

Dated 18 July 2025

(1) **LATEST VENTURES LIMITED**

AND

(2) **LAU TAI WAH GILBERT**

AGREEMENT
relating to the
sale and purchase of
the entire issued share capital of
COLTON VENTURES LIMITED



27/F Alexandra House
18 Chater Road
Central, Hong Kong
(Ref: CCT/L.01400.00002)

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THIS AGREEMENT is made on 18 July 2025

BETWEEN:

- (1) **LATEST VENTURES LIMITED**, (BVI Registration No.:1828659) a company incorporated in the British Virgin Islands with limited liability having its registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands and the correspondence address at 11th Floor, Nanyang Plaza, No. 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong (the "**Vendor**"); and
- (2) **LAU TAI WAH GILBERT**, holder of Hong Kong identification card no. A862120(1) whose residential address is at Flat A1, 26/F., Block A, Elm Tree Towers, 8 Chun Fai Road, Jardine's Lookout, Hong Kong (the "**Purchaser**").

WHEREAS:

- (A) The Company (details of which are set out in Part A of Schedule 1) is a corporation established under the laws of the British Virgin Islands.
- (B) As at the date hereof, the Company is the sole beneficial owner of the entire issued and paid-up share capital of DDL (details of which are set out in Part B of Schedule 1).
- (C) As at the date hereof, the Company has an authorised share capital of US\$50,000 divided into 50,000 shares of US\$1 each, of which 1 share has been issued and is fully paid up. The Vendor is the legal and beneficial owner of 1 share in the Company, representing the entire issued share capital of the Company.
- (D) Subject to and upon the terms and conditions of this Agreement, the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Share.

IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

- (A) In this Agreement (including the Recitals) the following expressions shall (unless the context otherwise requires) have the following meanings:

"Accounts Date"	means 31 March 2025;
"Applicable Laws"	means any and all laws which have been promulgated and are effective and applicable, including all statutes, codes, ordinances, decrees, rules, regulations, municipal bye-laws, judicial judgements, orders, decisions, rulings or awards, binding on, relevant to or affecting the entity referred to in the context in which the word is used;
"Balance of Consideration"	means the Consideration less the Deposit and the Second Tranche Payment;
"Business Day"	means a day (other than a Saturday and Sunday or any day during which typhoon no. 8 signal (or

	above) or “black” rainstorm warning is hoisted and not lowered by 12:00 noon on that day) on which commercial banks in Hong Kong are open for the transaction of general banking business by members of the public;
"Claim"	means a claim for breach of any of the Warranties and/or any liabilities under this Agreement;
“Company” or “CVL”	means Colton Ventures Limited, a corporation established under the laws of the British Virgin Islands and the sole beneficial owner of the entire issued share capital of DDL;
"Companies Ordinance"	means the Companies Ordinance (Cap. 622 of the laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;
"Completion"	means the completion of the sale and purchase of the Sale Share pursuant to Clause 5(A);
"Completion Accounts"	means the unaudited consolidated balance sheet and income statement of the Group as at the Completion Date to be prepared on the basis of the principles, policies and adjustments set out in the Completion Accounts Procedure;
"Completion Accounts Procedure"	means the accounting policies, principles and adjustments set out in <u>Schedule 6</u> governing the preparation of the Completion Accounts and the issue of the Completion NAV Statement;
"Completion Date"	means the third Business Day after the date on which the last of the conditions precedent is fulfilled or waived in accordance with Clause 2 (or such other date as the Vendor and the Purchaser may agree in writing), and on which Completion shall take place in accordance with Clause 5;
“Completion NAV”	means 100% of the unaudited consolidated NAV of the Group as at Completion Date;
“Completion NAV Statement”	means a statement as at Completion in the format set out in Schedule 5 to be prepared based on the Completion Accounts and in accordance with the Completion Accounts Procedure, and which pro forma calculations are set forth therein;
"Consideration"	means the aggregate consideration payable for the Sale Shares, which shall be an amount equivalent to the Completion NAV;
"Connected Person"	has the meaning ascribed to such expression in

	the Listing Rules and a reference in the Listing Rules to a "listed issuer" shall be read as a reference to the company referred to;
"DDL"	means Deson Development Limited, a company incorporated under the laws of Hong Kong;
"Deed of Taxation Indemnity"	means the deed of taxation indemnity to be executed by the Vendor in favour of the Purchaser and the Company, pursuant to which the Vendor shall provide certain indemnities in respect of Taxation in favour of the Purchaser and the Company in the form which is set out in <u>Schedule 10</u> ;
"DEL Facilities"	has the meaning ascribed to such expression in Clause 2(A)(iii);
"Deposit"	has the meaning ascribed to such expression in Clause 4(A)(i);
"Disclosed"	means disclosed by the Vendor to the Purchaser which are fairly and accurately in accordance with the terms of the Disclosure Letter;
"Disclosure Letter"	means the letter dated the date hereof, the form of which is set out in <u>Schedule 4</u> , delivered by the Vendor to the Purchaser, together with the specific disclosures, disclosing certain exceptions to the Warranties, which letter shall be deemed to include the documents attached in the schedules, appendices and/or annexures thereto (including the Due Diligence Index);
"Due Diligence Index"	the index of the Due Diligence Material attached to the Disclosure Letter;
"Due Diligence Materials"	any and all written materials provided by or on behalf of the Vendor and/or the Group Companies to the Purchaser or representatives of the Purchaser or professional advisers of the Purchasers for the purpose of the due diligence carried out by them in respect of the Group Companies and their respective assets as listed in the Due Diligence Index;
"Encumbrance"	means any claim, mortgage, pledge, charge, lien, security, hypothecation, third party rights or interests or other encumbrances, priority or security interest or any option, right to acquire, right of pre-emption, right of first refusal, right of set-off, title retention, power of sale or other security arrangement and the term "Encumbered" shall be construed accordingly;

"Financial Statements"	means the Warranted Accounts and Warranted Management Accounts;
"Governmental Authority"	means (a) the government of any jurisdiction (including any national, state, municipal or local government or any political or administrative subdivision thereof) and any department, ministry, agency, instrumentality, court, central bank, commission or other authority thereof, including any entity directly or indirectly owned (in whole or in part) or controlled thereby; (b) any public international organization or supranational body and its institutions, departments, agencies and instrumentalities; and (c) any quasi-governmental or private body or agency lawfully exercising, or entitled to exercise, any administrative, executive, supervisory, judicial, legislative, disciplinary, regulatory, licensing, competition, tax, importing or other governmental or quasi-governmental authority;
"Group"	means the Company and DDL and each of the Company and DDL is referred to herein as a "Group Company" and collectively as "Group Companies" ;
"Hong Kong"	means the Hong Kong Special Administrative Region of the PRC;
"Holding Company" and "Subsidiary"	have the meanings assigned to those expressions by the Companies Ordinance save that any reference therein to a company shall be deemed to include a reference to a body corporate incorporated or established outside Hong Kong or otherwise or under any other statutory provisions;
"HK\$"	means the lawful currency of Hong Kong;
"HKFRS"	means the Hong Kong Financial Reporting Standard;
"KEL Facilities"	has the meaning ascribed to such expression in Clause 2(A)(iii);
"Leased Property"	means the real properties leased by DDL, particulars of which are set out in <u>Schedule 2</u> ;
"Licences"	means the material licences, consents, permits, registrations, filings, exemptions, approvals, authorisations or the like, made or issued pursuant to or under, or required by Applicable Laws in relation to the carrying on of the business of the Group, a list of which is set out in <u>Schedule 7</u> and originals or copies of which

	have been Disclosed and inspected by the Purchaser prior to the date of this Agreement;
"Listing Rules"	means the Rules Governing the Listing of Securities on GEM of the Stock Exchange;
"Loss" or "Losses"	means any and all losses, liabilities, damages, claims, charges, costs and expenses, demands, interest, awards, judgments, penalties, fines and liens;
"Long Stop Date"	means 31 October 2025, or such other date as may be agreed by the parties in writing;
"Management Accounts Date"	means 31 July 2025;
"Material Adverse Effect"	<p>means one or more events affecting any Group Company, which in the reasonable opinion of the Purchaser, which materially and adversely affects, or could reasonably be expected to materially and adversely affect, individually or in the aggregate:</p> <ul style="list-style-type: none">(a) the business, operations, assets, liabilities, condition (whether financial, trading or otherwise but excluding any losses arising from the usual course of business), prospects, or operating results of the Group which results in a deterioration of more than 50% pro rata unaudited loss after tax as compared to the Warranted Accounts;(b) the licence in Building Category Group C of the List of Approved Contractor of DDL; or(c) the going concern of each Group Company,
"NAV"	means with respect to an entity, the aggregate value of the total assets of that entity and its subsidiaries, less the aggregate amount of the total liabilities (for the avoidance of doubt such total liabilities shall exclude all contingent liabilities arising in the normal course of business) of that entity and its subsidiaries;
"NCB"	means Nanyang Commercial Bank, Limited;
"NCB Corporate Guarantee"	the corporate guarantee dated 15 August 2024 executed by Smart City Development Holdings Limited in favour of NCB to cover general banking facilities from time to time and at any time granted or to be granted by NCB to DDL of up to HK\$40,000,000;

"NCB Facility Letter"	means NCB's facility letter dated 12 March 2025 for the granting of general banking facilities to DDL of up to HK\$40,000,000;
"PRC"	means the People's Republic of China, which for the purpose of this Agreement, shall exclude Hong Kong and Macau Special Administrative Regions and Taiwan;
"Sale Share"	means the 1 share of US\$1, fully paid-up and representing the entire issued share capital of the Company;
"Second Tranche Payment"	has the meaning ascribed to it in Clause 4(A)(ii);
"Shortfall Amount"	means: <ul style="list-style-type: none">(a) for completed projects, the actual amount claimed less the accruals recorded in the Completion Account; or(b) for ongoing projects, the actual amount claimed less the budgeted amount of the respective ongoing project;
"Stock Exchange"	means The Stock Exchange of Hong Kong Limited;
"Tax" or "Taxation"	means all forms of taxation and statutory, governmental, state, provincial, city, local governmental or municipal impositions, duties, contributions and levies, including, without limitation, income taxes, land appreciation taxes, land use taxes, deed tax, property and management taxes, land use taxes, construction tax, value added taxes, sales taxes, consumption taxes, stamp duty, transfer taxes, gross income taxes, value added taxes, social contribution taxes, import duty, financial operations taxes and withholding taxes, in each case whether of Hong Kong or elsewhere in the world whenever imposed and all penalties, charges, costs and interest relating thereto;
"Taxation Authority"	means any governmental or other authority whatsoever competent to impose any Taxation, whether in Hong Kong or elsewhere;
"US\$"	means the United States dollars, the lawful currency of the United States of America;
"Warranted Accounts"	means:

- (i) the audited statement of financial position of DDL as at the Accounts Date;
- (ii) the audited income statement of DDL for the financial year ended on the Accounts Date;

including the notes and together with the reports, statements and other documents annexed or attached to them; and

- (iii) the unaudited consolidated statement of financial position of the Group as at the Accounts Date; and
- (iv) the unaudited consolidated income statement of the Group for the financial year ended on the Accounts Date;

"Warranted Management Accounts"

means the unaudited consolidated statement of financial position of the Group as at the Management Accounts Date and the unaudited consolidated income statement of the Group in respect of the four months period ended on the Management Accounts Date, initialled by the Vendor and the Purchaser for identification purposes; and

"Warranties"

means the representations and warranties given by the Vendor and set out in Schedule 3 and "**Warranty**" shall be construed accordingly.

(B) In this Agreement, unless the context otherwise requires, any reference to:-

- (i) a Clause, Recital or Schedule is to a clause of or a recital or schedule to this Agreement, as the case may be, and the Recitals and Schedules to this Agreement shall be deemed to form part of this Agreement;
- (ii) "writing", or any cognate expression, includes a reference to any written communication effected by telex, facsimile transmission or similar means but shall not include email;
- (iii) a document "in the agreed form" is a reference to the form of the relevant document agreed between the parties and initialled by them for the purpose of identification;
- (iv) statutes or statutory provisions, express or implied, shall be construed as references to those statutes or provisions as respectively amended or re-enacted or as their application is modified from time to time by other provisions (whether before or after the date hereof) and shall include any statutes or provisions of which they are re-enactments (whether with or without modification) and any orders, regulations, instruments or other subordinate legislation under the relevant statute or statutory provision. References to sections of consolidating legislation shall wherever necessary or appropriate in the context be construed as including references to the sections of the previous legislation from which the

consolidating legislation has been prepared;

- (v) any documents (including this Agreement) are references to that document as amended, consolidated, supplemented, novated or replaced from time to time;
 - (vi) the Vendor or the Purchaser include their respective successors and permitted assignees; and
 - (vii) persons shall include any individual, any form of body corporate, unincorporated association, firm, partnership, joint venture, consortium, association, organisation or trust (in each case whether or not having a separate legal personality).
- (C) The headings in this Agreement are for convenience only and shall not affect the construction of this Agreement.

