "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.5 A reference in Schedule 3 (*Warranties*) to the Seller's knowledge, information or belief includes, without limitation, the knowledge, information and belief of the Company and each of its directors and each director of the Seller, and is deemed to include the knowledge, information and belief which such persons have or would have if they had made all reasonable enquiries.
- 2. **SALE AND PURCHASE**
- 2.1 The Seller undertakes to each of APG and the Buyer that it shall sell, and the Buyer agrees to buy, at Completion, the Sale Share and the benefit of the Shareholder Loan and each right attaching to the Sale Share, free from any Encumbrance upon Completion save for the New Encumbrance. The Seller represents and warrants to each of APG and the Buyer that it has and will at Completion have the right to sell and transfer full legal and beneficial title and ownership to and of the Sale Share (together with the benefit of the Shareholder Loan) free from all Encumbrances upon Completion save for the New Encumbrance and any other rights exercisable by third parties.

2.2 The Seller waives all rights of pre-emption and other restrictions on transfer over the Sale Share and the benefit of the Shareholder Loan conferred on it and shall procure that all such rights conferred on any other person are waived no later than Completion so as to permit the sale and purchase of the Sale Share and the benefit of the Shareholder Loan.

### 3. **PURCHASE PRICE**

3.1 Subject to the adjustment pursuant to Clause 3.2, the total purchase price for the Sale Share (together with the benefit of the Shareholder Loan) (the "**Total Consideration**"), determined with reference to the parties' good faith estimate as of the date of this Agreement of the Net Asset Value at Completion, shall be HK\$490,732,000, representing the "**Base Case Net Asset Value**".

#### **Pre-Completion Adjustment**

3.2 On the date falling seven (7) Business Days prior to the Completion Date (the "**Pro Forma Completion Accounts Date**"), the Seller shall provide the Buyer and APG with:

3.2.1 the Pro Forma Completion Accounts; and

3.2.2 all supporting schedules and relevant documents used for the preparation of the Pro Forma Completion Accounts at the same time when the Pro Forma Completion Accounts are provided to the Buyer and APG.

3.3 With effect from the Pro Forma Completion Accounts Date, the Total Consideration shall (notwithstanding Clause 3.1) be adjusted as follows:

3.3.1 if the Estimated Net Asset Value is a more positive figure than the Base Case Net Asset Value, an amount equal to the difference of the two abovementioned amounts shall be added to the Total Consideration; or

3.3.2 if the Estimated Net Asset Value is a less positive figure than the Base Case Net Asset Value, an amount equal to the difference of the two abovementioned amounts shall be deducted from the Total Consideration,

(the resulting amount referred to in Clauses 3.3.1 or 3.3.2 (as applicable) being the "**Updated Total Consideration**"). For the avoidance of doubt, if the Seller fails to provide the Pro Forma Completion Accounts or the documents referred to in Clause 3.2.2 on or prior to the Pro Forma Completion Accounts Date, the Updated Total Consideration shall be deemed to be equal to the Total Consideration.

#### **Post-Completion Adjustment**

3.4 Within sixty (60) calendar days after the Completion Date, the Seller shall provide the Buyer and APG with the Audited Completion Accounts and all supporting schedules and relevant documents used for the preparation of the Audited Completion Accounts.

3.5 Within seven (7) Business Days from the date of the Audited Completion Accounts, the parties agree that:

- 3.5.1 if the Final Net Asset Value is a more positive figure than the Estimated Net Asset Value, the Buyer shall pay an amount equal to the difference between the two abovementioned amounts by wire transfer of immediately available funds to the Seller's Account by no later than ten (10) Business Days after the date of the Audited Completion Accounts; or
- 3.5.2 if the Final Net Asset Value is a less positive figure than the Estimated Net Asset Value, the Seller shall pay an amount equal to the difference between the two abovementioned amounts by wire transfer of immediately available funds to a bank account nominated by the Buyer in writing to the Seller by no later than ten (10) Business Days after the date of the Audited Completion Accounts.

#### 4. **CONDITION**

- 4.1 Completion is conditional on, where required by the Listing Rules, the approval for the Seller to enter into this Agreement by the shareholders of WOP and WOGL having been obtained and/or any other requirements required to be fulfilled under the Listing Rules before such Completion having been fulfilled (the "**Condition**").
- 4.2 The Seller shall use its commercially reasonable endeavours within its powers and control to achieve satisfaction of the Condition as soon as possible after the date of this Agreement and in any event not later than 6 p.m. on the Longstop Date.
- 4.3 If, at any time, the Seller or the Buyer becomes aware of a fact or circumstance that might prevent the Condition being satisfied, it shall immediately inform the other Party.
- 4.4 The Seller shall inform the Buyer of satisfaction of the Condition immediately on becoming aware of the same.
- 4.5 If the Condition has not been satisfied by 6 p.m. on the Longstop Date this Agreement shall automatically terminate with immediate effect.
- 4.6 Each Party's further rights and obligations cease immediately on termination, but termination does not affect a Party's accrued rights and obligations at the date of termination or its rights and obligations arising as a result of termination.

#### 5. **COMPLETION**

- 5.1 Completion shall take place at 18<sup>th</sup> Floor, Prince's Building, 10 Chater Road, Central, Hong Kong on the date on which the Condition is satisfied or on such other date and/or in such manner as mutually agreed in writing between the Parties (the "**Completion Date**"), provided that if Completion does not take place on the original Completion Date for any reason other than either Party's breach of any of its obligations under this Agreement, the Parties shall enter into good faith discussions and agree on whether to postpone the original Completion Date to such date falling not more than ten (10) Business Days after the original Completion Date (and upon such agreement being reached by the Parties, the term "Completion Date" shall refer to the mutually agreed postponed date instead).
- 5.2 At Completion the Seller and the Buyer shall do all those things respectively required of them in Schedule 2 (*Completion Requirements*) and the Buyer shall pay the Updated Total Consideration in accordance with Paragraph Schedule 22.1.1 of Schedule 2.

- 5.3 Neither the Buyer nor the Seller is obliged to complete this Agreement unless:
- 5.3.1 in the case of the Buyer, the Seller; or
  - 5.3.2 in the case of the Seller, the Buyer,
- complies with all its obligations under Clause 5 and Schedule 2 (*Completion Requirements*).
- 5.4 If Completion does not take place on the Completion Date because the Seller or the Buyer (the "**defaulting party**") fails to comply with any of its obligations under Clause 5 and Schedule 2 (*Completion Requirements*) (whether such failure by the defaulting party amounts to a repudiatory breach or not), the Buyer, if the Seller is the defaulting party, or the Seller, if the Buyer is the defaulting party (the "**non-defaulting party**") may by notice to the defaulting party:
- 5.4.1 proceed to Completion to the extent reasonably practicable;
  - 5.4.2 postpone Completion to such date as it decides falling not more than ten (10) days after the date set for Completion; or
  - 5.4.3 terminate this Agreement.
- 5.5 If Completion is postponed to another date in accordance with Clause 5.4.2, the provisions of this Agreement apply as if that other date is the Completion Date.
- 5.6 If the non-defaulting party terminates this Agreement pursuant to Clause 5.4.3, each Party's further rights and obligations cease immediately on termination, but termination does not affect a Party's accrued rights and obligations at the date of termination.
- 5.7 Nothing contained in this Agreement shall be so construed as to prevent APG, the Seller or the Buyer from bringing an action for obtaining a decree for specific performance either in lieu of any damages that the Party is entitled to under this Agreement or in addition thereto as the Party bringing such action may have sustained by reason of the neglect or refusal of the other Party to complete the sale or purchase of the Sale Share and the benefit of the Shareholder Loan at the time and in the manner set out in this Agreement.
- 5.8 Following Completion, the Seller shall, as soon as possible and in any event within three (3) Business Days from the Completion Date, deliver to the Buyer the company chop, common seal (if any) of the Company, each register, statutory book, minute book, share certificate books, financial and accounting books, and other books required to be kept by the Company under the Applicable Laws all made up to the Completion Date, and each certificate of incorporation and certificate of incorporation on change of name of the Company.
6. **SELLER'S COVENANTS**
- 6.1 The Seller hereby undertakes to each of APG and the Buyer that it shall and shall procure that the Company will at all times from the date of this Agreement until the date of Completion or termination of this Agreement, as the case may be, comply with Schedule 7 (*Action pending Completion*).

6.2 The covenants set out in Schedule 1, Parts I and II of the Conveyancing and Property Ordinance (Cap.219 of the Laws of Hong Kong) shall be deemed to be incorporated hereunder as if this transaction was an assignment by the Company as beneficial owner of the Approved Project in favour of the Buyer and APG, provided that the covenants so incorporated shall only be incorporated on Completion and will only affect any terms or conditions in respect of the Approved Project and not otherwise.

## 7. **WARRANTIES**

### **Seller Warranties**

7.1 The Seller represents and warrants to each of APG and the Buyer that each Seller Warranty is true, accurate and not misleading as of the date of this Agreement and on Completion.