2. CONDITIONS PRECEDENT

- (A) Completion is subject to and conditional upon the following conditions precedent:
- (i) the shareholders' approval of Smart City Development Holdings Limited approving the entering into by the Vendor of this Agreement and the transactions contemplated hereunder having been obtained in accordance with the requirements of the Listing Rules or any other applicable laws or regulations;
 - (ii) items 1 to 6 of the Licenses set out in Schedule 7 (including without limitation the licence in Building Category Group C of the List of Approved Contractor of DDL for public works) remains valid and not being revoked;
 - (iii) the removal of the facilities granted by NCB to Kenworth Engineering Limited ("**KEL Facilities**") and Deson Engineering Limited ("**DEL Facilities**") under the NCB Facility Letter so that the facilities thereunder shall be exclusively used by DDL; or the written confirmation from NCB being obtained, confirming (a) that there are no outstanding amounts under the KEL Facilities and DEL Facilities on Completion Date; and (b) that both the KEL Facilities and DEL Facilities under the NCB Facility Letter shall be frozen permanently;
 - (iv) the approval-in-principle of NCB for the release of the NCB Corporate Guarantee after the Completion Date being obtained;
 - (v) the Vendor having good title to the Sale Share free from all Encumbrances of whatsoever nature and other adverse claims;
 - (vi) the transfer of 1 Class A voting share in DDL held by the Vendor to the Company being completed and the amendment to Article 53 of the articles of association of DDL being made and filed at the Companies Registry of Hong Kong;
 - (vii) the completion of a satisfactory due diligence review in relation to each Group Company to such extent as the Purchaser may in its reasonable discretion thinks fit;

- (viii) the Warranties remaining true and accurate and not misleading in all material respects as of the Completion Date by reference to the facts and circumstances subsisting as at the Completion Date; and
 - (ix) no event or circumstance shall have occurred in respect of or in connection with the affairs of the Company and/or which has or will have a Material Adverse Effect.
- (B) For the avoidance of any doubts, if NCB issues new facilities letters to replace NCB Facility Letter to the effect that the facilities thereunder shall be used exclusively by DDL, such condition precedent under Clause 2(A)(iii) is deemed to be satisfied in full.
- (C) Promptly following the execution of this Agreement, the Vendor shall use its best endeavours to procure the fulfilment of the conditions precedent set out in Clause 2(A).
- (D) Subject to Clause 2(E), if any of the conditions precedent referred to in Clause 2(A) are not fulfilled by the Long Stop Date (whether or not it is due to a breach of the Vendor under Clause 2(C)), this Agreement shall thereupon become terminated and cease to be of effect and the Vendor shall return, or procure the return of, the Deposit (without interest) to the Purchaser forthwith and thereafter, none of the parties shall have any rights against any other party except for (where applicable) liability for any antecedent breach of its obligations under this Agreement, including (without limiting the generality of the foregoing) under Clause 2(C).
- (E) Forthwith following the satisfaction of any of the conditions precedent set out in Clause 2(A), the party responsible for satisfying such condition shall provide a written notice to the other party together with reasonable evidence of such satisfaction.

3. SALE AND PURCHASE OF THE SALE SHARE

- (A) Subject to the terms and conditions of this Agreement, at Completion, the Vendor shall sell, and the Purchaser shall purchase all legal and beneficial interest in the Sale Share free from all Encumbrances of whatsoever nature and other adverse claims and together with the rights to all dividends and other distributions declared or paid, and all other rights attached, accrued or accruing to the Sale Share, from and after the Completion Date.
- (B) The Consideration for the Sale Share shall be payable by the Purchaser to the Vendor in accordance with the provisions of Clause 4.

4. CONSIDERATION AND PAYMENT

- (A) The Consideration shall be paid by the Purchaser in the following manners:
- (i) a sum of HK\$2,000,000 (Hong Kong Dollars TWO MILLION) (the "**Deposit**") shall be paid by way of a cashier's order drawn on a licensed bank in Hong Kong or by remittance in immediately available funds to the Vendor's designated bank account or the bank account of a subsidiary of the Vendor as set out in Schedule 9 and made payable to the Vendor as deposit and part payment towards the Consideration, on the date of this Agreement;
 - (ii) a sum of HK\$28,000,000 (Hong Kong Dollars TWENTY-EIGHT MILLION) ("**Second Tranche Payment**"), shall be paid by a cashier's order drawn on

a licensed bank in Hong Kong or by remittance in immediately available funds to the Vendor's designated bank account or the bank account of a subsidiary of the Vendor as set out in Schedule 9 and made payable to the Vendor on the Completion Date; and

- (iii) the Balance of Consideration (if any) shall be payable by the Purchaser to the Vendor by a cashier's order drawn on a licensed bank in Hong Kong or by remittance in immediately available funds to the Vendor's designated bank account or the bank account of a subsidiary of the Vendor as set out in Schedule 9 within 5 Business Days after the agreement or determination of the Completion Accounts and the Completion NAV Statement in accordance with Clause 10.
- (B) If the conditions precedent under Clause 2(A) have been fulfilled and Completion does not take place because the Purchaser has failed to perform the Purchaser's obligations under Clause 4(A)(ii), and such breach is not remedied within 5 Business Days thereof, then the Vendor has the right to terminate this Agreement and when this Agreement is terminated by the Vendor thereof, the Deposit will be forfeited to the Vendor as a genuine and reasonable pre-estimate of the losses of the Vendor and the Purchaser hereby agrees and acknowledges that such amount is not extravagant, exorbitant or unconscionable, and such Deposit shall be the sole and exclusive remedy of the Vendor in relation to the Vendor's termination of this Agreement pursuant to this Clause 4(B), and no damages, liabilities, cost and expenses shall become due to, or may be claimed by, the Vendor, pursuant to this Agreement or upon any other legal basis thereto.
- (C) Where the Completion NAV of the Group (as determined pursuant to the terms and conditions of this Agreement) is higher than the aggregate amount of the Deposit and the Second Tranche Payment paid by the Purchaser to the Vendor pursuant to Clauses 4(A)(i) and (ii) above, the Purchaser shall pay the Balance of Consideration pursuant to Clause 4(A)(iii) above.
- (D) Where the Completion NAV of the Group (as determined pursuant to the terms and conditions of this Agreement) is lower than the aggregate amount of the Deposit and the Second Tranche Payment paid by the Purchaser to the Vendor pursuant to Clauses 4(A)(i) and (ii) above, the Vendor shall refund any difference between (a) the Completion NAV of the Group and (b) the aggregate amount of the Deposit and the Second Tranche Payment to the Purchaser by a cashier's order drawn on a licensed bank in Hong Kong or by remittance in immediately available funds to the Purchaser's designated bank account within 5 Business Days after the agreement or determination of the Completion Accounts and the Completion NAV Statement in accordance with Clause 10.

5. COMPLETION

- (A) Subject to the satisfaction (or if applicable waiver) of the conditions precedent set out in Clause 2(A) and the other terms and conditions of this Agreement, Completion shall take place at 12 p.m. on the Completion Date at Howse Williams, 27 Floor Alexandra House, 18 Chater Road Central, Hong Kong, or at such other place to be agreed between the Vendor and the Purchaser.
- (B) At Completion, all but not part only of the business referred to below shall be transacted:

- (i) the Vendor shall:
- (a) deliver to the Purchaser an extract of the minutes of meeting or written resolutions of the board of directors of Smart City Development Holdings Limited approving the execution of this Agreement (and all relevant documents as contemplated under this Agreement to which the Vendor is a party) by the Vendor and the performance of its obligations hereunder and thereunder, certified as true and correct copy by a director or the secretary of Smart City Development Holdings Limited;
 - (b) produce evidence of the fulfilment of the conditions precedent stated in Clauses 2(A)(i), (ii), (iii), (iv), (v), (vi), (vii), (viii) and (ix)(in respect of itself);
 - (c) deliver to the Purchaser (A) the share transfer form in respect of the Sale Share duly executed by the Vendor as transferor in favour of the Purchaser (or any person as the Purchaser may direct in writing); and (B) the original share certificate in respect of the Sale Share issued in the name of the Vendor;
 - (d) deliver to the Purchaser a certified copies of the written resolution of the shareholder(s) of the Vendor approving the transactions contemplated hereunder;
 - (e) deliver to the Purchaser a certified true copy of the minutes of the board meeting of the Vendor or written resolutions of the board of directors of the Vendor at/by which the transfer of the Sale Share, the execution of this Agreement (and all relevant documents as contemplated under this Agreement to which the Vendor is a party, including without limitation the Deed of Taxation Indemnity) and the share transfer form and such other ancillary documents by the Vendor as transferor of the Sale Share are approved;
 - (f) deliver to the Purchaser an original of each of the resignation letters from Mr. Kwok Koon Keung and Mr. Lo Wing Ling as directors of the Company with effect from the Completion Date and confirming that they waive any and all claims against the Company;
 - (g) procure a board meeting of the Company to be held or written resolutions of the board of directors of the Company to be passed by the Completion Date, at/by which:
 - (1) the registration of the transfer of the Sale Share to the Purchaser (or any person as the Purchaser may direct in writing) and the issue and delivery by the Company to the Purchaser (or its nominees) of new share certificate(s) representing the Sale Share are approved;
 - (2) the resignation of Mr. Kwok Koon Keung and Mr. Lo Wing Ling as directors of the Company be accepted;
 - (3) the appointment of such person(s) nominated in writing by the Purchaser as director(s) of the Company with effect from the Completion Date be approved; and

- (4) the execution of all relevant documents as contemplated under this Agreement to which the Company is a party is approved.
- (h) deliver to the Purchaser an original of each of the following documents:
 - (1) resignation letters from Ms. Li Ngan Mei, May, Mr. Yeung Yam Chi as directors of DDL with effect from the Completion Date and confirming that they waive any and all claims against DDL other than accrued salaries (the aggregate amount of which shall not exceed HK\$200,000); and
 - (2) resignation letter from Ms. Li Ngan Mei, May as company secretary of DDL with effect from the Completion Date and confirming that she waives any and all claims against DDL.
- (i) procure written resolutions to be passed by board of directors and shareholders and/or other resolutions or authorisation documents (to the extent necessary) of DDL for approving the following, and if applicable, appointment letters issued by the Company in relation to the appointment of such persons as stated below:
 - (1) the resignation of Ms. Li Ngan Mei, May and Mr. Yeung Yam Chi as the directors of DDL with effect from the Completion Date be accepted;
 - (2) the appointment of such person(s) nominated in writing by the Purchaser as the director(s) of the DDL with effect from the Completion Date; and
 - (3) the resignation of Ms. Li Ngan Mei, May as the company secretary of DDL be accepted and the appointment of such person nominated in writing by the Purchaser as the company secretary of DDL with effect from the Completion Date;
 - (4) the removal of all existing authorised signatory(ies) of the bank account(s) of DDL maintained with DBS Bank (Hong Kong) Limited ("**DBS Bank Accounts**") with effect from the Completion Date; and
 - (5) the appointment of such person(s) as authorised signatory(ies) of the DBS Bank Accounts with effect from the Completion Date.
- (j) deliver and/or make available for collection to such persons as designated by the Purchaser all the statutory books, books of account, receipts and other records and contracts and licences and permits and other documents, chops, seals, company seal, financial seal, contract seal and cheque books and other items belonging or relating to each of the Group Companies which are in the possession and control of the Vendor or a Group Company;

- (k) deliver to the Purchaser:
 - (A) a signed instruction from the Vendor (as the “client on record” of the registered agent of the Company), notifying the registered agent of the Company to take instructions from the Purchaser as the incoming shareholder of the Company, and as acknowledged by the registered agent of the Company, effective from the Completion Date; and
 - (B) the updated register of members of the Company showing the ownership of the Sale Share in the name of the Purchaser;
- (l) deliver to the Purchaser two (2) sets of the Deed of Taxation Indemnity duly executed by all parties thereto (other than the Purchaser);
- (m) deliver to the Purchaser certificate of incumbency and certificate of good standing of the Vendor dated not more than ten (10) Business Days before the Completion Date; and
- (n) deliver to the Purchaser certificate of incumbency and certificate of good standing of the Company dated not more than ten (10) Business Days before the Completion Date.
- (ii) against compliance with the obligations of the Vendor under Clause 5(B)(i) above, the Purchaser shall:
 - (a) deliver to the Vendor one (1) set of the Deed of Taxation Indemnity duly executed by the Purchaser; and
 - (b) make payment of the Second Tranche Payment to the Vendor in compliance with Clause 4(A)(ii).
- (C) None of the Vendor and the Purchaser shall be obliged to complete the sale and purchase of the Sale Share or perform any obligations under this Agreement unless the Vendor (on the one hand) and the Purchaser (on the other hand) comply fully with the requirements of 5(B)(i) and 5(B)(ii).
- (D) The Purchaser will endeavour to procure DDL to arrange for NCB to release and discharge the NCB Corporate Guarantee after the Completion Date. Notwithstanding the foregoing, failure or delay in obtaining such release and discharge shall not constitute a breach of this Agreement on the part of the Purchaser.

6 PRE-COMPLETION UNDERTAKINGS

- (A) Pending Completion, the Vendor shall use its best endeavours to procure that the business of the Group is carried out on in all material respects in the same manner as prior to the date hereof and shall, without prejudice to the generality of the foregoing, procure that save as expressly permitted by this Agreement or with the prior written consent of the Purchaser:
 - (i) no Group Company shall create or issue, or agree to create or issue, any share, registered or loan capital or grant, or agree to grant, any option in respect of any other rights to subscribe or purchase, or buy back or cancel or increase or reduce or otherwise alter any of its share, registered or loan capital

or any of the share, registered or loan capital of any other Group Company which is its subsidiary and the Vendor shall not: (a) dispose of; or (b) grant, or agree to grant, any option or other rights to subscribe or purchase any share, registered or loan capital of any Group Company;

- (ii) no Group Company shall create, extend, grant or issue, or agree to create, extend, grant or issue any mortgage, charge, debenture or other security interest whatsoever in respect of any asset or its business in whole or in part or in respect of any of its shares or those of any other Group Company;
- (iii) no Group Company shall declare, make or pay any dividend or other distribution;
- (iv) save for the existing banking facilities from NCB, no Group Company shall incur any additional borrowings from any person;
- (v) save for (a) advances to subcontractors for normal business needs in an aggregate amount of not exceeding HK\$2,000,000, and (b) surety or performance bond issued in the normal course of business, no Group Company shall make any advances to any person or give any guarantee or indemnity or act as surety for the liabilities of or obligations of any person;
- (vi) except for the usual normal course of business of each Group Company, no Group Company shall enter into or agree to enter into any contract, arrangement or transaction, without the Purchaser's prior written consent (such consent shall not be unreasonably withheld);
- (vii) no Group Company shall make a change in the nature of, or cease or curtail or expand, its business;
- (viii) no Group Company shall pass any resolutions of its members in general meeting or make any alterations to its memorandum and articles of association (or equivalent constitutional documents in its jurisdiction of incorporation) other than: (a) that as expressly contemplated under this Agreement (such as, including without limitation for the approval of the transactions contemplated under this Agreement); (b) routine matters including, without limitation, the approval of audited financial statements of each Group Company; (c) issue of surety bonds in normal course of business; and/or (d) as required by the Applicable Laws;
- (ix) no Group Company shall acquire, dispose of, or agree to acquire or dispose of, any assets other than in the ordinary course of business and representing in value of no more than HK\$200,000 per transaction, except with the Purchaser's prior written consent (such consent shall not be unreasonably withheld);
- (x) each Group Company shall comply with and duly perform and discharge its respective duties and obligations (including payment obligations) under all agreements and contracts entered into by it and discharge, at its own costs and expenses, all liabilities in relation to which accrue for the period prior to Completion;
- (xi) no Group Company shall terminate any agreement or arrangement or waive or vary any right thereunder;

- (xii) no Group Company shall dispose of the ownership, possession, custody or control of any of its corporate or other books or records which are required under any law, regulation or rule to be kept;
 - (xiii) prompt disclosure shall be made to the Purchaser of all relevant information which comes to the notice of the Vendor in relation to any fact or matter (whether existing on or before the date of this Agreement or arising afterwards) which will or is reasonably likely to (i) constitute a breach of any Warranty if such Warranty was to be repeated on or at any time before Completion by reference to the facts and circumstances then existing and/ or (ii) lead to or result in a Material Adverse Effect;
 - (xiv) no action shall be taken by a Group Company which is inconsistent with the provisions of this Agreement or the consummation of the transactions contemplated by this Agreement and may lead to or result in a Material Adverse Effect;
 - (xv) none of the shares of a Group Company shall be transferred, disposed of, placed in escrow or Encumbered and no agreement which would have the effect of any of the foregoing shall be entered into;
 - (xvi) no Group Company shall hire or employ any additional key management employees; terminate, lay-off or make redundant any existing key management employees; or materially alter or amend the terms of employment of any existing key management employee; and
 - (xvii) no Group Company shall commence, compromise, settle, release, discharge or compound any civil, criminal, arbitration or other proceedings or any liability, claim, action, demand or dispute or waive any right in relation to any of the foregoing.
- (B) In relation to the satisfaction of the conditions precedent set out in Clause 2(A) and the respective obligations of the Vendor and the Purchaser to use their reasonable endeavours to procure the fulfilment of those conditions precedent as set out in Clause 2(C), the Vendor shall use its reasonable endeavours to procure that, if required pursuant to the GEM Listing Rules, the shareholders' approval of Smart City Development Holdings Limited referred to in Clause 2(A)(i) is obtained as soon as practicable, including without limitation, it shall promptly liaise and co-ordinate with the Stock Exchange with a view of issuing any announcement, circular and notices for general meeting as may be required by the GEM Listing Rules in connection with the execution of this Agreement by the Vendor and the performance of the Vendor's obligations hereunder and provide such information as shall be reasonably requested by the Stock Exchange in connection with the foregoing with a view of issuing any such announcement, circular and notices and holding any such shareholders' meeting in an expeditious manner.
- (C) Notwithstanding anything to the contrary herein contained, any termination of this Agreement prior to Completion on the grounds of the occurrence of any event which has a Material Adverse Effect will not give rise to a Claim by the Purchaser or the Vendor, as the case may be, against the other party unless the Material Adverse Effect arose as a result of a breach of Warranty by the Vendor, or fraud or deliberate misconduct of such party.
- (D) Until Completion, the Vendor shall:

- (i) procure that the Purchaser and its agents and representatives are given full access to the books and records of the Group during normal business hours on any Business Day provided that the Purchaser shall give 3 Business Days prior written notice to the Vendor;
 - (ii) provide such information regarding the businesses and affairs of the Group as the Purchaser may reasonably require; and
 - (iii) not, and shall procure that no Group shall, enter into, continue or solicit discussions or negotiations with, or provide any information to or otherwise assist, any third party who may be interested in acquiring the Sale Share (or any of them) or the whole or any part of the business or assets of the Group.
- (E) On the next Business Day from the day on which the condition precedent in Clause 2(A)(i) is fulfilled or waived, the Vendor shall deliver to the Purchaser the unaudited consolidated statement of financial position and income statement of the Group as at the Management Accounts Date.
- (F) The Purchaser hereby acknowledges that DDL has submitted a tender to Hong Kong Baptist University for the Renovation of Offices for Department of Computer Science (COMP) at David C. Lam Building Level 6 dated 19 June 2025. The Vendor undertakes to the Purchaser that DDL shall not enter into the related contracts upon the award of the tender unless with the prior written approval from the Purchaser.

6A. POST-COMPLETION UNDERTAKINGS

- (A) The Vendor shall use its reasonable endeavours to procure that the following personnel of DDL to remain in their respective positions for a period of 12 months from the Completion Date:
 - (i) Mr. Kwok Koon Keung, being the Director of DDL; and
 - (ii) Mr. Chan Chi Kwong, being the Technical Director of DDL.
- (B) The Vendor shall provide all necessary assistance to DDL to use its existing resources to complete all existing projects satisfactorily and settle all related liabilities when fall due.

7. VENDOR'S REPRESENTATIONS, WARRANTIES AND INDEMNITIES

- (A) In consideration of the Purchaser agreeing to purchase the Sale Share from the Vendor on the terms of this Agreement, the Vendor represents and warrants to the Purchaser that as at the date hereof and at all times leading up to the Completion Date (as if they had been repeated on each day after the execution of this Agreement until Completion) the terms of all paragraphs set out in Schedule 3 shall be, in all respects, true and accurate and not misleading in each case except as Disclosed and subject to the provisions of Clause 8 of this Agreement.
- (B) If after the signing of this Agreement and on or before Completion, the Vendor shall become aware of any of the Warranties being unfulfilled, untrue, misleading or incorrect other than that already Disclosed, the Vendor shall immediately notify the Purchaser in writing thereof.
- (C) Warranties given "so far as the Vendor is aware" (or any similar expression) are

deemed to be given to the best of the knowledge, information and belief of the Vendor after it has made all due and careful enquiries with the directors, senior management and officers of each Group Company.

- (D) If prior to Completion it is found by the Purchaser that any of the Warranties was, when given, or will be or may be, at or at any time prior to Completion (where required to be repeated in accordance with the terms of this Agreement) breached, not complied with or otherwise untrue, incorrect or misleading and that:
- (i) the breach, non-compliance, untruthfulness, incorrectness or misleading nature of such Warranty has a Material Adverse Effect, the Purchaser may by notice in writing to the Vendor elect to either (a) terminate this Agreement; or (b) proceed with Completion on the terms to be mutually agreed between the Vendor and the Purchaser, and in each case, without prejudice to the right to claim damages and the Purchaser's other rights and remedies under this Agreement or Applicable Law in respect of the breach of Warranty (and subject to the terms and conditions as stipulated in this Agreement) PROVIDED THAT in respect of (b) above, if the Vendor and the Purchaser cannot reach a mutual agreement on the terms within 30 days from the date of the Purchaser's notice, then there will be no Completion and this Agreement will then be terminated automatically; or
 - (ii) the breach, non-compliance, untruthfulness, incorrectness or misleading nature of such Warranty does not have a Material Adverse Effect, the Purchaser must proceed with Completion without prejudice to the right to claim damages and the Purchaser's other rights and remedies under this Agreement or Applicable Law in respect of the breach of Warranty (and subject to the terms and conditions as stipulated in this Agreement).
- (E) Without prejudice to the rights of the Purchaser under this Agreement, if at any time before or at Completion, the Purchaser becomes aware that any of the Warranties has been breached or is untrue, inaccurate or misleading, the Vendor must, upon request by the Purchaser, immediately notify the Purchaser in sufficient detail to enable the Purchaser to make an accurate assessment of the situation. The Vendor shall use its best endeavours to remedy the notified occurrence.
- (F) Save as Disclosed, no information relating to the Group Companies of which the Purchaser has actual knowledge and no investigation by or on behalf of the Purchaser shall prejudice any claim made by the Purchaser under this Agreement including without limitation any claims under the Warranties or under the indemnities contained in Clause 7(G) or operate to reduce any amount recoverable and it shall not be a defence to any claim against the Vendor that the Purchaser ought to have known or had constructive knowledge of any information relating to the circumstances giving rise to such claim.
- (G) On and after the Completion Date, the Vendor hereby irrevocably agrees to indemnify, defend and hold harmless the Purchaser at all times from and against:
- (i) any and all Losses incurred or suffered, or reasonably likely to be incurred or suffered by the Purchaser arising out of, arising from or in connection with breach of Warranty;
 - (ii) all claims against DDL (whether as main contractor or otherwise) under the construction contracts (where applicable, include Clause 6(F) of this Agreement) in relation to any construction projects of DDL other than the

construction projects identified as items 6 and 7 in Part A of Schedule 8 that may arise during the agreed warranty period specified in the respective contracts PROVIDED THAT in respect of the claim under the such warranty period, the Purchaser may only recover the Shortfall Amount only if each claim for the Shortfall Amount exceeds the threshold as specified in Clause 8(C) below. For the avoidance of any doubts, any claims under this Clause 7(G)(ii) shall not be restricted by the limitation period as stated in Clause 8(D) below.

8. LIMITATIONS ON CLAIMS

- (A) The provisions of this Clause 8 shall, save as specified herein, operate to limit the liability of the Vendor in relation to any Claims.
- (B) No liability shall attach to the Vendor in respect of any Claim to the extent that the Claim relates to:-
 - (i) any matter or claim which would not have arisen but for an alteration, enactment or re-enactment of any ordinance, law, rule, regulation, other legislative act which occurs after the Completion and/or which has retrospective effect to a date prior to the Completion (including, without limitation, any alteration in rates of taxation or any imposition of taxation not in effect on the date of execution of this Agreement);
 - (ii) any matter expressly required under this Agreement or any matter Disclosed before the date of this Agreement;
 - (iii) in respect of any Claim for breach of the Warranties which would not have arisen but for an act, omission, transaction or circumstance occurring or arising after Completion at the express written direction or with the express written consent of the Purchaser or any action done or undertaken by the Purchaser after Completion in each case where the Purchaser knew that such action would result in a breach of the Warranties;
 - (iv) any act, omission or transaction done or omitted to be done on or before Completion at the request in writing of or with the written consent of the Purchaser in circumstances where the Purchaser has been made aware by the Vendor that such act, omission or transaction constitutes a breach of the Warranties;
 - (v) any loss arising from a breach of the Warranties to the extent that any such loss is covered by a valid policy of insurance in force at Completion and which the Purchaser or the Group has the benefit thereof, unless the policy is avoided or payment is not made by the insurer after the Purchaser having used its reasonable endeavours to obtain payment from the insurer;
 - (vi) any matter giving rise to a Claim to the extent as Disclosed or provided for in the Financial Statements or the notes in relations thereto constituting full and fair disclosure and that provision or reserve was made in any of the Financial Statements for the matter giving rise to the Claim; and
 - (vii) any Taxation arising from the ordinary course of business of a Group Company since the Completion Date and any Taxation properly assessed in respect of any period or arising in consequence of any transaction carried out after the Completion.

- (C) The Vendor shall not be liable for a Claim unless each individual Claim (subject to the provisions of this Clause 8) exceeds HK\$200,000. For the avoidance of doubt, any liabilities, obligations or claims arising from repeated breaches of the same Warranty(ies) or which are made payable under a single bill, invoice or other instrument may constitute an individual Claim.
- (D) Claims against the Vendor in respect of any breach of the Warranties shall be wholly barred and unenforceable unless written particulars thereof (giving such reasonable details as are available to the Purchaser of the facts and circumstances of the specific matter or Claim in respect of which such claim is made) shall have been given to the Vendor before the date falling on 2 calendar years after the Completion Date.
- (E) The aggregate amount of liability (howsoever arising) of the Vendor under the Warranties and this Agreement (including Clause 7(G)) is limited to and shall not in any circumstances whatsoever exceed the amount of the Consideration paid by the Purchaser for the Sale Share pursuant to this Agreement.

9. PURCHASER'S REPRESENTATIONS AND WARRANTIES

- (A) The Purchaser represents and warrants to the Vendor that:-
 - (i) the Purchaser has full power to enter into and perform this Agreement and which constitutes binding obligations of the Purchaser in accordance with its terms; and
 - (ii) the execution and delivery of, and performance by the Purchaser of his obligations under, this Agreement and any other documents to be executed by the Purchaser pursuant to or in connection with any of them will not result in a breach of, or give any third party a right to terminate or modify, or result in the creation of any Encumbrance under, any agreement, licence or other instrument or result in a breach of any order, judgement or decree of any court, governmental agency or regulatory body to which the Purchaser is a party or by which the Purchaser is bound.
- (B) Subject to Clause 4(B), the aggregate amount of liability (howsoever arising) of the Purchaser under the representations and warranties undertaken by him and this Agreement is limited to and shall not in any circumstances whatsoever exceed the amount of the Consideration paid by the Purchaser and received by the Vendor for the Sale Share pursuant to this Agreement.