7.2 The Seller acknowledges that the Buyer is entering into this Agreement in reliance on each Seller Warranty, which has also been given as a representation and with the intention of inducing the Buyer to enter into this Agreement.

7.3 The Seller agrees and undertakes to each of APG and the Buyer that it will not make any claim against the Company in respect of a misrepresentation, inaccuracy or omission in or from information or advice provided by the Company or its directors or representatives for the purpose of assisting the Seller to make a representation or give a Warranty. The Company may enforce the terms of this Clause 7.3 subject to and in accordance with the provisions of the Third Parties Ordinance.

7.4 The Seller shall notify each of APG and the Buyer immediately if it becomes aware of a matter, fact or circumstance which constitutes or which would or might cause a Seller Warranty to be untrue, inaccurate or misleading in respect of the facts or circumstances as at Completion (if Completion does not take place on the date of this Agreement).

7.5 Other than as Disclosed, no other knowledge of APG or the Buyer relating to the Company (actual, constructive or imputed) shall prevent or limit a claim made by APG or the Buyer for breach of Clause 7.1 and the Seller shall not invoke APG's or the Buyer's knowledge (actual, constructive or imputed) of a fact or circumstance which might make a Seller Warranty untrue, inaccurate or misleading as a defence to a claim for breach of Clause 7.1 or to reduce any amount recoverable.

7.6 Each Seller Warranty is to be construed independently and (except where this Agreement provides otherwise) is not limited by a provision of this Agreement or another Seller Warranty.

7.7 All Seller Warranties shall survive and still be binding after Completion.

### **Buyer Warranties**

7.8 The Buyer represents and warrants to the Seller that each Buyer Warranty is true, accurate and not misleading as of the date of this Agreement.

7.9 Each Buyer Warranty is to be construed independently and (except where this Agreement provides otherwise) is not limited by a provision of this Agreement or another Buyer Warranty.

## **Limitations on Seller Warranties**

- 7.10 The Seller Warranties are qualified by reference to those matters Disclosed. The Seller will not be liable to the Buyer or APG in respect of the Seller Warranties to the extent of matters Disclosed.
- 7.11 The Seller will not be liable under any of the Seller Warranties unless Notice of a Claim under the Seller Warranties (specifying in reasonable detail and to the extent possible the event or default to which the Claim relates and the nature of the breach and amount claimed) has been received by the Seller: (i) where such Claim relates to any Seller Warranty contained in Paragraph 7 (*Tax*), Part A of Schedule 3 (*Warranties*), not later than the expiry of the period of seven (7) years following the Completion Date, and (ii) where such claim relates to any other Seller Warranty, not later than the expiry of the period of two (2) years following the Completion Date.
- 7.12 Any Claim in respect of which Notice has been given in accordance with Clause 7.11 will be deemed to have been irrevocably withdrawn and lapsed if (not having been previously satisfied, settled or withdrawn) proceedings in respect of such Claim have not been issued and served on the Seller before the expiry of the period of one (1) year after the date of such notice (or, in the case of a breach of any of the Seller Warranties which arises by reason of any liability which, at the time of such Notice of Claim, is contingent only or cannot be quantified, before the expiry of the period of one (1) year after the date on which such liability ceases to be contingent or becomes capable of being quantified), provided that where the Buyer is prevented from making a Claim by operation of this Clause 7.12, the period of one (1) year shall run from the date on which the Buyer becomes entitled to bring a claim.
- 7.13 The Seller will only be liable in respect of any one Claim under the Seller Warranties if:
- 7.13.1 the amount finally adjudicated or agreed as being payable in respect of such individual Claim is in excess of 0.1 per cent (0.1%) of the Updated Total Consideration (provided however that Claims which are similar in nature and/or arise out of a similar subject matter will for the purposes of this Clause 7.13 be construed as an individual Claim); and
- 7.13.2 the aggregate amount finally adjudicated or agreed as being payable in respect of all such Claims referred to in Clause 7.13.1 is in excess of one (1) per cent (1%) of the Updated Total Consideration in which event, the Seller will be liable for the whole amount and not merely for the excess.
- 7.14 The total liability of the Seller for Claims made under the Seller Warranties will not exceed the amount of the Updated Total Consideration.
- 7.15 The Seller will not be liable for any breach or alleged breach of any Seller Warranty if and to the extent that a specific provision is made in relation to the subject matter giving rise to such breach or alleged breach in the Audited Completion Accounts.
- 7.16 The Seller will not be liable under the Seller Warranties to the extent that any depletion, diminution or reduction in the value or amount of any of the assets of the Company occurs as a direct result of or is otherwise directly attributable to (i) the passing of any

Law not in force at the date of this Agreement or any change of Law which takes effect retroactively; or (ii) any increase in the rates of Tax in force at the date of this Agreement.

## 8. TAX INDEMNITY

The Seller agrees to indemnify, defend and hold harmless the Buyer from and against all Losses suffered by the Buyer or the Company arising out of or relating to any Taxes incurred and/or becomes payable by the Company under the Applicable Laws, which arises from or in connection with any interest with respect to the Company under the Shareholder Loan (or any intercompany balance generated by any intragroup transfer or novation/assignment of such Shareholder Loan) prior to the Completion Date.

## 9. THE SELLER'S REMEDIES

9.1 If, on the Completion Date, the Buyer fails to comply with Clause 5.2, then the Seller may by Notice in writing to the Buyer and APG elect to proceed to Completion or terminate this Agreement.

9.2 If the Seller terminates this Agreement pursuant to Clause 9.1, each Party's and APG's further rights and obligations under this Agreement cease immediately on termination, but termination does not affect: (a) a Party's or APG's accrued rights and obligations at the date of termination; or (b) those rights and obligations expressly stated in this Agreement to continue after termination or without limit in time.

## 10. APG'S THIRD PARTY RIGHTS

10.1 The Parties irrevocably agree, acknowledge and undertake that APG may enforce the terms of this Agreement (including but not limited to Clauses 1, 2, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19 and 20 and each of the Schedules). The Parties further irrevocably agree, acknowledge and undertake that this is a right expressly provided to APG and confers a benefit on APG for the purposes of the Third Parties Ordinance.

10.2 The Seller agrees and acknowledges that: (a) APG's loss arising out of or in connection with a breach by the Seller of any of its obligations to any Party under this Agreement and at any time ("**Seller's Breach**") shall be deemed to include but not be limited to all Losses suffered or incurred by the Buyer due to the Seller's Breach, *multiplied* by APG's shareholding percentage in the issued share capital of the Buyer as at such time ("**APG's Losses**"); (b) the Seller shall indemnify APG for APG's Losses and any other Losses suffered by APG arising out of in connection with the Seller's Breach upon demand by APG; and (c) in the event that any sum paid or payable to APG by the Seller pursuant to this Clause 10.2 is subject to Tax, the Seller shall pay such additional amount to ensure the total amount paid less the Tax chargeable on such amount, is equal to the amount which would otherwise have been payable to APG.

10.3 If APG brings proceedings to enforce the terms of this Agreement against the Seller, the Seller shall only have available to it, by way of defence, set-off or counterclaim to



APG's claims, a matter that would have been available by way of defence, set-off or counterclaim if APG had been a party to this Agreement.

- 10.4 The Parties irrevocably agree and undertake that they may not amend, restate, supplement, rescind and/or vary this Agreement or any provision herein unless with the prior written consent of APG.
- 10.5 In the event that APG is compensated in full by the Seller for APG's Losses in respect of a Seller's Breach or in respect of a breach of the Subscription and Shareholders Agreement arising from the same action by the Seller or the same event, neither APG nor the Buyer shall be entitled to recover from the Seller under this Agreement or the Subscription and Shareholders Agreement more than once in respect of the same APG's Losses for the same Seller's Breach. Vice versa, in the event that the Buyer is compensated in full by the Seller for Buyer's Losses in respect of a Seller's Breach or for the same warranties under the Subscription and Shareholders Agreement, neither the Buyer nor APG shall be entitled to recover from the Seller under this Agreement or the Subscription and Shareholders Agreement more than once in respect of the same Buyer's Losses for the same Seller's Breach. For the avoidance of doubt, this Clause 10.5 does not prohibit or in any way limit APG or the Buyer's ability to make any claim, or right to be indemnified for APG's Losses or other Losses, arising out of or in connection with a Seller's Breach arising out of separate circumstances.

## 11. **CONDITION OF THE APPROVED PROJECT**

The Approved Project is sold and shall be sold to the Buyer on an "as is" basis.

## 12. **CONFIDENTIAL INFORMATION**

- 12.1 The Seller undertakes to the Buyer, for itself and as agent and trustee for the Company, and the Buyer undertake to the Seller, for itself and as agent and trustee for each Seller's Group Company, that before and after Completion it or they shall:

- 12.1.1 not use or disclose to any person Confidential Information it has or acquires;
- 12.1.2 make every effort to erase from any computer under its control of any document, disk or file containing, reflecting or generated from any Confidential Information, and following such erasure, not attempt to recover such material;
- 12.1.3 make every effort to prevent the use or disclosure of Confidential Information; and
- 12.1.4 procure that each Seller's Group Company complies with Clauses 12.1.1 to 12.1.3.

- 12.2 Clause 12.1 does not apply to disclosure of Confidential Information:

- 12.2.1 to the extent that it is generally known to the public not as a result of a breach of any duty of confidentiality;
- 12.2.2 to a director, officer or employee of the Buyer or of the Company whose function requires him to have the Confidential Information;

12.2.3 to the extent that it is required to be disclosed by law, by a rule of a listing authority (including the Listing Rules) by which the Seller's (or its holding or ultimate holding company's(ies)'), direct or indirect) shares are listed, by a stock exchange on which the Seller's (or its holding or ultimate holding company's(ies')) shares are listed or traded or by a Government Authority or other authority with relevant powers to which the Seller or the Buyer is subject or submits, whether or not the requirement has the force of law, **provided that** the disclosure shall so far as is practicable be made after consultation with the Buyer and after allowing the Buyer the opportunity to contest such disclosure and after taking into account the Buyer's reasonable requirements as to its timing, content and manner of making or despatch; or

12.2.4 to an adviser for the purpose of advising the Seller in connection with the transactions contemplated by this Agreement, **provided that** such disclosure is essential for these purposes and is on the basis that Clause 12.1 applies to the disclosure by the adviser.

12.3 For the avoidance of doubt, this Clause 12 shall survive Completion.

### 13. ANNOUNCEMENTS

13.1 Subject to Clause 13.2, neither Party may, before or after Completion, make, issue or send a public announcement, communication or circular concerning the transactions referred to in this Agreement unless it has first obtained the other Party's written consent, which may not be unreasonably withheld or delayed.

13.2 Clause 13.1 does not apply to a public announcement, communication or circular required by law, by a rule of a listing authority (including the Listing Rules) by which, either Party's shares or shares of either Party's holding or ultimate holding company(ies), direct or indirect, are listed, by such stock exchange or by a Government Authority or other authority with relevant powers to which either Party or either Party's holding company(ies) is subject or submits, whether or not the requirement has the force of law, **provided that** the public announcement, communication or circular shall so far as is practicable be made after consultation with the other Party and after taking into account the reasonable requirements of the other Party as to its timing, content and manner of making or despatch.

### 14. COSTS

Except where this Agreement or the relevant document provides otherwise, each Party shall pay its own costs relating to the negotiation, preparation, execution and performance by it of this Agreement and of each document referred to in it.

### 15. GENERAL

15.1 A variation of this Agreement is valid only if it is in writing and signed by or on behalf of each Party.

15.2 The failure to exercise or the delay in exercising a right or remedy provided by this Agreement or by law does not impair or constitute a waiver of the right or remedy or an impairment of or a waiver of other rights or remedies. No single or partial exercise

of a right or remedy provided by this Agreement or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.

- 15.3 Each of APG and the Buyer's rights and remedies contained in this Agreement are cumulative and not exclusive of rights or remedies provided by Applicable Laws.
- 15.4 Except to the extent that they have been performed and except where this Agreement provides otherwise, the obligations contained in this Agreement remain in force after Completion.
- 15.5 All payments made by the Seller under this Agreement shall be made gross, free of right of counterclaim or set off and without deduction or withholding of any kind other than any deductions or withholding required by Applicable Laws.
- 15.6 If the Seller or the Buyer makes a deduction or withholding required by Applicable Laws from a payment under this Agreement (in the case of the Seller), the sum due from the Seller or the Buyer shall be increased to the extent necessary to ensure that, after the making of any deduction or withholding, the Buyer or the Seller receives a sum equal to the sum it would have received had no deduction or withholding been made.
- 15.7 Except as provided under Clause 10, a person who is not a Party to this Agreement has no right under the Third Parties Ordinance to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from the Third Parties Ordinance.
- 15.8 Each of the Parties agrees to perform (or procure the performance of) all such acts and things and/or to execute and deliver (or procure the execution and delivery of) all such documents, as may be required by law or as may be necessary or reasonably requested by the Seller or the Buyer for giving full effect to this Agreement and securing to the Seller or the Buyer the full benefit of the rights, powers and remedies conferred upon the Seller or the Buyer by this Agreement. Unless otherwise agreed, each Party shall be responsible for its own costs and expenses incurred in connection with the provisions of this Clause 15.8.
- 15.9 All or any stamp duty payable on the instrument(s) of transfer and bought and sold notes in respect of the transactions contemplated in this Agreement will be borne as to one half by the Seller and as to the other half by the Buyer. After Completion, the Buyer will procure that the instrument(s) of transfer and bought and sold notes relating to the purchase of the Sale Share are duly stamped.

## 16. **ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement between the Parties. It supersedes any previous agreements relating to the subject matter of this Agreement and sets out the complete legal relationship of the Parties arising from or connected with that subject matter.

17. **ASSIGNMENT**

17.1 This Agreement is personal to the Seller. Accordingly, the Seller shall not assign, transfer, declare a trust of the benefit of or in any other way alienate any of its rights under this Agreement whether in whole or in part.

17.2 Subject to this Clause 17.2, the Seller agrees that the benefit of every provision in this Agreement is given to the Buyer and APG for themselves and their respective successors in title and assigns. Accordingly, the Buyer and APG (and their respective successors and assigns) may, without the consent of the Seller, assign the benefit of all or any of the Seller's obligations under this Agreement and/or any other rights and benefit arising under or out of this Agreement to a Buyer's Group Company (from time to time).

18. **NOTICES**

18.1 A notice or other communication under or in connection with this Agreement (a "Notice") shall be:

18.1.1 in writing;

18.1.2 in English; and

18.1.3 delivered personally or sent by courier by an internationally recognised courier company (e.g. FedEx, DHL) or by email, to the Party due to receive the Notice or APG (as applicable) at its address set out in Clause 18.3 or to such other address, person or email address as that Party or APG (as applicable) may specify by not less than seven (7) days' written notice to the other Party or APG (as applicable).

18.2 In the absence of evidence of earlier receipt, a Notice shall be deemed to have been duly given if:

18.2.1 delivered personally, when left at the address referred to in Clause 18.1.3;

18.2.2 sent by courier, two (2) Business Days after posting it; and

18.2.3 sent by email, when the email is sent.

18.3 The address referred to in Clause 18.1.3 is:

<u>Name of party</u>	<u>Address</u>	<u>Email address</u>	<u>Marked for the attention of</u>
<b>The Seller</b>	c/o Suite 3201, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	nicktang@wangon.com	CEO

<b>Name of party</b>	<b>Address</b>	<b>Email address</b>	<b>Marked for the attention of</b>
<b>The Buyer</b>	c/o Suite 3201, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong	nataliewong@woproperties.com	Director
<b>APG</b>	c/o APG Investments Asia Limited, 15/F Three Pacific Place, 1 Queen's Road East, Wan Chai, Hong Kong	DL-APGHK-legalnotices@apg-am.hk; dl-apghkprojecttemple@apg-am.hk	Head of Real Estate, Asia Pacific and General Counsel Asia

## 19. GOVERNING LAW AND JURISDICTION

- 19.1 This Agreement and any dispute, claim, suit, action or proceeding of whatever nature arising out of or in any way related to this Agreement (including any non-contractual disputes or claims) shall be governed by, and shall be construed in accordance with, the Laws of Hong Kong.
- 19.2 Any dispute, controversy or claim arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination or any non-contractual obligation arising out of or in connection with it, shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre ("**HKIAC**") in accordance with the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted (the "**Rules**"). The Rules are deemed to be incorporated by reference into this Clause 19.
- 19.3 The arbitration tribunal shall consist of three (3) arbitrators to be appointed in accordance with the Rules.
- 19.4 The seat of the arbitration shall be Hong Kong. This arbitration agreement shall be governed by the Laws of Hong Kong.
- 19.5 The language of the arbitration proceedings shall be English.
- 19.6 Any award of the arbitration tribunal shall be final and binding on the Parties from the day it is made. The Parties undertake to carry out the award without delay.
- 19.7 The Parties agree that APG shall be entitled to be treated as a party to the arbitration agreement for the purposes of enforcing its rights under this Agreement (including but not limited to as envisaged by section 12 of the Third Parties Ordinance).

20. **COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which when executed and delivered is an original and all of which together evidence the same agreement.