10. COMPLETION ACCOUNTS AND COMPLETION NAV STATEMENT

- (A)
 - (i) Subject to Completion taking place, the Vendor shall prepare or cause to be prepared the Completion Accounts and the Completion NAV Statement as soon as reasonably practicable after Completion. The Vendor shall deliver the Completion Accounts and the Completion NAV Statement to the Vendor within 30 days after the Completion Date.
 - (ii) The Purchaser shall review the Completion Accounts and the Completion NAV Statement after the delivery thereof by the Purchaser under Clause 10(A)(i), and shall notify the Vendor in writing, within 10 days after the delivery of the Completion Accounts and the Completion NAV Statement, whether the Purchaser accepts the Completion Accounts and the Completion NAV Statement for the purposes of this Agreement, and if it

does not, such notification shall be accompanied by a letter giving detailed reasons and basis in writing for any non-acceptance and specify the adjustment which, in its opinion, should be made to the Completion Accounts and the Completion NAV Statement in order to comply with the requirements of this Agreement.

- (B) In case of non-acceptance by the Purchaser of the Completion Accounts and/or the Completion NAV Statement delivered by the Vendor, the parties shall meet and discuss the objections of the Purchaser in good faith in order to reach agreement on such adjustments or amendments (if any) to the Completion Accounts and/or the Completion NAV Statement in order to put them in their final forms.
- (C) If the Purchaser is satisfied with the Completion Accounts and the Completion NAV Statement (either originally as submitted or after adjustments agreed between the Vendor and the Purchaser) or if the Purchaser fails to notify the Vendor in writing within the 10 days period referred to in Clause 10(A)(ii), then the Completion Accounts and the Completion NAV Statement shall constitute the Completion Accounts and the Completion NAV Statement for the purposes of this Agreement.
- (D) If the parties are unable to resolve any differences in views on the Completion Accounts and/or the Completion NAV Statement within 10 days (or as otherwise agreed in writing by the Purchaser and the Vendor) following notification of non-acceptance issued by the Vendor under Clause 10(A)(ii) ("**Resolution Period**"), the matter in dispute shall be referred to an independent and reputable firm of certified public accountants in Hong Kong jointly appointed or agreed by the Purchaser and the Vendor, or failing such appointment or agreement within 5 Business Days (or such longer period as may be agreed between the Vendor and the Purchaser) after the expiry of the Resolution Period, an independent and reputable firm of certified public accountants in Hong Kong as the President for the time being of the Hong Kong Institute of Certified Public Accountants or his duly appointed deputy may, on application of either of the parties, nominate (each of the aforesaid firms of certified public accountants, an "**Expert**"), on the basis that the Expert is to be instructed to make a decision on the dispute and notify the Purchaser and the Vendor of its decision within 30 days after such referral or nomination (or such longer reasonable period as the Expert may reasonably determine).
- (E) The Expert shall act as an expert and not an arbitrator, and the decision made by the Expert shall, in the absence of fraud or manifest error, be final and binding on the parties.
- (F) The costs of the Expert shall be borne in equal shares by the Purchaser and the Vendor. The costs of each party in preparing or reviewing the Completion Accounts and the Completion NAV Statement shall be borne by such party.
- (G) The parties shall provide such information and assistance to the other party or the Expert (as the case may be) as soon as reasonably practicable as such other party or the Expert may reasonably require for the purposes of preparing or reviewing the Completion Accounts and/or the Completion NAV Statement (as the case may be).

11. CONFIDENTIALITY AND ANNOUNCEMENTS

- (A) Subject to Clause 11(C) below, at all times:-

- (i) prior to Completion or after the termination of this Agreement (howsoever caused) the Purchaser shall and shall procure that his officers, employees, agents and advisors keep secret and confidential and not without the prior written consent of the Vendor disclose to any party or make use of for his own purposes (otherwise than in the context of an addition to its general experience, knowledge or expertise) any of the confidential information, reports and documents received by him relating to the Vendor and each of the Group Companies or any of their respective Holding Companies or Subsidiaries or any of their respective investments, and
 - (ii) after Completion, the Purchaser shall and shall procure that his officers, employees, agents and advisors keep secret and confidential and not without the prior written consent of the Vendor disclose to any party or make use of for his own purposes (otherwise than in the context of an addition to its general experience, knowledge or expertise) any of the confidential information, reports and documents received by him relating to the Vendor, its subsidiaries or Holding Companies (for the avoidance of doubt, this shall not include any Group Company), save where disclosure is required by Applicable Laws or regulations or by any stock exchange or by any governmental or regulatory authority or if the relevant information comes into the public domain otherwise than by reason of the default of the Purchaser or his officers, employees, agents or advisors or if such disclosure is required for judicial proceedings, is made to the Purchaser's professional advisers, is independently developed after Completion or is otherwise required to give effect to this Agreement.
- (B) Subject to Clause 11(C) below, at all times:-
 - (i) prior to Completion or after the termination of this Agreement (howsoever caused), the Vendor shall and shall procure that its officers, employees, agents and advisors keep secret and confidential and not without the prior written consent of the Purchaser disclose to any party or make use of for its own purposes (other than in the context of an addition to its general experience, knowledge or expertise) any of the confidential information, reports and documents received by it relating to the Purchaser, its Holding Companies or any of its Subsidiaries or any of their respective investments; and
 - (ii) after Completion, the Vendor shall and shall procure that its officers, employees, agents and advisors keep secret and confidential and not without the prior written consent of the Purchaser disclose to any party or make use of for its own purposes (other than in the context of an addition to its general experience, knowledge or expertise) any of the confidential information, reports and documents received by it relating to the Purchaser or any of its subsidiaries or Holding Companies, or any of their respective investments, save where disclosure is required by Applicable Laws or regulations or by any stock exchange or by any governmental or regulatory authority or if the relevant information comes into the public domain otherwise than by reason of the default of the Vendor or its officers, employees, agents or advisors or if such disclosure is required for judicial proceedings, is made to the Vendor's professional advisers, is independently developed after Completion or is otherwise required to give effect to this Agreement.
- (C) If either party to this Agreement (or any Subsidiary or Holding Company of that party or any fellow Subsidiary of such Holding Company) shall have an obligation of disclosure in respect of, and/or make or issue any disclosure in any announcement,

circular and/or prospectus relating to, this Agreement or the transactions contemplated thereby as may be required by Applicable Laws or regulations or by any stock exchange or by any governmental or regulatory authority, the relevant party may make such disclosure but shall, insofar as permitted by Applicable Laws and regulations, give the other party to this Agreement reasonable opportunity to review and consult with the other party on any such disclosure before it is made or issued, particularly in relation to any specific references in such disclosure to that party (or any Subsidiary or Holding Company of that party or any fellow Subsidiary of such Holding Company) or their respective affairs (provided always that the other party shall provide any comments it may have relating to itself only by 5 p.m. on the date when the announcement is to be issued, provided that the draft announcement is provided to the Purchaser no less than 24 hours before the time of its release, and this shall not have the effect of preventing the person making the disclosure, announcement, circular and/or prospectus or release from complying with its legal, regulatory and stock exchange obligations).

12. NATURE OF AGREEMENT

- (A) This Agreement is personal to the parties and neither of them may assign, novate, transfer, mortgage, charge or sublicense any of its rights hereunder, or sub-contract or otherwise delegate any of its obligations hereunder, except with the prior written consent of the other party.
- (B) Nothing in this Agreement shall create, or be deemed to create, a partnership, or the relationship of principal and agent, between the parties or any of them.
- (C) This Agreement and documents referred to herein contains the entire agreement between the parties with respect to its subject matter and may not be modified except by an instrument in writing signed by the parties and supersedes all and any previous agreements or arrangements between the parties hereto or any of them relating to the transactions contemplated hereby and all or any such previous agreements or arrangements shall cease and determine with effect from the date of execution of this Agreement. Each party acknowledges that in entering into this Agreement, it does not rely on, and shall have no remedy in respect of, any statement, representation, assurance or warranty of any person other than as expressly set out in this Agreement.
- (D) If any provision of this Agreement is held to be invalid, illegal or unenforceable, then such provision shall (so far as it is invalid, illegal or unenforceable) be given no effect and shall be deemed not to be included in this Agreement but without invalidating any of the remaining provisions of this Agreement. The parties shall nevertheless negotiate in good faith in order to agree the terms of a mutually satisfactory provision, achieving so nearly as possible the same commercial effect, to be substituted for the provision so found to be invalid, illegal or unenforceable.
- (E) Subject to Clause 8(D), no failure or delay by any party in exercising any of its rights under this Agreement shall be deemed to be a waiver thereof nor shall a waiver of a breach of any provision of this Agreement be deemed to be a waiver of any subsequent breach of the same or any other provision.

13. NOTICES AND SERVICE

- (A) Any notice, claim, demand, court process, document or other communication under or in connection with this Agreement shall be in writing and forwarded to the addresses specified below or to such other address in Hong Kong as may be

notified in writing by either party to the other from time to time:

Vendor : Latest Ventures Limited
11th Floor, Nanyang Plaza
No. 57 Hung To Road
Kwun Tong, Kowloon
Hong Kong

Facsimile No. : (852) 3184 3406

Attention : Ms. Li Ngan Mei, May / Mr. Ong Chi King

Purchaser : Lau Tai Wah Gilbert
Flat A1, 26/F., Block A, Elm Tree Towers
8 Chun Fai Road
Jardine's Lookout
Hong Kong

Facsimile No. : (852) 3753 4632

- (B) Any such notice, claim, demand, court process, document or other communication shall be sent by prepaid registered post or delivered personally or sent by facsimile addressed to the recipient and shall be deemed to have been duly given:
- (i) if delivered by hand, when acknowledged receipt by the addressee;
 - (ii) if sent by mail within Hong Kong, 2 Business Days after posting;
 - (iii) if sent by mail outside Hong Kong, 10 Business Days after posting; or
 - (iv) in the case of a facsimile, on the Business Day immediately after transmission provided that the transmission report indicates that the message has been sent without error.

14. MISCELLANEOUS

- (A) This Agreement may be signed or executed in one or more parts and where signed or executed in more than one part each part shall be deemed to constitute an integral part of the one Agreement.
- (B) Each of the parties shall pay its/his own costs, charges and expenses incurred in connection with the negotiation, preparation, execution and implementation of this Agreement.
- (C) At any time after the date of this Agreement, each of the Vendor and the Purchaser shall, and shall use its/his reasonable endeavours to procure that any necessary third party shall, execute such documents and do such acts and things as are necessary for the purpose of giving to the other party the full benefit of all the provisions of this Agreement.

15. PROPER LAW AND JURISDICTION

This Agreement shall be governed by, and construed in accordance with, the laws of Hong Kong. Each party hereby submits to the non-exclusive jurisdiction of the courts of Hong Kong in relation to any claim or matter arising under this Agreement.

Each of the parties hereto also irrevocably agrees to waive any objection which it may at any time have to the laying of the venue of any proceedings in the Hong Kong courts and that any proceedings have been brought in an inconvenient forum and agrees that in the event of any action being commenced in respect of this Agreement the process by which it is commenced may be served on them in accordance with Clause 13.

16. THIRD PARTY RIGHTS

- (A) Except as expressly stipulated in this Agreement, a person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong). To the extent this Agreement expressly grants rights to third parties, the parties to this Agreement shall be permitted to change or exclude such rights at any time without the consent of the relevant third party.
- (B) Each party represents to the other party that their respective rights to terminate, rescind or agree any amendment, variation, waiver or settlement under this Agreement are not subject to the consent of any person that is not a party to this Agreement, irrespective of whether they have been conferred rights hereunder.

AS WITNESS whereof this Agreement is entered into the day and year first above written.

SCHEDULE 1
INFORMATION ON THE GROUP COMPANIES

PART A

THE COMPANY

- | | | | |
|-----|--------------------------|---|--|
| 1. | Company name | : | Colton Ventures Limited |
| 2. | Place of incorporation | : | British Virgin Islands |
| 3. | Company number | : | 1828797 |
| 4. | Incorporation date | : | 19 June 2014 |
| 5. | Registered office | : | Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands |
| 6. | Authorised share capital | : | US\$50,000 divided into 50,000 shares of US\$1 each |
| 7. | Issued share capital | : | US\$1 divided into 1 share of US\$1 each |
| 8. | Directors | : | Mr. Kwok Koon Keung
Mr. Lo Wing Ling |
| 9. | Registered shareholder | : | Latest Ventures Limited – 1 share |
| 10. | Current activity | : | Investment holding |

PART B

DDL

1. Company name : Deson Development Limited
(迪臣發展有限公司)
2. Place of incorporation : Hong Kong SAR
3. Business Registration Number: 11559896
4. Incorporation date : 1 March 1988
5. Registered office : 11/F, Nanyang Plaza, 57 Hung To Road,
Kwun Tong, Kowloon, Hong Kong
6. Principal place of business : Hong Kong
7. Issued capital : HK\$40,000,100 divided into 20,000,100
Voting Class A shares of HK\$1 each and
20,000,000 Non-Voting Class B shares of
HK\$1 each,
8. Directors : Mr. Chan Chi Kwong
Mr. Yeung Yam Chi
Ms. Li Ngan Mei, May
Mr. Kwok Koon Keung
9. Registered shareholders : Colton Ventures Limited
20,000,099 Voting Shares (Class A)
20,000,000 Non Voting Shares (Class B)

Latest Ventures Limited - 1 Voting Share
(Class A) on behalf of Colton Ventures Limited
10. Company Secretary : Ms. Li Ngan Mei, May
11. Scope of activity : Construction contracting and investment in
marketable securities

SCHEDULE 2

INFORMATION ON THE LEASED PROPERTY

1. Certain portion of 11th Floor, Nanyang Plaza, No. 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong
2. Flat A on 2nd Floor, Cheung Yick Industrial Building, 12 On Yip Street, Chai Wan, Hong Kong

SCHEDULE 3

REPRESENTATIONS AND WARRANTIES

The term “**Material Impact**”, “**material respect**” or “**material**” when used in this Schedule 3 means an event that may reasonably have a monetary value or impact of HK\$300,000.

Part A - Power and authority

1. The Vendor represents and warrants to the Purchaser that:-
 - (i) the Vendor has full power to enter into and perform the terms of this Agreement (and any document contemplated hereunder to which it is a party) and this Agreement (and any document contemplated hereunder to which it is a party) constitutes binding obligations of the Vendor in accordance with its terms; and
 - (ii) subject to the consents and approvals relating to the Vendor referred to in Clause 2(A)(i), the Vendor has taken or obtained all necessary corporate and other actions and consents to authorise the execution and performance by it of this Agreement (and any document contemplated hereunder to which it is a party);
 - (iii) the execution and delivery of, and performance by the Vendor of its obligations under this Agreement and any other documents to be executed by the Vendor pursuant to or in connection with it will not result in a breach of any provision of the constitutional documents of the Vendor; or result in a breach of, or give any third party a right to terminate or modify, or result in the creation of any Encumbrance, under any agreement, licence or other instrument or result in a breach of any order, judgement or decree of any court, governmental agency or regulatory body to which the Vendor as applicable is a party or by which the Vendor is bound; and
 - (iv) the Vendor is not insolvent nor subject to any insolvency proceedings, and there are no circumstances which require or would enable any insolvency proceedings to be commenced in respect of the Vendor.

Part B - The Sale Share and the paid-up capital of DDL

2. **The Sale Share and the paid-up capital of DDL**
 - (A) The Sale Share represents the entire issued share capital of the Company and the Company does not have any other shares or securities (whether in the same class as the Sale Share or otherwise) on issue.
 - (B) The Sale Share has been duly authorised, issued and allotted and is fully paid up or credited as fully paid up.
 - (C) The Vendor is the sole and exclusive legal and beneficial owner of the Sale Share and all the beneficial interest in the Sale Share are free from all Encumbrances and other adverse claims.
 - (D) The Sale Share rank pari passu inter se.
 - (E) No right has been granted to any person to require any Group Company to issue any share capital or other securities to any person and no Encumbrance has been created

in favour of any person affecting any issued or unissued shares or debentures or other issued or unissued securities of any Group Companies.

- (F) No commitment has been given to dispose of or create an Encumbrance affecting the Sale Share (or any other unissued shares or debentures or other unissued securities of the Company) or the registered capital of DDL or for any of them to issue any share capital and no person has claimed any rights in connection with any of those things.
- (G) The Company is the sole and exclusive beneficial owner of the entire share capital in DDL (one Voting Share (Class A) of which is held and registered in the name of the Vendor in trust for the Company and the remaining share capital of which, including both the remaining Voting Shares (Class A) and all Non Voting Shares (Class B) in DDL, are held and registered in the name of the Company) and all the legal and beneficial interest in such share capital are and will be on the Completion Date, free from all Encumbrances and other adverse claims.
- (H) The share capital of DDL held by the Company have been fully paid up.
- (I) None of the Company or DDL:
 - (i) holds or beneficially owns, or has agreed to acquire, any securities of any corporation other than as stated above; or
 - (ii) save as Disclosed, is or has agreed to become a member of any partnership or other unincorporated association, joint venture or consortium; or
 - (iii) has, outside its country of incorporation, any branch or permanent establishment; or
 - (iv) has allotted or issued any securities that are convertible into shares or registered capital, as the case may be.
- (J) All dividends or distributions declared, made or paid by each Group Company have been declared, made or paid in accordance with its respective memorandum, articles of association or equivalent constitutional documents in its jurisdiction of incorporation, all Applicable Laws and any agreements or arrangements made with any third party regulating the payment of dividends and distributions. There are no outstanding dividends or distributions which have been declared by any Group Company which remains unpaid.

Part C – Preliminary

3. Due incorporation and compliance

- (A) Each Group Company and the Vendor was duly incorporated and is validly existing under the laws of the jurisdiction of its incorporation (the jurisdiction of incorporation of each Group Company set out respectively in Part A and Part B of Schedule 1) and has the full power, authority and legal right to own its assets and carry on its business and is not in receivership or liquidation. Neither the Vendor nor any Group Company has taken any steps to enter into liquidation or analogous proceedings and no petition has been presented for its winding up or similar proceedings taken against any of the Vendor or the Group Company, and there are no grounds on which a petition or application could be based for the winding up of or appointment of a receiver for or the levy of distress or execution or the taking of analogous proceedings against the Vendor or any Group Company.

- (B) The information in respect of each Group Company respectively set out in Part A and Part B of Schedule 1 is true and accurate in all respects.
- (C) No person has the right (whether exercisable presently or in the future and whether contingent or not) to call for the issue of any shares, registered capital or debentures of any Group Company or to convert any securities (whether of any Group Company or any other body corporate) into shares, registered capital or debentures of any Group Company.
- (D) The statutory books, minute books, registers and other corporate records of each Group Company have been properly written up in all material respects and none of them has received any application or request for rectification of any such documents and, so far as the Vendor is aware, compliance in all material respects has been made with all other legal requirements concerning each Group Company and all issues of shares or registered capital, as the case may be, thereof.
- (E) True, accurate and complete copies of the memorandum and articles of association of each Group Company or equivalent constitutional documents of each Group Company in the jurisdiction of its respective place of incorporation have been provided to the Purchaser.
- (F) Subject to satisfaction of all the conditions set out in Clause 2(A), the execution and delivery of, and performance by the Vendor of its obligations under, this Agreement and any other documents to be executed by the Vendor pursuant to or in connection with this Agreement will not result in a breach of any provision of the constitutional documents of the Vendor or any Group Company; or any agreement binding on any of them.
- (G) No Group Company or any part of its assets or undertaking is involved in or subject to any insolvency proceedings.
- (H) No Group Company has stopped or suspended payment of its debts, become unable to pay its debts or otherwise become insolvent in any relevant jurisdiction.
- (I) There are no circumstances which require or would enable any insolvency proceedings to be commenced in respect of any Group Company or any part of its assets or undertaking.
- (J) There are no transactions capable of being set aside, stayed, reversed, avoided or affected in whole or in part by any insolvency proceedings in relation to any Group Company or any part of its assets or undertaking (whether or not such proceedings have commenced) whether as transactions at an undervalue, transactions in fraud of or against the interests of creditors, preferences or similar concepts or legal principles.

4. Compliance with Laws

- (A) So far as the Vendor is aware, each Group Company (and its officers, agents and employees, during the course of their duties) has conducted its business and corporate affairs in all material respects in accordance with its memorandum and articles of association (or equivalent constitutional documents in its jurisdiction of incorporation) and in all material respects, with all Applicable Laws and regulations of those jurisdictions in which it carries on business.

- (B) No Group Company is in default in any respect of any statute, ordinance, regulation, order, decree or judgement of any court or any governmental or regulatory authority of any jurisdiction in which any Group Company carries on business which default is, having regard to all the circumstances, reasonably likely to have a Material Impact.

Part D – Business, assets and liabilities of the Group Companies

5. The Businesses of the Group Companies

- (A) The principal business of the Company is investment holding. The Company does not have any business, activities, operations or assets other than the share capital held by it in DDL. Save for the trade debts incurred under normal business operations, lease liabilities, contract liabilities, deposit received and other payables, defined benefit obligations and intercompany payable and receivables, the Group does not have any debts, liabilities or obligations of any nature (whether present or future, actual or contingent), including without limitation any loan or sum due to any Holding Company or any Subsidiary or any company otherwise affiliated with the Group Companies. Save as Disclosed in the Disclosure Letter, no Group Company has any outstanding indebtedness or any money raised in respect of any guarantee or indemnity, or has made any plans to raise any money through debt or otherwise.
- (B) The principal business of DDL is set out in Part B of Schedule 1. Save as Disclosed in this Agreement, DDL does not have any other material assets. Save for the trade debts incurred under normal business operations and as Disclosed in the Financial Statements and the Disclosure Letter, DDL does not have any debts, liabilities or obligations of any nature (whether present or future, actual or contingent), including without limitation any loan or sum due to any Holding Company or any Subsidiary or any company otherwise affiliated with DDL.
- (C) Save as Disclosed in this Agreement, no Group Company has lent any money which has not been repaid to it nor does it own the benefit of any debt (whether present or future) other than debts accrued to it in the ordinary course of its trading.
- (D) All the records and systems (including computer systems) and all data and information of each Group Company are recorded, stored, maintained, operated or otherwise held exclusively by one or more Group Company and are not wholly or partly dependent on any facilities or means (including any electronic, mechanical or photographic process, computerised or otherwise) which are not under the exclusive ownership and control of one or more than one Group Company.

6. Subsidiaries or other body corporates

- (A) Save for its direct shareholding in DDL, the Company does not have any Subsidiaries or other interests in other entities or body corporates whatsoever.
- (B) Save as Disclosed, DDL does not have any Subsidiaries or other interests in other entities, branches, representative offices or body corporates whatsoever.

7. Compliance with Legal Requirements

- (A) All the contracts to which each Group Company is a party and which are material to the business of any Group Company are valid and binding on the relevant Group Company and the terms thereof have been complied with by the relevant Group Company, in all material respects.
- (B) None of the activities or contracts or rights of any Group Company is ultra vires,

unauthorised, invalid or in breach of any contract or covenant in any material respect, the breach of which would be likely to have a Material Impact on the business or undertaking of any Group Company.

- (C) No currently outstanding notices have been served on any Group Company in respect of any contravention or non-compliance with or alleged contravention or non-compliance with any contractual or statutory obligation of any Group Company, non-compliance with which would be likely to have a Material Impact on the business or undertaking of any Group Company.

8. Supervisory and Registration Requirements

The books and records of each Group Company have been brought up to date in all material respects in compliance with the requirements of all applicable statutes and Applicable Laws, and in accordance with any powers or directions issued thereunder by the relevant authorities, and all material accounts, returns, particulars, resolutions and other documents required to be delivered by each Group Company, as applicable, to the relevant authorities have been duly delivered, filed or registered in proper form.

Part E - Accounts

9. The Financial Statements

- (A) The Warranted Accounts (when available at Completion):
- (i) are, in all respects, prepared in accordance with the requirements of all Applicable Laws and regulations and on a consistent basis (other than due to a change in the Applicable Laws and regulations) with that adopted in preparing the audited financial statements for the financial year on the Accounts Date, in accordance with the books of accounts of the Group and with HKFRS;
 - (ii) in respect of DDL only, have been audited by a certified auditor;
 - (iii) disclose a true and fair view (as contemplated by HKFRS) of the state of affairs of each of the Group Companies, without any qualifying opinion of the assets, liabilities and financial positions of the Group, at the Accounts Date and of its profit for the year ended on such date;
 - (iv) contain appropriate provision for all liabilities and proper reserves and provisions for bad and doubtful debts and depreciation on fixed assets (if applicable) as at the date of such accounts;
 - (v) correctly state the assets and liabilities of the Group as at the Accounts Date and, in all respects, make appropriate provision (in accordance with HKFRS) for all liabilities of the Group as at the Accounts Date; and
 - (vi) contain either provisions adequate to cover, or full particulars in notes of, all Taxation (including deferred Taxation) and other liabilities (whether quantified, contingent or otherwise) of each of the Group Companies as at the Accounts Date.
- (B) The Warranted Management Accounts are in all material respects, prepared on a consistent basis (other than due to a change in the applicable laws and regulations)

based on the accounting policies adopted in the preparation of the Warranted Accounts, in accordance with the books of accounts of the Group and with HKFRS, subject to year end adjustments, and fairly present the income and expenditure of the Group Companies for that period and the assets and liabilities of the Group Companies as at that date. There are no undisclosed debts, loans, funding arrangements and liabilities of the Group Companies.

- (C) All debts owing to a Group Company at the date of this Agreement will in the ordinary course of collection realise their nominal amounts plus any costs of collection and any accrued interest.

10. Position since Accounts Date

Since the Accounts Date and up to the Completion Date:

- (i) each Group Company has conducted its business in a normal and proper manner and duly complies with Clause 6(A) *mutatis mutandis*;
- (ii) there has been no deterioration in the values of any of the fixed assets such that the market value of any fixed asset is less than the value attributed to it in the Warranted Accounts and no fixed asset of any Group Company has been revalued;
- (iii) each Group Company has paid its creditors within the times agreed with them;
- (iv) no event has occurred which gives rise to Taxation to any Group Company on deemed (as opposed to actual) income, profits or gains or which results in any Group Company becoming liable to pay or bear a Taxation liability directly or primarily chargeable against or attributable to another person;
- (v) no event has occurred which would entitle any third party (with or without the giving of notice) to call for the repayment of indebtedness of any Group Company prior to the normal maturity date;
- (vi) no Group Company has made any payment or incurred any liability to any member of the Vendor or its Affiliates; and
- (vii) no Group Company has settled any litigation (net of insurance covered) in excess of HK\$500,000.

11. Accounting and other records

- (A) The books of account and other financial records of the Company are up-to-date and have been properly maintained in all material respects in accordance with all Applicable Laws and HKFRS on a proper and consistent basis and comprise, in all material respects, true records of all information required to be recorded. All accounts, documents and returns required by law to be delivered or made to applicable authorities in the British Virgin Islands (if applicable) in relation to the books of account and other financial records of the Company have been delivered or made in accordance with the relevant requirements.
- (B) The books of account and other financial records of DDL are up-to-date and have been properly maintained in all material respects in accordance with all Applicable Laws and HKFRS on a proper basis and comprise, in all material respects, true records of all information required to be recorded. All accounts, documents and

returns required by law to be delivered or made to applicable authorities in Hong Kong (if applicable) in relation to the books of account and other financial records of DDL have been delivered or made in accordance with the relevant requirements.