**SCHEDULE 1**  
**INFORMATION OF THE COMPANY**

1. Company number: 3029446
2. Place of incorporation: Hong Kong
3. Address of registered office: Suite 3201, 32/F., Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong
4. Type of company: Limited liability company
5. Issued share(s): one
6. Shareholder(s): City Arise Limited
7. Directors: TANG Ho Hong, CHING Tak Won Teresa, WONG Chin Han
8. Accounting reference date: 31 March
9. Auditors: Ernst & Young

## **SCHEDULE 2 COMPLETION REQUIREMENTS**

### **1. Seller's obligations**

- 1.1 At Completion, the Seller shall deliver or procure to be delivered to the Buyer:
- 1.1.1 (if not already delivered) as evidence of the authority of each person executing this Agreement and the Deed of Assignment and any other document(s) referred to in this Schedule 2 on the Seller's behalf, certified copies of:
- (a) the minutes of a duly held meeting of, or the resolutions in writing of, the directors of the Seller (or a duly constituted committee thereof) approving and authorising, among other things, the execution and delivery of, and the performance by the Seller of its obligations under this Agreement and the Deed of Assignment and the other relevant document(s) referred to in this Schedule 2 to which the Seller is a party and, where such execution is authorised by a committee of the board of directors of the Seller, such minutes of a duly held meeting of the directors constituting such committee or the relevant extract thereof; or
  - (b) the power of attorney conferring the authority, if any,
- in each case certified to be a true copy by a Hong Kong qualified solicitor or a director or secretary of the Seller;
- 1.1.2 original duly executed sold note(s) and instrument(s) of transfer in respect of the Sale Share;
- 1.1.3 a copy of the written resolutions of the directors of the Company referred to in Paragraph 1.2 below;
- 1.1.4 a copy of the updated register of members of the Company showing the Buyer and/or its nominee(s) as member(s) of the Company in respect of the Sale Share;
- 1.1.5 original new share certificate(s) of the Company in relation to the Sale Share issued in the name of the Buyer and/or its nominee(s);
- 1.1.6 the Deed of Assignment duly executed by the Seller; and
- 1.1.7 the Asset Management Agreement duly executed by, among others, the Company and Wang On Asset Management Limited as asset manager of the Approved Project.
- 1.2 The Seller shall cause a meeting of the board of directors of the Company to be duly held, or shall otherwise cause written resolutions of the directors of the Company to be validly passed, to approve the transfer of the Sale Share and register the Buyer and/or its nominee(s) as member(s) of the Company in respect of the Sale Share in the register of members of the Company.

### **2. Buyer's obligations**



2.1 At Completion, the Buyer shall:

2.1.1 pay or procure to be paid an amount equal to the Updated Total Consideration wholly or in a combination of a payment by wire transfer of immediately available funds direct into the Seller's Account and/or delivery and directing the payment of the Promissory Note(s) in favour of the Seller in accordance with Clause 5.2; and

2.1.2 deliver or procure to be delivered to the Seller:

(a) (if not already delivered) as evidence of the authority of each person executing each of this Agreement and any other document(s) referred to in this Schedule 2 on the Buyer's behalf, certified copies of:

(i) the minutes of a duly held meeting of, or the resolutions in writing of the directors of the Buyer (or a duly constituted committee thereof) approving and authorising, among other things, the execution and delivery of, and the performance by the Buyer of its obligations under this Agreement and the other relevant document(s) referred to in this Schedule 2 to which the Buyer is a party and, where such execution is authorised by a committee of the board of directors of the Buyer, such minutes of a duly held meeting of the directors constituting such committee or the relevant extract thereof; or

(ii) the power of attorney conferring the authority,

in each case certified to be a true copy by a Hong Kong-qualified solicitor or a director or secretary of the Buyer;

(b) a copy of the duly executed bought note(s) and instrument(s) of transfer in respect of the Sale Share;

(c) a counterpart of the Deed of Assignment duly executed by the Buyer.

## **SCHEDULE 3 WARRANTIES**

### **PART A**

#### **1. CAPACITY AND AUTHORITY**

##### **1.1 Right, power, authority and action**

1.1.1 The Seller has the right, power and authority, and has taken all actions necessary, to execute, deliver and exercise its rights, and perform its obligations, under this Agreement and each document to be executed by the Seller at Completion.

1.1.2 The Company has the right, power and authority, and has taken all actions necessary, to hold the Approved Project.

1.1.3 There have not been and are no breach by the Seller or the Company of its constitutional documents.

##### **1.2 Binding agreements**

1.2.1 The Seller's obligations in this Agreement are, or when the relevant document is executed will be, enforceable in accordance with their respective terms.

1.2.2 The execution and delivery of, and the performance by the Seller of their obligations under this Agreement will not:

- (a) result in a breach of any provision of the memorandum or articles of association or by-laws or equivalent constitutional documents of the Seller or the Company;
- (b) result in a breach of, or constitute a default under, any instrument to which the Seller or the Company is a party or by which the Seller or the Company is bound and which is material in the context of the transactions contemplated by this Agreement;
- (c) result in a breach of any order, judgment or decree of any court or Government Authority to which the Seller or the Company is a party or by which the Seller or the Company is bound or submits and which is material in the context of the transactions contemplated by this Agreement; or
- (d) require the Seller or the Company to obtain any consent or approval of, or give notice to or make any registration with, any Government Authority or other authority which has not been obtained or made at the date hereof both on an unconditional basis and on a basis which cannot be revoked (save pursuant to any legal or regulatory entitlement to revoke the same other than by reason of any misrepresentation or misstatement).

#### **2. SALE SHARE AND SHAREHOLDER LOAN**

- 2.1 The Seller is the sole legal and beneficial owner of the Sale Share and is entitled to sell and transfer the full legal and beneficial ownership of such Sale Share to the Buyer free from all Encumbrances other than the Existing Encumbrance, and on Completion, the New Encumbrance and with all rights now and hereafter relating to such Sale Share.
- 2.2 The Sale Share comprises all the Company's allotted and issued share(s) and are fully paid or credited as fully paid.
- 2.3 There is no Encumbrance, and there is no agreement, arrangement, commitment or obligation to create or give an Encumbrance, in relation to any of the Sale Share or unissued share in the Company other than the Existing Encumbrance, and on Completion, the New Encumbrance.
- 2.4 Other than this Agreement, there is no agreement, arrangement or obligation requiring the creation, allotment, issue, transfer, redemption or repayment of, or the grant to a person of the right (conditional or not) to require the allotment, issue, transfer, redemption or repayment of, a share in the Company (including, without limitation, an option or right of pre-emption or conversion).
- 2.5 The Company has not repaid, redeemed or purchased any of its share or issued any share as paid up otherwise than by receipt of consideration therefor.
- 2.6 The Company has not been directly or indirectly engaged or involved in any scheme of reconstruction or amalgamation or any reorganisation or repurchase of share or conversion of securities, nor has the Company transferred any business carried on by it.
- 2.7 The Seller is the sole legal and beneficial owner of the Shareholder Loan and is entitled to assign the full legal and beneficial ownership of such Shareholder Loan to the Buyer free from all Encumbrances and with all rights now and hereafter relating to such Shareholder Loan.

### 3. **CORPORATE INFORMATION**

#### 3.1 **Holding company**

The Company is a property holding company and save for its holding of the Approved Project, the Company has not carried out any business since the date of its incorporation and, it does not have any assets or liabilities as at the Completion Date.

#### 3.2 **Insolvency**

3.2.1 No petition has been presented, meeting convened, resolution passed, procedure commenced or other step threatened or taken or order made for:

- (a) the winding-up or dissolution of the Company;
- (b) the appointment of an administrator in respect of the Company; or
- (c) the appointment of a receiver, administrative receiver in respect of the Company or its assets or undertaking.

- 3.2.2 The Company is not insolvent or unable to pay its debts (as defined in the insolvency legislation of the jurisdiction of incorporation of the Company). The Company has not stopped paying its debts as they fall due.
- 3.2.3 No scheme of arrangement, compromise or other arrangement between the Company (on the one hand), and its creditors and/or members (or any class of its creditors and/or members) (on the other hand) has been proposed, sanctioned or approved.
- 3.2.4 There is no unsatisfied judgment or court order outstanding against the Company and no distress, execution or other process has been levied on any of its assets.

#### 4. **PROPERTY**

##### 4.1 **Title**

- 4.1.1 The information regarding the Approved Project as set out in Schedule 4 (*Information of the Approved Project*) or provided by the Seller is true, accurate and not misleading in all respects.
- 4.1.2 The Company has good and marketable title to and is the sole legal and beneficial owner of the Approved Project and entitled to exclusive possession of the Approved Project, save as Disclosed.
- 4.1.3 Save as Disclosed, the Approved Project is free from all Encumbrances other than the Existing Encumbrance, and on Completion, the New Encumbrance.
- 4.1.4 The Approved Project comprises the sole properties owned, occupied or otherwise used by the Company and all the estate, interest, right and title whatsoever of the Company in or in respect of any land or premises.
- 4.1.5 Save as Disclosed, the Company has not contracted to sell or otherwise dispose of its interest in or part with the possession of the Approved Project or any part thereof or create any Encumbrance over the Approved Project or any part thereof other than the Existing Encumbrance and the New Encumbrance.
- 4.1.6 With respect to the Approved Project, the Government Lease and the deeds of mutual covenant are good, valid and subsisting and all premium, rent and other moneys payable or reserved thereunder and all material covenants, terms and conditions contained therein have been duly paid, observed and performed.
- 4.1.7 Any copy or certified copy(ies) of the title deeds and documents with respect to the properties held by the Company which have been provided by the Seller or its Affiliates (as defined in the Subscription and Shareholders Agreement) or their respective directors, officers or advisors to the Buyer for the purpose of due diligence are true and complete copies of the originals or from other certified copies. All such title deeds are in the possession of the lenders under the Existing Loan (as part of the Existing Encumbrance).
- 4.1.8 Neither the Seller nor the Company has received any written notice or other form of written communication or is aware of any circumstances regarding a

breach of the Applicable Laws in respect of the Approved Project or the terms and conditions of the Government Lease, the applicable deed(s) of mutual covenant or the first assignment(s) which have not been rectified and cleared.