Part F - Contractual Matters

12. Material Contracts

- (A) Save as disclosed in Part A of Schedule 8, there is not outstanding any agreement or arrangement to which any Group Company is a party:-
- (i) which is material in the context of the business of any Group Company and which, by virtue of the disposal of the Sale Share will result in:-
 - (a) any other party being relieved of any obligation or becoming entitled to exercise any right (including any right of termination or any right of pre-emption or other option); or
 - (b) subject to the satisfaction of the conditions set out in Clause 2(A), the Vendor or any Group Company being in material default under any such agreement or arrangement or losing any benefit, right or licence which it currently enjoys or result in a liability or obligation of material importance of any Group Company being created or increased;
 - (ii) which requires (or confers any right to require) the allotment or issue of any shares, debentures or other securities of any Group Company now or at any time in the future;
 - (iii) (a) which was entered into otherwise than in the ordinary course of business of any Group Company; (b) or which is of a long-term nature (with a term of more than three years after the date it was entered into or undertaken or incapable of termination by the relevant Group Company on giving more than six months' notice or less); (c) or with a contractual value of more than HK\$500,000 in aggregate (save as contemplated by the proposed transaction);
 - (iv) which establishes any agency, distributorship, marketing or licensing agreement or arrangements; or
 - (v) which restricts any Group Company's freedom to operate the whole or part of its business or to use or exploit any of its assets as it desires.
- (B)
- (i) Save in the ordinary course of business, at Completion, there will be no outstanding indebtedness (actual and contingent) owed by any Group Company to the Vendor or any of its Connected Persons;
 - (ii) There are no derivative contracts entered into by any Group Company (including forwards, futures, swaps and options, whether exchange-traded or otherwise) as at the date of this Agreement; and
 - (iii) DDL has not engaged in any financing of a type which would not be required to be shown or reflected in the Warranted Accounts.
- (C) Save for the liabilities or obligations as stated in paragraphs 5(A) and (B) of this Schedule 3 above and those as Disclosed in the Disclosure Letter from the Vendor

or in the Financial Statements, since the Management Accounts Date, no Group Company:

(i) has made any payment or loan to or borrowed any monies from or is otherwise indebted to; or

(ii) has any ongoing contractual obligation to,

any other entity or person which exceeds HK\$500,000 save and except for reimbursements and payments made pursuant to any employment contracts entered into in the ordinary course of business.

(D) Part A of Schedule 8 contains a complete and accurate list of every contract, arrangement and obligation to which any Group Company is a party and which:

(i) whether by reason of its nature, term, scope, price or otherwise, is or is likely to be of material importance to its business, profits, assets or liabilities; or

(ii) is not in the ordinary course of its trading; or

(iii) is incapable of performance in accordance with its terms within six months of the date on contract completion date (unless extended in accordance with the terms of the contract); or

(iv) is expected to result in a loss to that Group Company on completion of performance; or

(v) is of an onerous nature or cannot be fulfilled or performed by that Group Company on time and without undue or unusual expenditure of money or effort; or

(vi) requires an aggregate consideration payable by that Group Company in excess of HK\$500,000; or

(vii) involves payment of any sum by that Group Company by reference to fluctuations in any index of commercial or retail or consumer prices or any other index used as a measure of inflation.

(E) Each Group Company has complied with all its obligations in a material respect under each contract, arrangement or obligation referred to in paragraph 12(D) of this Schedule 3 and, so far as the Vendor is aware, each other party to such contract, arrangement or obligation has complied with its obligations in a material respect under such contract, arrangement or obligation. Each such contract, arrangement or obligation is in full force and effect and binding on the parties in accordance with its terms.

(F) No Group Company has granted any power of attorney or similar authority which remains in force.

(G) Save as Disclosed, no Group Company has any outstanding charges on its assets.

(H) There does not exist any provision under any agreement or arrangement to which any Group Company is a party which provides that a change in control of the Group

Company (however change in control may be defined in the said document, if at all) shall entitle the counterparty to terminate such agreement or arrangement.

13. Defaults

No Group Company is in default under any agreement to which it is a party (including the contracts referred to in paragraph 12(D) of this Schedule 3) and which has a Material Impact and, there are no circumstances likely to give rise to such a default which has a Material Impact.

Part G - Litigation and Investigations and Insolvency

14. Litigation

- (A) Since the Accounts Date, no claims or counter claims for damages (after deduction of insurance covered) has been made against any Group Company which exceeded HK\$500,000 in aggregate.
- (B) Save as Disclosed in the Disclosure Letter, no Group Company is involved or is likely to be involved, whether as plaintiff or defendant or other party in any claim, legal action, proceeding, suit, litigation, investigation, prosecution or arbitration which exceeds HK\$100,000 in value (other than as plaintiff in the collection of debts arising in the ordinary course of its business none of which exceeds HK\$100,000) and, no such claim, legal action, proceeding, suit, litigation, investigation, prosecution or arbitration is pending or threatened by or against any Group Company (or any person for whose acts or defaults any Group Company may be vicariously liable in respect of such matter).
- (C) Save as Disclosed in the Disclosure Letter, there is no outstanding judgment, order, decree, arbitral award or decision of a court, tribunal, arbitrator or governmental agency in any jurisdiction against any Group Company. There are no past or current, threatened or pending, criminal actions, proceedings or investigations concerning directors, managers or employees of any Group Company which relate to the business of any Group Company.
- (D) No Group Company has:
 - (i) induced a person to enter into an agreement or arrangement with any Group Company by means of an unlawful payment, contribution, gift or other inducement;
 - (ii) offered or directly or indirectly made an unlawful contribution to a political activity; or
 - (iii) been liable to any fines, penalties or similar charges in connection with any breach of law or other regulatory requirements of any jurisdiction which exceed HK\$500,000.

15. Insolvency

- (A) No order has been made, petition presented or meeting convened for the purpose of considering a resolution for the winding up of the Vendor or any Group Company or for the appointment of any provisional liquidator. No petition has been presented for an administration order to be made in relation to the Vendor or any Group Company, and no receiver (including any administrative receiver) has been appointed in respect

of the whole or any part of the property, assets and/or undertaking of the Vendor or any Group Company.

- (B) No distress, distraint, charging order, garnishee order, execution or other process has been levied or applied for in respect of the whole or any part of the property, assets and/or undertaking of the Vendor or any Group Company.

Part H – Social Insurance, Incentive Schemes and other benefits

16. Mandatory Provident Funds and other benefits

- (A) Save for DDL, none of the Group Companies had or has any employees and accordingly, does not have any schemes, agreements or arrangements for the payment on retirement or on death for the benefit of any present or former director, officer or employee.
- (B) DDL has paid the mandatory provident funds in full for its employees as required under the laws of Hong Kong. Except for the mandatory social insurance and any other mandatory requirements imposed by the laws of Hong Kong, DDL is not required to provide any of its employees with any welfare of any nature in relation to retirement, death or housing.
- (C) DDL is in all material respects in compliance with the requirements of all applicable laws relating to social insurance.

17. Incentive Schemes

No Group Company has any share incentive scheme, share option scheme or profit sharing or other similar incentive scheme for all or any of its directors, officers or employees.

Part I – Licences and Assets

18. Licences

- (A) Each Group Company has obtained all the Licences required for carrying on its business and operate its assets in the places and in the manner in which such business or asset is now carried on or operated, as applicable, and has complied with all terms and conditions of those Licences and nothing has been, or is agreed by this Agreement to be, done omitted to be done which might prejudice the continuation or renewal of any of those Licences, or result in any of them being modified.
- (B) The Licences are in full force and effect, and have been complied with in full.
- (C) There are no circumstances which indicate that any of the Licences will be revoked or not renewed, in whole or in part, in the ordinary course of events (whether as a result of the sale and purchase of the Sale Share or otherwise).

19. Possession of Assets and Third Party Facilities

- (A) The Company does not own any fixed assets other than 100% of the share capital in DDL and is not engaged in any other business. DDL does not own any material assets and is not engaged in any business other than as set out under Part B of Schedule 1. Schedule 2 sets forth the true and accurate details of all property leased or occupied by the Group Companies.

- (B) All of the assets owned by each Group Company, or in respect of which any Group Company has a right of use, are in the possession or under the control of the relevant Group Company.
- (C) Where any assets are used but not owned by a Group Company or any facilities or services are provided to a Group Company by any third party, there does not exist any event of default having occurred which may entitle any third party to terminate any agreement or licence in respect of the provision of such facilities or services (or any event or circumstance which with the giving of notice and/or the lapse of time and/or a relevant determination would constitute such an event or circumstance).
- (D) All tangible assets of Group which were included in the Warranted Accounts are at the Accounts Date the absolute property of the Group and all such assets which have subsequently been acquired are the absolute property of the Group and none is the subject of any Encumbrance (excepting only liens arising by operation of law in the normal course of business).

Part J – Insurances

20. Insurances

- (A) Part B of Schedule 8 sets forth the accurate and complete details of all insurances maintained by or covering the Company and DDL and which insurances are in full force and effect, and nothing has been done or omitted to be done which could make any policy of insurance void or voidable and there is no claim under any such policy.
- (B) All material risks and assets of the Company and DDL which are capable of being insured and which are normal and customary for companies carrying on similar businesses or owning assets of a similar nature to insure have at all material times been and are presently insured in amounts reasonably regarded as adequate against fire and other risks normally insured against by companies carrying on similar businesses or owning assets of a similar nature or as required by the Applicable Laws and each of the Company and DDL has at all material times been and is now adequately covered against accident, physical loss or damage, third party liability and other risks normally covered by insurance by such companies.

Part K – Intellectual Property Rights

21. None of the Group Companies owns or uses any Intellectual Property Rights. No activities of any Group Company (or of any licensee under any licence granted by a Group Company) infringe or are likely to infringe any Intellectual Property Rights of any third party and no claim has been made against any Group Company or any such licensee in respect of such infringement.

In this paragraph 21, "**Intellectual Property Rights**" means trademarks, service marks, trade names, logos, domain names, patents, registered and non-registered design rights, copyrights, database rights, co-branding rights and all similar proprietary rights which may subsist in any part of the world including, where such rights are obtained or enhanced by registration, any registration of such rights and applications of rights to apply for such registration.

Part L – Employees

22. Employees and terms of employment

- (A) There are no employees employed by DDL whose individual annual remuneration exceeds HK\$2,000,000 or its equivalence in other currency.
- (B) There are no terms of employment for employees at DDL or consultancy agreements with DDL or terms of appointment for directors of DDL which provide that a change in control of DDL (however change in control may be defined in the said document, if at all) shall entitle the said employee, consultant or director to treat the change in control as amounting to a breach of the contract or entitling him to any payment or benefit whatsoever or entitling him to treat himself as redundant or dismissed or released from any obligation.
- (C) Other than DDL, no other Group Company has any employees. As of the Completion Date, save as disclosed in the Completion Accounts, no Group Company has any outstanding severance payments or social insurances. No Group Company has any outstanding liability to pay compensation for loss of office or employment or make a redundancy payment to any present or former employee or to make any payment for breach of any agreement referred to in paragraph 22(A) of this Schedule 3 and no such sums have been paid (whether pursuant to a legal obligation or ex gratia) since the Accounts Date.
- (D) No Group Company has made any loan or advance, or provided any financial assistance, to any employee or past or prospective employee of any Group Company, which is outstanding.
- (E) Each Group Company has in all material respects complied with its obligations to applicants for employment, its employees and former employees, and any relevant trade union, works council and employee representatives.
- (F) No claim in relation to the Group Companies' employees or former employees has been made against any Group Company or against any person whom any Group Company is liable to indemnify.

23. Trade Disputes

DDL is not involved in, and there are no circumstances likely to give rise to, any industrial or trade dispute or any dispute or negotiation regarding a claim with any trade unions, works council, staff association or other similar organisation or other body (in any such case whether or not recognised by DDL for collective bargaining or other negotiating purposes) representing any of the employees.

Part M – The Properties

24. Owned Property

The Group Companies do not own any real property.

25. Leased Property

- (A) DDL occupies (under a valid lease or tenancy or licence agreement) such premises as identified against its name in the table set out in Schedule 2 and which are material to its operations (each, a “**Leased Property**”). The information in respect of the Leased Properties set out in Schedule 2 is true and accurate.

- (B) DDL has exclusive possession and all material rights necessary for the current use and enjoyment of the Leased Property for the purposes of its business and no written notice to terminate the same has been received by DDL from the landlord.
- (C) DDL has complied in all material respects with each of its obligations under the lease or tenancy or licence agreement relating to the Leased Property and there is no breach or any circumstance that exists which could reasonably be expected to constitute a breach under the lease or tenancy or licence agreement relating to the Leased Property.
- (D) Complete and accurate lease or tenancy or licence agreements in respect of each Leased Property have been Disclosed under Schedule 2 and all such contracts are in force or have been duly renewed.
- (E) None of the Leased Property is subject to any Encumbrance, easements, title defects or restrictions on use.
- (F) No registration nor certification of any lease agreements in respect of the Leased Properties is required to be made or carried out by DDL under applicable Law.
- (G) All rents have been paid by DDL in full and there are no rent arrears, and there is no rent review period in respect of any Leased Property.
- (H) Each Leased Property benefits from utility services required for the DDL's business free from material interruptions.
- (I) All required certifications and approvals required under applicable Law for use of the Leased Property have been obtained by DDL.
- (J) No written disputes, notices, enquiries, investigations or complaints have been received and no circumstance exists which may reasonably result in such items being received by a third party or Governmental Authority in respect of challenge of title, use or enjoyment of any Leased Property.
- (K) There does not exist any provision under the lease or tenancy or licence agreement in respect of each Leased Property which provides that a change in control of DDL (however change in control may be defined in the said document, if at all) shall entitle the lessor, landlord or licensor (however named) to terminate the lease or tenancy or licence agreement.

Part N – Taxation

- 26. (A) All returns, notifications, particulars, documents and statements required to be made or furnished by each Group Company to the relevant Taxation Authority, have been duly made or furnished and all such returns, notifications, documents, particulars and statements are accurate in all material respects and made on a proper basis. Each Group Company has paid all Taxes that are due and payable by it and all assessments, reassessments, governmental charges, penalties, interest and fines due and payable by it.
- (B) So far as the Vendor is aware, each Group Company has complied in all material respects with all legislation relating to Taxation applicable to it and has kept and retained all records and documents appropriate or requisite for the purposes of any legislation relating to Taxation applicable to it.

- (C) A return (if required) has been submitted in respect of each Group Company concerning liability to Tax under applicable revenue laws for each year of assessment up to and including in respect of the year of assessment 2023/2024.
- (D) The amount respectively provided in the Financial Statements in respect of Taxation is sufficient to meet all or any Taxation falling on the Group Companies, respectively, from or by reference to any income, profits, gains, transactions, events, matters or things earned, accrued, received, entered into or occurring up to the Accounts Date.
- (E) Each Group Company has sufficient and accurate records in all material respects relating to past events during the 7 years (or such period as required under the applicable legal, regulatory, tax or other requirements, whichever is longer) prior to Completion or, if later, from its date of incorporation to Completion to calculate the Taxation liability or relief which would arise on any disposal or realisation of any asset owned as at the Accounts Date or acquired since the Accounts Date.
- (F) Each Group Company has made all deductions and withholdings in respect, or on account, of Taxation from any payments made by it which it is obliged to make and has duly paid the amount deducted or withheld to the relevant Taxation Authority in accordance with the requirements of Applicable Laws.
- (G) No Group Company is in dispute or disagreement with any Taxation Authority (whether in Hong Kong or elsewhere) in respect of any liability or potential liability to any Taxation recoverable from any Group Company or regarding the availability to any Group Company of any relief from Taxation or duty.
- (H) Each Group Company which has made any deductions or claimed or applied any reliefs claimed for the purpose of calculating its liability for Taxation was entitled to make the relevant deductions in the respective amounts so deducted and to claim or apply the relevant reliefs in the respective amounts so claimed or applied.
- (I) Up to the Completion Date, except in the ordinary course of business, no act or Transaction has been effected in consequence whereof any Group Company may be or is being held liable for any Taxation primarily chargeable against some other persons. No Group Company is treated for any Taxation purpose as resident in a country other than the country of its incorporation.
- (J) Up to the Completion Date, no liability for Taxation has arisen otherwise than as a result of activities in the ordinary course of business of DDL.
- (K) All documents which are required to be stamped and which are in the possession of any Group Company or by virtue of which any Group Company has any right have been duly stamped.
- (L) No Group Company has within the past 36 months been subject to or is currently subject to any formal investigation by any Taxation Authority, and neither the Vendor nor any Group Company is aware of any such investigation planned for the next 12 months.

SCHEDULE 4
DISCLOSURE LETTER

To: Mr. Lau Tai Wah Gilbert

From: Latest Ventures Limited

[Date]

Dear Sirs,

Agreement (the “Agreement”) to be dated the same date of this letter between Latest Ventures Limited (the “Vendor”) and Lau Tai Wah Gilbert (the “Purchaser”) relating to the sale and purchase of the issued share capital of Colton Ventures Limited (the “Company”)

We refer to the Agreement and unless otherwise defined herein, or unless the context otherwise requires, terms defined in the Agreement shall have the same meaning in this letter.

This letter is the Disclosure Letter referred to in the Agreement and constitutes formal disclosure to the Purchaser for the purposes of the Agreement of the facts and circumstances which are or may be inconsistent with the representations and warranties referred to in Schedule 3 of the Agreement ("**Warranties**") or which otherwise give or may give rise to a claim under the Agreement by the Purchaser in respect of the Warranties. Such facts and circumstances will be deemed to be disclosed and shall qualify the Warranties accordingly. This Disclosure Letter also sets out additional information referred to in the Agreement as being agreed between the Vendor and the Purchaser.

References in this letter to clause or section numbers, paragraph headings and numbers, schedules and appendices shall, unless the context otherwise requires, be to those clause or section numbers, headings and numbered paragraphs, schedules and appendices in the Agreement. Such clause or section numbers, headings and numbering, schedules and appendices are for convenience only and shall not alter the construction of this letter nor in any way limit the effect of any of the disclosures, all of which are made against the Warranties as a whole. A disclosure or qualification made by reference to any particular paragraph and/or any of the Warranties shall be deemed to be made also in respect of any other paragraph and/or any other Warranties to which the disclosure or qualification may be applicable.

The disclosure of any matter or document shall not imply any representation, warranty or undertaking not expressly given in the Agreement nor shall such disclosure be taken as extending the scope of any of the Warranties.

The Purchaser acknowledges and agrees that:

- (1) notwithstanding that reference may in some cases be made in this Disclosure Letter to particular Warranties or other provisions of the Agreement, all disclosures made in or by virtue of this Disclosure Letter are made on the basis that they shall have effect in relation to each of the Warranties and the Purchaser shall not be entitled to claim that any fact or matter has not been disclosed to it by reason of the relevant disclosure not being specifically related to any one or more of the Warranties;

- (2) neither this Disclosure Letter nor any disclosure made in or by virtue of it shall constitute or imply any admission that all or any of the matters call for disclosure, but are merely made for such purposes as they may serve as representing matters which might arise from the wording of the Warranties;
- (3) neither this Disclosure Letter nor any disclosure made in or by virtue of it shall constitute or imply any representation, warranty, assurance or undertaking by the Vendor not expressly set out in the Agreement and neither this Disclosure Letter nor any such disclosure shall have the effect of, or be construed as, adding to or extending the scope of any of the Warranties; and
- (4) where the contents of any document are stated in the body of this Disclosure Letter to be disclosed "in respect of this warranty" or otherwise, such contents are disclosed and deemed to be disclosed in respect of all Warranties and each of them.

General Disclosures

By way of general disclosure, the following matters are disclosed to the Purchaser:

1. The contents (including but not limited to all information, facts and matters contained therein) of the Agreement and this Letter.
2. All matters and information contained in or referred to in the memorandum and articles of association or other constitutional documents and documents of incorporation of each Group Company incorporated in Hong Kong which are or would be revealed by searches made at the public registry in Hong Kong in respect of DDL and the British Virgin Islands in respect of the Company and the Vendor incorporated or registered under the laws of British Virgin Islands.
3. All matters shown, noted or for which sufficient particulars relating to such matters are contained in the Financial Statements (including without limitation as set out in the assumptions and notes thereto) so as to enable a reasonable understanding or awareness of such matters and their implications referred to in each of the Financial Statements.

Specific Disclosures

The following specific disclosures are made in relation to the Warranties:

<u>Warranty</u>	<u>Disclosure</u>
Clauses 2(l)(ii) and 6(B)	<ol style="list-style-type: none">1. A joint venture between Cheung Hing Construction Company Limited, Maylon Construction Co., Ltd and DDL in respect of a term contract dated 11 April 2025 for the alterations, additions, maintenance and repair of buildings and lands and other properties (Hong Kong Island Eastern and Outlying Islands (South)) for The Government of the Hong Kong Special Administration Region with an estimated completion date in March 2029.2. A joint venture between Cheung Hing Construction Company Limited and DDL in respect of a term contract dated 15 January 2025 for minor works 2024 for Kowloon

East Cluster for the Hospital Authority with an estimated completion date in November 2027.

- Clauses 5(A), 5(B) and 12(C)
3. A joint venture between CR Construction Company Limited and DDL in respect of a contract dated 19 March 2019 as main contractor for House B, No. 75 Peak Road, Hong Kong including E&M works for Season Glitter Ltd. with an estimated completion date in June 2026.
1. Bond issued by NCB to DDL in favour of Dream Partners Investment Limited on 10 January 2024 (No. 461A24BG000010) for HK\$11,001,000, in relation to Project P185 (proposed residential building at N.K.I.L. 4017, 9 Oxford Road), with a contract period from 16 April 2024 to 7 October 2025 and contract sum of HK\$110,007,712.
2. Bond issued by NCB to DDL in favour of Excel Castle International (HK) Ltd. on 3 September 2024 (No. 461A24BG000225) for HK\$12,980,000, in relation to Project P186 (proposed commercial development at No. 49 & 51 Kimberly Road), with a contract period from 16 January 2024 to 17 January 2026 and contract sum of HK\$129,800,000.
3. Lease liabilities of DDL for 8 copiers amount to HK\$127,648 (current) and HK\$182,724 (non-current) as at 30 June 2025.
4. The following amounts are due from the holding company and/or fellow subsidiaries of the Group Companies to the Group Companies as at 31 March 2025:
- (a) the amount due from Kenworth Engineering Limited to DDL is HK\$19,214,317.97;
 - (b) the amount due from the Vendor to DDL is HK\$28,523,266.99; and
 - (c) the amount due from Achieve Plus Investment Limited to DDL is HK\$12,558,000.
5. As at 31 March 2025, the amount due from the Company to Smart City Development Holdings Limited, ultimate holding company, is HK\$24,775.50.

The intercompany balances set out in items 4 and 5 above will be set off and consolidated into the Vendor on the Completion Date so that, after consolidation, there will only be one amount due from the Vendor to the Company, which will be shown in the Completion Accounts.

- Clause 12(G)
1. Deed of Indemnity, Charge Over Deposit(s) and Set-Off executed by DDL in favour of NCB of not less than HK\$7,000,000 to secure general banking facilities from

time to time and at any time granted or to be granted by NCB granted to DDL.

2. Deed of Indemnity, Charge Over Deposit(s) and Set-Off executed by DDL in favour of NCB of not less than HK\$3,000,000 to secure general banking facilities from time to time and at any time granted or to be granted by NCB granted to DDL.

3. Deed of Charge Over Securities by DDL in favour of NCB in respect of the funds with market value of not less than HK\$2,980,000 deposited with NCB to secure general banking facilities from time to time and at any time granted or to be granted by NCB granted to DDL.

Clauses
14(B) and
14(C)

1. Employment injury claims involving Luo Jianhui regarding an alleged left rib fracture incident on 29 July 2020:

(a) DCEC 1380/2022 (Employee's Compensation Case) - settled; and

(b) DCPI 2178/2023 (Personal Injuries Action) - ongoing, being followed up by the legal advisor to the insurance company.

2. Employment injury claims involving Lee Hon Wang regarding an alleged cut to the left ring finger on 1 August 2024: DCEC 767/2025 (Employee's Compensation Case) ongoing, with an intended common law claim being handled by insurance company.

3. Employment injury claims involving Limbu Ghanendra regarding an alleged left wrist palm injury on 16 November 2024, with intended employee's compensation and common law claims being handled by insurance company.

Please acknowledge receipt and acceptance of this Disclosure Letter by signing, dating and returning to the Vendor the enclosed copy of this letter. The signing by you of the enclosed copy of this Disclosure Letter constitutes an acknowledgement of receipt of this Disclosure Letter and of copies of the documents contained in the Due Diligence Index as specified in the Index specified in Annex A hereto, and your acceptance of the terms hereof.

Yours faithfully,
For and on behalf of
Latest Ventures Limited

Ong Chi King
Director

I hereby acknowledge receipt and accept the contents of this Disclosure Letter and copy of the Due Diligence Index attached to the Disclosure Letter as Annex A.

Lau Tai Wah Gilbert

Date: 2025

Annex A

DUE DILIGENCE INDEX

Colton Ventures Limited

1. Certificate of incorporation dated 19 June 2014
2. Memorandum and articles of association
3. Register of directors
4. Minutes of board directors and shareholders for the latest 3 years
5. Register of members
6. Application for shares by Latest Ventures Limited dated 8 July 2014
7. Certificate of good standing dated 18 June 2025
8. Certificate of incumbency dated 18 June 2025

Deson Development Limited

1. Certificate of incorporation dated 1 March 1988
2. Business Registration certificate valid from 1 March 2025 to 28 February 2026
3. Memorandum and Articles of Association
4. Register of directors
5. Minutes of board directors and shareholders for the latest 3 years
6. Register of members
7. Register of significant controllers
8. Declaration of trust dated 16 December 2014
9. Form NAR1 on 1 March 2025
10. Register of charges
11. Share transfer agreement between Deson Development Holdings Limited and Colton Ventures Limited in relation to the shares in Deson Development Limited dated 16 December 2014
12. Instrument of transfer in relation to item 11 above
13. Bought and sold note in relation to item 11 above
14. Banking facilities letter from Nanyang Commercial Bank dated 12 March 2025
15. List of share charge documents in relation to item 14 above
16. Fixed assets register as at 31 March 2025
17. Tenancy agreement between Global Bright Property Limited and Deson Development Limited for the rental of Flat A, 2nd Floor, Cheung Yick Industrial Building, 12 On Yip Street, Chai Wan, Hong Kong dated 1 April 2025
18. Tenancy agreement between Grand On Enterprise Limited and Deson Development Limited for the rental of certain portions of 11th Floor, Nanyang Plaza 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong dated 23 April 2024
19. Sample employment agreement for (i) site staff; (ii) office staff and (iii) senior management
20. List of employees of Deson Development Limited and their department
21. Details of MPF scheme and medical scheme of Deson Development Limited
22. Staff handbook of Deson Development Limited
23. Joint Venture agreement between CR Construction Company Limited and Deson Development Limited of residential redevelopment at R.B.L.670 R.P., 75 Peak Road, Hong Kong dated 19 March 2019 ("**19 March JV Agreement**")
24. Supplemental agreement for 19 March JV Agreement dated 1 April 2019
25. Supplemental agreement for 19 March JV Agreement dated 7 August 2019
26. List of Project VER and CAD VER
27. Insurance policy for employee compensation insurance number: U6070303324007054