- 4.1.9 There are no restrictive covenants or provisions, legislation or orders, charges, restrictions, agreements, conditions or other matters which preclude or limit the current use of the Approved Project or any part thereof.
- 4.1.10 To the knowledge of the Seller, there had never been any action or threat of action for the non-availability of an occupation permit and/or for enforcement action for such non-availability and the occupation permit in respect of the Approved Project is now good, valid and subsisting.
- 4.1.11 Neither the Seller nor the Company has applied to any Government Authority to vary or modify any terms of the Government Lease.
- 4.1.12 Neither the Seller nor the Company has received prior to the date of this Agreement or the Completion Date (as applicable): (i) any Notice and/or Order; or (ii) any notice from any Government Authority under the Lands Resumption Ordinance (Cap.124 of the Laws of Hong Kong), the Mass Transit Railway (Land Resumption and Related Provisions) Ordinance (Cap. 276 of the Laws of Hong Kong), the Roads (Works, Use and Compensation) Ordinance (Cap.370 of the Laws of Hong Kong), the Railways Ordinance (Cap.519 of the Laws of Hong Kong) or the Urban Renewal Authority Ordinance (Cap.563 of the Laws of Hong Kong) or any other legislation or regulation relating to the resumption of the Approved Project or any part thereof or any other form of notice of similar nature in relation to or affecting the enjoyment of the Approved Project.

For the purpose of this Paragraph 4.1.12, the items mentioned below shall each be referred to as a "**Notice and/or Order**":

- (a) any notice, order, demand, direction, certificate or the like or any letter or any other form of written communication from the Government Authority or other competent authority and building manager (whether acting under or pursuant to Applicable Laws, the Government Lease or otherwise) requiring the owner of the Approved Project (whether registered in the Land Registry or otherwise):
  - (i) to alter, repair, maintain, renovate, improve, refurbish, upkeep, upgrade, demolish or reinstate the Approved Project or any part or layout thereof or any fixtures, fittings, erections, structures and building works of the Approved Project or any part thereof and/or to carry out any other works thereto;
  - (ii) to carry out or discontinue any acts, works or other activities to or in the Approved Project or any part or parts thereof; or
  - (iii) to make payment or contribution of any amount; and
- (b) any claim, demand or request from any person (other than the Buyer's Group Company):

- (i) that any material works or other material activities be or shall be carried out by the Company:
  - (A) in or in respect of the Approved Project or any part or parts thereof; or
  - (B) in respect of any structure, fitting, fixture, equipment, installation or the like (whether within or outside the boundary of the Approved Project) which pertains to the use and enjoyment of the Approved Project (or any part thereof); or
- (ii) that any payment or contribution in any material respects of funding be or shall be made by the Company in respect of the Approved Project or any part or parts thereof, or any premises or structure, fitting, fixture, equipment, installation, facilities or the like as mentioned above.

#### **4.2 Property Proceedings**

To the Seller's knowledge:

- 4.2.1 there are no Property Proceedings and none are pending or threatened;
- 4.2.2 no fact or circumstance exists which might give rise to a Property Proceeding; and
- 4.2.3 there is no outstanding notice, judgment, order, decree, arbitral award or decision of a court, tribunal, arbitrator or Governmental agency affecting the Approved Project.

#### **4.3 Tenancies**

- 4.3.1 Save as Disclosed, neither the Seller nor the Company has agreed to the creation of any tenancies of or licences to occupy the Approved Project or any part(s) thereof.
- 4.3.2 Save as Disclosed, there are no other tenancies, leases, licences, options or other interest granted or agreed to be granted in respect of the Approved Project or any part thereof (whether registered in the Land Registry or not) which are still subsisting or would otherwise affect the use and enjoyment of the Approved Project or any part thereof which have not been disclosed to the Buyer.

#### **4.4 Charges and Expenses of the Approved Project**

With respect to the Approved Project, all premium and other moneys payable under and reserved by the Government Lease have been duly paid.

#### **4.5 Appurtenant Rights**

- 4.5.1 There is appurtenant to the Approved Project each right and easement necessary for its proper and existing use including, without limitation, emergency escape

routes. No right or easement is restricted in any way (including, without limitation, a restriction on hours of use) or is capable of being lawfully interrupted or terminated by any person.

4.5.2 Each service necessary for the Approved Project's existing use (including, without limitation, electricity, gas and water supplies, sewerage and telecommunications lines) is available to the Company.

#### 4.6 **Outgoings**

The Approved Project is not subject to outgoings other than the government rates, government rent, water and sewerage rates, management fees and insurance premiums, all of which have been duly paid to date.

#### 4.7 **Adverse Interests**

4.7.1 Save as Disclosed, there is no person in possession or occupation of, or who has or claims a right or interest of any kind in, the Approved Project adverse to the Company's interest. Save as Disclosed, the Company is entitled to and has exclusive possession of the Approved Project.

4.7.2 No fact or circumstance exists which materially and adversely affects the Approved Project's value or the use or enjoyment of the Approved Project or casts doubt on the Company's right or title to the Approved Project.

#### 4.8 **Use and Construction**

4.8.1 The Approved Project's respective existing uses is lawful use permitted under:

- (a) Applicable Laws, regulations, orders or official directions; and
  - (b) the relevant Government Lease and deeds of mutual covenants,
- and that permission is not temporary or personal.

4.8.2 Any permits, licences, waivers, consents or other authorisations necessary for the Approved Project's existing use, and its original construction and any subsequent alteration, has been obtained and is in force, unimpeachable and unconditional or subject only to conditions that have been satisfied in full and none are given on a temporary basis.

4.8.3 There are no unauthorised or illegal structures or alterations or works or building works on, in, at or appertaining to the Approved Project or any part thereof and there is no illegal change of use of the Approved Project.

#### 4.9 **Condition of the Approved Project**

4.9.1 There is no material deficiency which requires correction in the state or condition of any building or other structure on or forming part of the Approved Project.

- 4.9.2 No flooding, subsidence or other material defect of any kind (including, without limitation, a design or construction defect) affects or has affected the Approved Project.
- 4.9.3 No building or other structure on or forming part of the Approved Project contains a deleterious substance or a substance which is not at the date of this Agreement or the Completion Date used in generally accepted good building practice.
- 4.9.4 The Approved Project is in good and substantial repair and fit for the purposes for which it is currently used.

#### **4.10 Warranties specific to the Approved Project**

- 4.10.1 Save as Disclosed, there is no third party (whether related or otherwise) having any right or interest whatsoever whether legal or equitable in the Approved Project or any part or any interest thereof or therein.
- 4.10.2 Save as Disclosed, the Company has exclusive occupation and exclusive possession of the Approved Project.
- 4.10.3 There has been no claim or dispute in respect of the Company's ownership of the Approved Project and there are no outstanding actions, disputes, claims or demands between the Company and any third party as may render the title of the Approved Project or any part thereof defective.
- 4.10.4 At Completion, the Company has under its control all title deeds and documents necessary to prove and give good and marketable legal and beneficial title to the Approved Project.
- 4.10.5 Save as Disclosed, neither the Approved Project nor any of its title deeds is subject to an Encumbrance, other than the Existing Encumbrance, and on Completion, the New Encumbrance.
- 4.10.6 The Approved Project may be, during the residue of the term of years created by the Government grant (and any renewal thereof), held and enjoyed by the Company and any person deriving title under it without any lawful interruption or disturbance.
- 4.10.7 The Company has not applied to the Government of Hong Kong to vary or modify any terms of the Government grant or any subsisting waivers.
- 4.10.8 The Approved Project or any part thereof is not affected by any of the following matters and is not likely to become so affected:
  - (a) any outstanding dispute, notice or compliance or any exception, reservation, right, covenant, restriction or condition which is of an unusual nature or which adversely affects or might in the future adversely affect the use of the Approved Project or any part thereof for the purpose for which it is now used or which impairs or might in the future impair the value or redevelopment value of the Approved Project



or any part thereof such that it would amount to a Material Adverse Effect in respect of the Approved Project;

- (b) any compensation or notification received as a result of any refusal of any application for planning permission or the imposition of any restrictions in relation to any planning permits;
- (c) any outstanding claim or liability (contingent or otherwise) whether under the Town Planning Ordinance (Cap.131) or any other applicable laws;
- (d) any outgoings except those of a recurrent nature; and
- (e) the requirement of consent from the Government of Hong Kong or any third party except those (if any) expressly mentioned in the Government Lease.

#### **4.11 Outstanding Property Liabilities**

The Company has no liability arising out of a conveyance, transfer, lease, tenancy, licence, agreement or other document relating to land, premises or an interest in land or premises.

### **5. ACCOUNTS AND ASSETS AND LIABILITIES**

- 5.1 The Management Accounts show with reasonable accuracy the state of affairs and the assets and liabilities of the Company as at the date of the Management Accounts and for the period in respect of which they have been prepared.
- 5.2 Save as Disclosed in the Management Accounts, the Company does not have capital commitment and is not engaged in any scheme or project requiring the expenditure of capital.
- 5.3 Save as Disclosed in the Management Accounts, the Company does not have any actual or potential material obligation, material liability or debt.
- 5.4 All outstanding principal amount, accrued interest and other outstanding sum, amount or balance (whether documented or undocumented) owed to the Seller's Group by the Company have been repaid by the Company in full, without any outstanding obligation or liability owed by the Company to the Seller's Group.
- 5.5 All outstanding intragroup agreements between the Company and the Seller's Group have been terminated, and all outstanding intragroup balances between the Company and the Seller's Group have been settled or cancelled, in each case with no outstanding obligations or liabilities owed by the Company to any Seller's Group Company under any such agreement or balance as at Completion.

### **6. CHANGES SINCE THE DATE OF THE MANAGEMENT ACCOUNTS OF 31 JANUARY 2022**

Since the date of the Management Accounts of 31 January 2022:

- 6.1 the Company's business has been operated in the usual way so as to maintain it as a going concern, no fixed asset has been written up nor any debt written off;
- 6.2 there has been no material adverse change in the financial or trading position of the Company and other than the transactions contemplated under this Agreement, the Company has entered into transactions and incurred liabilities solely in the ordinary course of business;
- 6.3 no resolution of any members of the Company in general meeting has been passed other than resolutions relating to the business of the annual general meeting which was not special business;
- 6.4 the Company has not declared, paid or made any dividend or distribution except as provided in the Management Accounts;
- 6.5 the Company has not created, allotted, issued, acquired, repaid or redeemed share or loan capital or made an agreement or arrangement or undertaken an obligation to do any of those things;
- 6.6 the Company has not changed its the financial year end from 31 March;
- 6.7 no event has occurred which would entitle any third party (with or without the giving of notice) to call for the repayment of any indebtedness prior to its normal maturity date;
- 6.8 no material asset of the Company has been acquired or disposed of on capital account, or has been agreed to be acquired or disposed of and, save as Disclosed in the Management Accounts, the Company has not disposed of or parted with possession of any of its property, assets (including know-how) or made any payments, and no contract involving expenditure by it on capital account has been entered into by the Company, and no liability has been created or has otherwise arisen (other than in the ordinary course of business as previously carried on); and
- 6.9 to the knowledge of the Seller, no event has occurred which results in the Company becoming liable to pay or bear a Tax liability directly or primarily chargeable against or attributable to another person, firm or company (other than the Government Authority).

## 7. **TAX**

- 7.1 The Company is and has at all times been resident in the jurisdiction in which it is incorporated for all Tax purposes.
- 7.2 The Company has paid all Tax which is due and payable and has deducted or withheld all Tax which it has been obliged by Applicable Law to deduct or withhold from amounts paid by it and has properly accounted to the relevant Tax Authority for all amounts of Tax so deducted or withheld.
- 7.3 The Company has within applicable time limits made all tax return as it is required to make and has fully complied on a timely basis with all notices served on it and any other requirements lawfully made of it by any Tax Authority.

- 7.4 The Company is not currently involved in any dispute or disagreement with any Tax Authority in relation to Tax or regarding the availability to the Company of any relief.
- 7.5 All documents by virtue of which the Company has any rights have been duly stamped, if required in the relevant jurisdiction.
- 7.6 Any stamp duty payable related to the acquisition of properties (when it was first acquired by the Seller) has been properly settled.
- 7.7 The Company has not entered into transactions with the main purposes of avoidance or deferral of Tax.
- 7.8 All amounts payable to any Tax Authority in respect of any employee due and payable by the Company have been duly paid.
- 7.9 All related party transactions of the Company were conducted at arm's length basis.

## 8. **INSURANCE**

### 8.1 **Policies**

The Company maintains property all risks insurance and general liability insurance covering the Approved Project (together the "**Policies**").

### 8.2 **Claims**

No claim is outstanding either by the insurer or the insured under any of the Policies and no claim against the Company by any third party is outstanding in respect of any risk covered by any of the Policies or by any policy previously held by the Company.

### 8.3 **Premiums**

8.3.1 All premiums which are due and payable under the Policies have been paid and all the other conditions of the Policies have been performed and observed in full.

8.3.2 The Company has not done anything or omitted to do anything which might result in an increase in the premium payable in respect of any of the Policies or which would or might be required under any of the Policies to be notified to the insurers.

## 9. **CONTRACTS**

The Company has not entered into or will not enter into any material Contract other than this Agreement, the Deed of Assignment, the Asset Management Agreement and the agreement(s) relating to the acquisition of properties in the Approved Project.

## 10. **RELATED PARTY TRANSACTIONS**

Save as Disclosed in the Management Accounts, the Company is not a party to any contract with any Seller's Group Company or any current or former director or officer of Seller's Group Company.

## 11. LITIGATION AND COMPLIANCE WITH LAW

- 11.1 The Company is not involved (whether as plaintiff, defendant or otherwise) in a civil, criminal, arbitration, administrative or other proceeding (other than in relation to the collection of debts arising in the ordinary course of business of the Company). The Company has not received any notice, writ or summons in relation to any material civil, criminal, arbitration, administrative or other proceeding (other than in relation to the collection of debts arising in the usual course of business).
- 11.2 No litigation or arbitration, administrative or criminal or other proceedings against the Company is pending or threatened (in each case, by reference to correspondence received) and, so far as the Seller is aware, no fact or circumstance exists which would be reasonably likely to give rise to any material civil, criminal, arbitration, administrative or other proceeding involving the Company.
- 11.3 The Company and each of its directors has conducted the Company's business and dealt with the Company's assets in accordance with all Applicable Laws in all material respects.

## 12. EMPLOYEE

The Company has not had any employees since its incorporation.

## 13. ACCURACY AND ADEQUACY OF INFORMATION

- 13.1 The information set out in Schedule 1 (*Information of the Company*), Schedule 4 (*Information of the Approved Project*) and is true and accurate in all respects and is not misleading.
- 13.2 The copies of documents directly or indirectly provided by the Seller to the Buyer in relation to the transactions contemplated under this Agreement are true and complete copies of the originals of the relevant documents which are in the possession of the Company.
- 13.3 All the accounts, books, ledgers and financial and other records of the Company are in the possession of the Company or under its control and all material transactions relating to its business have been correctly recorded therein. All other accounts, books, ledgers and records of the Company fairly reflect the state of the Company's affairs and to explain its transactions since its incorporation.
- 13.4 The statutory books (including all registers and minute books) of the Company (in respect of matters up to but not including Completion) are accurate and complete record of the matters which should be dealt with in those books in all material respects and no notice or allegation that any of them is incorrect or should be rectified has been received.
- 13.5 All other information contained in any written document supplied to the Buyer or any of its advisers by or on behalf of the Seller in connection with this Agreement was, when given, and is at the date on which this Warranty is given, true and accurate in all material respects and, so far as the Seller is aware, there is no fact, matter or circumstance which has not been disclosed in writing to the Buyer and/or its professional advisors which renders any such written information untrue, inaccurate or misleading in any material respect.

**14. INTELLECTUAL PROPERTY**

14.1 The Company does not own any Intellectual Property.

14.2 So far as the Seller is aware, there is and has been no infringement or threatened infringement by the Company of any of the Intellectual Property of any person.

**15. POWERS OF ATTORNEY**

The Company has not given any power of attorney or other authority (express, implied or ostensible) which is outstanding or effective to any person to enter into any contract or commitment on its behalf.

## **PART B**

### **1. CAPACITY AND AUTHORITY**

#### **1.1 Right, power and authority**

The Buyer has the right, power and authority, and has taken all actions necessary, to execute, deliver and exercise its rights, and perform its obligations, under this Agreement and each document to be executed by the Buyer at or before Completion.

#### **1.2 Binding agreements**

1.2.1 The Buyer's obligations under this Agreement to be executed by the Buyer at or before Completion are, or when the relevant document is executed will be, enforceable in accordance with their respective terms.

1.2.2 The execution and delivery of, and the performance by the Buyer of its obligations under this Agreement will not:

- (a) result in a breach of any provision of the memorandum or articles of association or by-laws or equivalent constitutional documents of the Buyer;
- (b) result in a breach of, or constitute a default under, any instrument to which the Buyer is a party or by which the Buyer is bound and which is material in the context of the transactions contemplated by this Agreement;
- (c) result in a breach of any order, judgment or decree of any court or Government Authority to which the Buyer is a party or by which the Buyer is bound or submits and which is material in the context of the transactions contemplated by this Agreement; or
- (d) require the Buyer to obtain any consent or approval of, or give notice to or make any registration with, any Government Authority or other authority which has not been obtained or made at the date hereof both on an unconditional basis and on a basis which cannot be revoked (save pursuant to any legal or regulatory entitlement to revoke the same other than by reason of any misrepresentation or misstatement).

**SCHEDULE 4**  
**INFORMATION OF THE APPROVED PROJECT**

**The First Property (Nos.12-16 Ting Yip Street)**

ALL THAT piece or parcel of ground registered in the Land Registry as **NEW KOWLOON INLAND LOT NO.4701** And of and in the messuages erections and buildings thereon the ground floors of which are known as Nos.12 and 16 Ting Yip Street and the upper floors of which are known as No.14 Ting Yip Street Subject to the payment of the due proportions of the yearly Government rent reserved by and the covenants conditions and provisos contained in the Government Lease And Subject to and with the benefit of a Deed of Covenant registered in the Land Registry by Memorial No.UB936604 (in so far as the same is subsisting and capable of taking effect) And Subject to and with the benefit of all rights and rights of way and all privileges, easements and appurtenances belonging and appertaining thereto (in so far as the same are subsisting and capable of taking effect).

**The Second Property (Nos.18-20 Ting Yip Street)**

ALL THAT piece or parcel of ground registered in the Land Registry as **NEW KOWLOON INLAND LOT NO.4705 and NEW KOWLOON INLAND LOT NO.4712** And of and in the messuages erections and buildings thereon Subject to the payment of the due proportions of the yearly Government rent reserved by and the covenants conditions and provisos contained in the Government Lease And Subject to and with the benefit of a Deed of Mutual Covenant registered in the Land Registry by Memorial No.UB988886 (in so far as the same is subsisting and capable of taking effect) And Subject to and with the benefit of all rights and rights of way and all privileges, easements and appurtenances belonging and appertaining thereto (in so far as the same are subsisting and capable of taking effect).

**The Third Property (No.22 Ting Yip Street)**

ALL THAT piece or parcel of ground registered in the Land Registry as **NEW KOWLOON INLAND LOT NO.5220** And of and in the messuages erections and buildings thereon known as No.22 TING YIP STREET Subject to the payment of the due proportions of the yearly Government rent reserved by and the covenants conditions and provisos contained in the Government Lease And Subject to and with the benefit of a Deed of Mutual Covenant registered in the Land Registry by Memorial No.UB994173 (insofar as the same is subsisting and capable of taking effect) And Subject to and with the benefit of all rights and rights of way and all privileges, easements and appurtenances belonging and appertaining thereto (in so far as the same are subsisting and capable of taking effect).

**The Fourth Property (No.24 Ting Yip Street)**

ALL THAT piece or parcel of ground registered in the Land Registry as **NEW KOWLOON INLAND LOT NO.5511** And of and in the messuages erections and buildings thereon now known as PING ON BUILDING, No.24 Tin Yip Street Subject to the payment of the yearly Government rent reserved by and the covenants conditions and provisos contained in the Government Lease And Subject to and with the benefit of all rights and rights of way and all privileges, easements and appurtenances belonging and appertaining thereto (in so far as the same are subsisting and capable of taking effect).

**SCHEDULE 5  
DEED OF ASSIGNMENT**



Dated [●] 2022

CITY ARISE LIMITED

and

GIANT HARMONY LIMITED

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ASSIGNMENT OF SHAREHOLDER LOAN

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MAYER | BROWN

好士打

HONG KONG

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**THIS ASSIGNMENT** is dated [●] 2022 and made between:

- (1) **CITY ARISE LIMITED**, a company incorporated in the British Virgin Islands, with registration No. 2057850, whose registered office is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (the "**Assignor**"); and
- (2) **GIANT HARMONY LIMITED**, a company incorporated in Hong Kong, with registration No. 3071206, whose registered office is at Room 3602, Level 36, Tower 1, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong (the "**Assignee**").

## **BACKGROUND**

- (A) The Assignor is the beneficial owner of the entire issued share capital of True Promise Limited (the "**Company**").
- (B) The Company is indebted to the Assignor in the amount of HK\$[282,433,000] (the "**Loan**").
- (C) Under an agreement dated 18 February 2022 and made between the Assignor and the Assignee (the "**Sale and Purchase Agreement**"), the Assignor has agreed to sell all its share(s) in the Company to the Assignee.
- (D) The Assignor wishes to assign and transfer, and the Assignee wishes to take an assignment and transfer of, the Loan on and subject to the terms and conditions of this Assignment.

## **BY WHICH IT IS AGREED as follows:**

### **1. ASSIGNMENT AND CONSIDERATION**

In consideration of the payment by the Assignee to the Assignor of the Total Consideration or, if applicable, the Updated Total Consideration (as defined in the Sale and Purchase Agreement) (receipt of which is acknowledged by the Assignor), the Assignor, as beneficial owner, assigns and transfers to the Assignee absolutely all its rights, powers, title, benefits, interests, claims, causes of action, warranties, remedies, security, guarantees, indemnities and covenants for title from time to time in and to the Loan, in each case free from all claims, charges, liens, encumbrances, option and equities of any kind whatsoever, and all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment). As from the date of this Assignment, the Assignee shall be solely and absolutely entitled to such rights, title, benefits and interests in and to the Loan to the exclusion of the Assignor.

### **2. WARRANTIES**

The Assignor represents and warrants to the Assignee that:

- (a) the Loan is non-interest bearing and is repayable by the Company to the Assignor on demand;

- (b) the Loan is due and owing by the Company to the Assignor without any default on the part of the Company; and
- (c) the Loan has an outstanding principal amount of HK\$[282,433,000] and constitutes the entire sum repayable by the Company to the Assignor.

**3. NOTICE OF ASSIGNMENT**

The Assignor shall, on the date of this Assignment, deliver to the Assignee (or procure the delivery of) a notice of assignment (in substantially the form set out in the Schedule) duly executed by, or on behalf of, the Assignor in respect of Loan and the Assignor shall use all commercially reasonable endeavours within its control and powers to procure from the Company an acknowledgement in the form set out in the Schedule.

**4. UNDERTAKINGS**

The Assignor undertakes with the Assignee that in the event the Assignor receives payment of any amount assigned under this Assignment, the Assignor shall hold such amount in trust for the Assignee and shall immediately pay it over to the Assignee or as the Assignee shall direct.

**5. SUCCESSORS AND PERSONAL REPRESENTATIVES**

This Assignment is binding on the successors of each party.

**6. FURTHER ASSURANCE**

Each party shall do and shall use reasonable endeavours to procure any third party to do whatever is necessary to give effect to this Assignment.

**7. EXPENSES**

**7.1 Costs**

Each of the parties is responsible for that party's own legal and other expenses incurred in the negotiation, preparation and completion of this Assignment.

**7.2 Stamp Duty**

Any stamp duty or other tax or duty payable in respect of the transactions contemplated in this Assignment shall be borne equally by the Assignor and the Assignee.

**8. LAW AND JURISDICTION**

**8.1 Governing Law**

This Agreement is governed by and will be construed in accordance with Hong Kong law.

## 8.2 **Hong Kong Jurisdiction**

The parties submit to the non-exclusive jurisdiction of the Hong Kong courts and each party waives any objection to proceedings in Hong Kong on the grounds of venue or inconvenient forum.

## Schedule

### Form of Notice of Assignment

To: True Promise Limited

Date: \_\_\_\_\_

We give you notice that, by a deed of assignment of shareholder loan dated [●] 2022, we have assigned to Giant Harmony Limited (the "**Assignee**") all our rights, title, benefits and interests in and to the indebtedness owed by you to us in the amount of HK\$[282,433,000] (the "**Loan**").

With effect from the date of your receipt of this notice all rights, title and interest whatsoever accruing to or for the benefit of ourselves arising from the Loan shall be exercisable by, or at the direction of, the Assignee.

These instructions may not be revoked without the prior written consent of the Assignee.

This notice is governed by and will be construed in accordance with Hong Kong law.

Please acknowledge receipt of this notice by signing the acknowledgement on the enclosed copy letter and returning it to the Assignee at Room 3201, 32/F, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong marked for the attention of Ms. Natalie Wong.

For and on behalf of  
City Arise Limited

---

Name: [●]  
Title: Director

## Acknowledgement

On copy only:

To: Giant Harmony Limited (the "Assignee")  
Cc: City Arise Limited (the "Assignor")

We acknowledge receipt of a notice dated [●] 2022 of the assignment (the "Assignment") by the Assignor in favour of the Assignee over all the Assignor's rights, title and interest in and to the Loan (as specified in that notice).

We confirm that:

- (a) we will comply with the terms of that notice; and
- (b) we have not received notice of any prior security over, or the interest of any third party in, the Loan.

We further confirm that no amendment, waiver or release of any such rights, title and interest shall be effective without the prior written consent of the Assignee.

We acknowledge and confirm that as from the date of the Assignment, the Loan is owed to the Assignee and the Assignee is entitled at any time and from time to time to require repayment of all or part of the Loan and we will make any payments due in respect of the Loan to the Assignee.

We have not claimed or exercised, and waive all future rights to claim or exercise, any right of set-off, lien, counterclaim or other similar right now or in the future relating to Loan.

For and on behalf of  
True Promise Limited

---

Name: [●]  
Title: Director

**EXECUTED** as a deed under seal by the parties

SEALED with the COMMON SEAL OF )  
)  
**CITY ARISE LIMITED** )  
)  
and SIGNED by *[insert names and,* )  
)  
*if desired, job titles of signatories]* )

[seal]

\_\_\_\_\_

Witnessed/Verified by

\_\_\_\_\_  
Name: [●]

Title: [●]



SEALED with the COMMON SEAL OF )  
)  
**GIANT HARMONY LIMITED** )  
)  
and SIGNED by *[insert names and,* )  
)  
*if desired, job titles of signatories]* )

[seal]

---

Witnessed/Verified by

---

Name: [●]  
Title: [●]

## **SCHEDULE 6 DISCLOSURE**

### **PART A GENERAL DISCLOSURES**

The following matters are disclosed or are deemed to have been disclosed herein:

**1. The Agreement**

All matters set out or referred to in the Agreement, including without limitation, all Schedules and all arrangements to be entered into pursuant to or contemplated by the Agreement.

**2. Reports**

All information contained in any report on the Company prepared at the instance of or made available to the Buyer, including (without limitation):

- (a) the report dated 18 February 2022 of Knight Frank, property valuer, on the valuation of the Approved Project as at 31 December 2021.

**3. Management Accounts**

All matters and information disclosed, provided for, noted or referred to in the management accounts of the Company supplied to the Buyer; these are unaudited financial statements prepared for internal management use by the Company and their accuracy is not warranted.

### **PART B SPECIFIC DISCLOSURES**

**1. The existing building standing on Nos. 12-16 Ting Yip Street is subject to the following building orders issued by the Building Authority:**

- (a) Notice No. “C/HH/003246/17/K” issued by the Building Authority under Section 24(1) of the Building Ordinance registered via memorial no. 17102001000013 dated 22 September 2017 (in relation to Common Part); and
- (b) Notice No. “C/TC/001941/18/K” issued by the Building Authority under Section 24(1) of the Building Ordinance registered via memorial no. 18080900710052 dated 16 July 2018 (in relation to Common Part).

**2. The existing building standing on Nos. 18-20 Ting Yip Street is subject to the following building orders issued by the Building Authority:**

- (a) Notice No. “WC/TC00048/14/K-S04” issued by the Building Authority under Section 24C(1) of the Building Ordinance registered via memorial no. 14121801570145 dated 3 March 2014 (in relation to Unit A of Ground Floor); and

- (b) Notice No. “WC/TC00049/14/K-S04” issued by the Building Authority under Section 24C(1) of the Building Ordinance registered via memorial no. 114121801570159 dated 3 March 2014 (in relation to Unit B of Ground Floor).
3. The existing building standing on No. 22 Ting Yip Street is subject to Notice No. “WC/TC00257/15/K-S04” issued by the Building Authority under Section 24C(1) of the Building Ordinance registered via memorial no. 16041200940162 dated 21 December 2015 (in relation to Ground Floor).
4. The existing building standing on No. 26 Ting Yip Street is subject to Notice No. “CRT/RT/4207/00/K” issued by the Building Authority under Section 24(1) of the Building Ordinance registered via memorial no. UB8104565 dated 30 May 2000 (in relation to Fifth Floor).
5. The existing building standing on No. 14, 18, 20, 22, 24 and 26 Ting Yip Street, respectively, is subject to the following tenancies (as applicable):

	<b>Unit</b>	<b>Tenancy to be expired on</b>	<b>Rent / month (HK\$)</b>
(1)	Unit C, 4/F, No. 14 Ting Yip Street	26/04/2023	8,300
(2)	Unit B, 1/F, No. 18 Ting Yip Street	30/04/2023	9,600
(3)	Room 3, Unit B, 2/F, No. 18 Ting Yip Street	12/06/2022	5,500
(4)	4/F, No. 18 Ting Yip Street	31/05/2022	7,000
(5)	Room 2, 2/F, No. 20 Ting Yip Street	16/05/2022	6,000
(6)	Room B, 1/F, No. 22 Ting Yip Street	19/06/2022	5,800
(7)	Room 1, 2/F, No. 22 Ting Yip Street	13/10/2022	5,000
(8)	Room 2, 2/F, No. 22 Ting Yip Street	09/10/2022	5,500
(9)	Room A, 2/F, No. 24 Ting Yip Street	05/01/2022	6,500
(10)	Room B, 2/F, No. 24 Ting Yip Street	09/02/2022	6,500
(11)	4/F, No. 24 Ting Yip Street	31/10/2022	5,500
(12)	Shop C, G/F, No. 26 Ting Yip Street	14/04/2023	4,780
(13)	Shop D, G/F, No. 26 Ting Yip Street	13/05/2022	4,320

**SCHEDULE 7**  
**ACTION PENDING COMPLETION**

Unless otherwise directed or approved by the Buyer in writing, the Seller shall ensure that the Company will, other than as contemplated in this Agreement:

1. not amend, or agree to amend, the memorandum and articles of association (and/or any shareholders' agreement in respect thereof, where applicable);
2. not create, allot, issue, acquire, repay or redeem any share or loan capital or agree, arrange or undertake to do any of those things or acquire or agree to acquire, an interest in a corporate body or merge or consolidate with a corporate body or any other person, enter into any demerger transaction or participate in any other type of corporate reconstruction;
3. operate its business in the usual way so as to maintain that business as a going concern;
4. not acquire or dispose of, or agree to acquire or dispose of, any revenues, assets, business or undertakings except in the usual course of its business or assume or incur, or agree to assume or incur, a liability, obligation or expense (actual or contingent) except in the usual course of its business;
5. not make, or agree to make, capital expenditure exceeding in total HK\$10,000,000 (or its equivalent at the time) or incur, or agree to incur, a commitment or commitments involving capital expenditure exceeding in total HK\$10,000,000 (or its equivalent at the time);
6. not declare, pay or make a dividend or distribution of any kind;
7. not pass a shareholders' resolution;
8. not create, or agree to create or amend, an Encumbrance over any Unit in the Approved Project or another asset or redeem, or agree to redeem, an existing Encumbrance over the Approved Project or another asset, save for the Existing Encumbrance and the New Encumbrance;
9. not enter into a long-term, onerous, unusual or material agreement, arrangement or obligation involving consideration, expenditure or liabilities in excess of HK\$3,000,000 other than in the ordinary course of business;
10. not amend or terminate a material agreement, arrangement or obligation to which it is a party or terminate any contract or commitment which is not capable of being terminated without compensation or which is not in the ordinary course of business or which involves or may involve total annual expenditure of HK\$3,000,000;
11. not amend the terms and conditions of employment or engagement of a director (except in the usual course of its business) or provide, or agree to provide, a gratuitous payment or benefit to a director (or any of their dependants) or employ, engage or terminate the employment or engagement of, a person;
12. not create, incur, or agree to create or incur, borrowing or indebtedness in the nature of borrowing other than in the ordinary course of business;

13. not give, or agree to give, a guarantee, indemnity or other agreement to secure, or incur financial or other obligations with respect to, another person's obligation;
14. not start litigation or arbitration proceedings;
15. not compromise or settle litigation or arbitration proceedings or any action, demand or dispute or waive a right in relation to litigation or arbitration proceedings;
16. not release, discharge or compound any liability or claim;
17. conduct its business in all material respects in accordance with all applicable legal and administrative requirements in any jurisdiction;
18. not enter into an agreement, arrangement or obligation (whether legally enforceable or not) in which any of WOP SPV, WOP, WOGL, a director or former director of WOP SPV, WOP or WOGL, or a person connected with any of them, is interested; and
19. allow APG and its Representatives (as defined in the Subscription and Shareholders Agreement) access to, and to take copies of, the books and records of the Company including, without limitation, the statutory books, minute books, leases, licences, contracts, details of receivables, intellectual property, supplier lists and customer lists in the possession or control of the Company.

**EXECUTED** by the parties:

For and on behalf of  
**CITY ARISE LIMITED**

A handwritten signature in black ink, appearing to read 'Wong Chin Han', written over a horizontal line.

Name: WONG Chin Han

Position: Director

For and on behalf of  
**GIANT HARMONY LIMITED**



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Name: WONG Chin Han

Position: Director