28. Insurance policy for group medical insurance number: 12051070
29. Group personal accident insurance number: 10-24-PG003901(0009)
30. EC & Contractor all risk insurance policy of (a) Project No. P185 (Proposed residential building at N.K.I.L. 4017 at 9 Oxford Road); (b) Project No. P186 (Proposed commercial development at No. 49 & 51 Kimberley Road; and (c) Project No. P192 (14/F., South Tower, The Hong Kong Polytechnic University West Kowloon Campus, Phase 4, 9 Hoi Ting Road, Yau Ma Tei, Kowloon)
31. Profit tax returns and assessment from Inland Revenue Department for the years of assessment, 2023/24, 2022/23 and 2021/22
32. Summary of settled legal cases
33. List of 3 ongoing legal cases and correspondences
34. List of construction related certificates of Deson Development Limited
35. List of ongoing projects on hand
36. List of outstanding performance bonds
37. Joint Venture agreement between Cheung Hing Construction Company Limited, Maylon Construction Co., Ltd and Deson Development Limited for the alterations, additions, maintenance and repair of buildings and lands and other properties (Hong Kong Island Eastern and Outlying Islands (South)) dated 11 April 2025
38. Joint Venture agreement between Cheung Hing Construction Company Limited and Deson Development Limited for minor works 2024 for Kowloon East Cluster dated 15 January 2025

SCHEDULE 5

FORM OF COMPLETION NAV STATEMENT

COLTON VENTURES LIMITED

FORM OF COMPLETION NAV STATEMENT

Consolidated

HK\$

FIXED ASSETS		(A)
CURRENT ASSETS		
Cash and bank		
Pledged deposit		
Accounts receivable		
Contract assets		
Financial assets at fair value through profit or loss		
Prepayments, deposit and sundry receivable		
Amounts due from immediate holding company		
Deferred tax asset		
Total Current Assets	<hr/>	- (B)
CURRENT LIABILITIES		
Lease liabilities		
Accounts payable		
Contract liabilities		
Deposit received and other payables		
Total Current Liabilities	<hr/>	- (C)
NET CURRENT ASSET / (LIABILITIES)		- (D) = (B) - (C)
TOTAL ASSETS LESS CURRENT LIAB		- (E) = (A) +(D)
NON-CURRENT LIABILITIES		
Lease liabilities - Non-Current		
Defined benefit obligations		
Total non-current liabilities	<hr/>	- (F)
NAV per unaudited consolidated accounts of CVL	<hr/>	G = (E) - (F)
Add/Less: Adjustments (item 2(c) of Schedule 6)	<hr/>	(H)
Consideration	<hr/>	(G) + (H)

SCHEDULE 6

COMPLETION ACCOUNTS PROCEDURE

1. General Accounting Policies and Principles

- 1.1 The Completion Accounts shall be prepared on a consolidated basis and consistent with the accounting policies and principles as adopted in the preparation of the Financial Statements and in accordance with HKFRS.
- 1.2 The Completion NAV Statement shall be prepared and determined in accordance with the following accounting policies, principles and adjustments:-
- (a) first, on a basis consistent with the specific accounting policies, principles, bases, practices, methods, evaluation rules, procedures and adjustments set out in paragraph 2 of this Schedule 6; and
 - (b) secondly, and to the extent not covered by or inconsistent with paragraph 1.2(a) of this Schedule 6 (which will prevail in the event of any inconsistency), on a basis consistent with the accounting policies and principles as adopted in the preparation of the Financial Statements and in accordance with paragraph 1.1 of this Schedule 6.

2. Specific Accounting Policies, Principles and Adjustments

In respect of the Completion Accounts:-

- (a) All income and expenses are accounted for on accrual basis;
- (b) No value shall be attributed to goodwill or any other intangible asset of the Group;
- (c) The following adjustments items will be made:
 - (i) There shall be no unamortized items; and
 - (ii) Other adjustment as agreed in writing between the Purchaser and the Vendor.
- (d) Any items or categories of assets included or accounted for in the Completion Accounts which are not included or accounted for, or do not appear as a separate line item, in the management accounts of the Company and DDL, shall be adjusted to zero; and
- (e) Any items or categories of liabilities included or accounted for in the Completion Accounts which are not included or accounted for, or do not appear as a separate line item, in the management accounts of the Company and DDL, shall be treated as liabilities of the Company and DDL as at Completion.

SCHEDULE 7

THE LICENCES

1. Business Registration Certificate of DDL dated 19 February 2025 issued pursuant to the Business Registration Ordinance (Cap. 310) and Business Registration Regulations, which is valid from 1 March 2025 to 28 February 2026;
2. The certificate dated 17 August 2023 as Registered General Building Contractor issued by Buildings Department pursuant to Section 8A of the Buildings Ordinance (Cap.123) to DDL, which is valid until 22 September 2026;
3. The certificate dated 16 April 2024 as Registered Specialist Contractor (Sub-register of Foundation Works Category) issued by Buildings Department pursuant to Section 8A of the Buildings Ordinance (Cap.123) to DDL, which is valid until 25 April 2027;
4. The certificate dated 22 September 2023 as Registered Specialist Contractor (Sub-register of Site Formation Works Category) issued by Buildings Department pursuant to Section 8A of the Buildings Ordinance (Cap.123) to DDL, which is valid until 17 November 2026;
5. DDL being included in the Approved Contractors on List of Approved Contractors for Public Works in Group C under the "Buildings" Category approved by Works Branch of the Development Bureau;
6. DDL being included in the Turn-key Interior Design and Fitting-out Works (Group II) on List of Approved Suppliers of Materials and Specialist Contractors for Public Works approved by Works Branch of the Development Bureau;
7. Certification for ISO 9001:2015 quality management system standard, applicable to Construction of buildings - Interior decoration and fitting out works including building services installation issued by Hong Kong Quality Assurance Agency to DDL, which is valid from 28 August 2024 to 27 August 2027;
8. DDL being included as a registered subcontractor under the Subcontractor Registration Scheme of Construction Industry Council, which is valid from 14 December 2023 to 13 December 2026;
9. DDL's Institutional Membership of The Hong Kong Green Building Council, which is valid until 31 December 2025; and
10. DDL's Green Cross Group Membership of the Occupational Safety & Health Council, which is valid until 31 May 2026.

SCHEDULE 8

Part A

LIST OF CONTRACTS

1. A contract entered into by DDL which commenced in May 2024 as main contractor for No. 49 and 51 Kimberley Road, Tsim Sha Tsui, Kowloon, Hong Kong including E&M works for Excel Castle International (Hong Kong) Ltd. with an estimated completion date in June 2026.
2. A contract entered into by DDL which commenced in November 2018 as main contractor for House B, No. 75 Peak Road, Hong Kong including E&M works for Season Glitter Ltd. with an estimated completion date in June 2026.
3. A contract entered into by DDL which commenced in November 2023 as main contractor for No. 9 Oxford Road, Kowloon Tong, Kowloon, Hong Kong including E&M works for Dream Partners Investment Ltd. for with an estimated completion date in February 2026.
4. A contract entered into by DDL which commenced in July 2025 in relation to minor works for the external areas for House A, No. 75 Peak Road, Hong Kong for Roxxon Ltd. with an estimated completion date in December 2025.
5. A contract entered into by DDL which commenced in May 2025 in relation to renovation works for 14/F., South Tower, The Hong Kong Polytechnic University West Kowloon Campus, Phase 4, 9 Hoi Ting Road, Yau Ma Tei, Kowloon for The Hong Kong Polytechnic University with an estimated completion date in August 2025.
6. A term contract entered into by DDL which commenced in April 2025 in relation to the alterations, additions, maintenance and repair of buildings and lands and other properties (Hong Kong Island Eastern and Outlying Islands (South)) for The Government of the Hong Kong Special Administration Region with an estimated completion date in March 2029.
7. A term contract entered into by DDL which commenced in December 2024 in relation to minor works for Kowloon East Cluster for the Hospital Authority with an estimated completion date in November 2027.

Part B

LIST OF INSURANCE

All the following insurances maintained by DDL are set out as follows: -

1. Employee Compensation Insurance under insurance policy No. U607030324007054 for the period from 1 October 2024 to 30 September 2025.
2. Group Medical Insurance under insurance policy No. 12051070 for the period from 1 February 2025 to 31 January 2026.
3. Group Personal Insurance under insurance policy No. 10-24-PG003901 for the period from 1 October 2024 to 30 September 2025.
4. Project EC & Contractor All Risks insurances for the following projects:-
 - (a) Project No. P185 (Proposed residential building at N.K.I.L. 4017 at 9 Oxford Road) covering the period from 15 February 2024 to 15 October 2025.
 - (b) Project No. P186 (Proposed commercial development at No. 49 & 51 Kimberley Road) covering the period from 20 May 2024 to 16 January 2026.
 - (c) Project No. P173 (House B, No. 75 Peak Road, Hong Kong and House A, No. 75 Peak Road, Hong Kong) covered by CR Construction Company Limited.
 - (d) Project No. P190 (Term contract for the alterations, additions, maintenance and repair of buildings and lands and other properties) covered by Cheung Hing Construction Company Limited.
 - (e) Project No. P191 (Hospital Authority term contract for minor works 2024 for Kowloon East Cluster) covered by Cheung Hing Construction Company Limited.
 - (f) Project No. P192 (14/F., South Tower, The Hong Kong Polytechnic University West Kowloon Compus, Phase 4, 9 Hoi Ting Road, Yau Ma Tei, Kowloon) covering the period from 27 May 2025 to 28 February 2026.

SCHEDULE 9

BANK ACCOUNT

The Vendor

Bank:	Nanyang Commercial Bank Limited
Beneficiary Account Number:	043-502-0-0092163
Beneficiary:	Kenworth Engineering Limited
Bank Address:	151 Des Voeux Road, Central, Hong Kong
Swift Code:	NYCBHKHH
Currency:	HK\$ Current Account

SCHEDULE 10
DEED OF TAXATION INDEMNITY

TAX INDEMNITY

Dated the _____ day of _____ 202

LATEST VENTURES LIMITED

and

LAU TAI WAH GILBERT

and

COLTON VENTURES LIMITED

DEED OF TAX INDEMNITY

THIS DEED OF INDEMNITY is dated _____ and is made

AMONG

- (1) **LATEST VENTURES LIMITED** (BVI Registration No. 1828659) is a British Virgin Islands company registered under the laws of the British Virgin Islands and having its registered office of Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands and the correspondence address at 11th Floor, Nanyang Plaza, No. 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong (the "**Vendor**");
- (2) **LAU TAI WAH GILBERT**, holder of Hong Kong identification card no. A862120(1) whose residential address is at Flat A1, 26/F., Block A, Elm Tree Towers, 8 Chun Fai Road, Jardine's Lookout, Hong Kong (the "**Purchaser**"); and
- (3) **COLTON VENTURES LIMITED** (BVI Registration No. 1828797) is a British Virgin Islands company registered under the laws of the British Virgin Islands and having its registered office of Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (the "**Company**") for itself and as trustee for DDL (as defined below).

BY WHICH IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

- (a) In this Deed, unless the context requires otherwise:

"Agreement" means the agreement for sale and purchase dated [] 2025 between the Vendor and the Purchaser relating to the sale and purchase of the entire issued share capital of the Company;

"Claim" includes any assessment, notice, demand or other document issued or action taken by or on behalf of the Inland Revenue Department of Hong Kong or any other statutory or central, provincial, regional or local governmental authority whatsoever in Hong Kong or in any other part of the world from which it appears that the Company and/or DDL is liable or is sought to be made liable for any payment of any form of Taxation or to be deprived of any Relief which Relief would, but for the Claim, have been available to the Company and/or DDL;

"DDL" means Deson Development Limited (迪臣發展有限公司), a company incorporated under the laws of Hong Kong (business registration number 11559896), having its registered office at 11/F, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong;

"IRD" means the Inland Revenue Department of Hong Kong

"Relief" includes any relief, allowance, set-off or deduction in computing profits or credit or right to repayment of Taxation granted by or pursuant to any legislation concerning or otherwise relating to Taxation; and

"Taxation" means:

- (i) any liability to any form of taxation whenever created or imposed and whether of Hong Kong or of any other part of the world and without prejudice to the generality of the foregoing includes but not limited to profits tax, provisional

profits tax, income tax, interest tax, salaries tax, property tax, estate duty, death duty, capital duty, stamp duty, payroll tax, withholding tax, rates, customs and excise duties and generally any tax, duty, impost, levy or rate or any amount payable to the revenue, customs or fiscal authorities whether of Hong Kong, the People's Republic of China or of any other part of the world;

- (ii) such an amount or amounts as is referred to in Clause 1(e); and
 - (iii) all costs, interest, penalties, charges, fines and expenses incidental or relating to the liability to taxation or the deprivation of Relief or of a right to repayment of taxation which is the subject of the indemnity given by the Vendor pursuant to this Deed to the extent that the same is/are payable or suffered by the Company and/or DDL.
- (b) In addition and without prejudice to Clause (a) words and expressions defined in the Agreement shall, unless the context otherwise requires, have the same meanings when used herein.
 - (c) In this Deed, unless otherwise stated, references to Clauses are to clauses of this Deed, words importing the singular include the plural and vice versa, words importing a gender include any gender and references to persons include bodies corporate or unincorporate.
 - (d) Headings are for convenience only and shall not affect the construction of this Deed.
 - (e) In the event of any deprivation of any Relief, there shall be treated as an amount of Taxation for which liability has arisen the amount of such Relief multiplied by the relevant rates of Taxation in force in the period or periods in respect of which Relief would have applied or (where the rate has at the relevant time not been fixed) the last known rate and assuming that such amount of Relief was capable of full utilisation by the Company and/or DDL.

2. INDEMNITY

- (a) Subject as hereinafter provided, the Vendor hereby covenants and agrees with the Purchaser and the Company that it will fully and effectually indemnify and at all times keep fully and effectually indemnified the Purchaser, the Company and DDL from and against:
 - (i) the amount of any and all Taxation falling on the Company and/or DDL resulting from or by reference to any income, profits, gains, transactions, employment of personnel, events, matters or things earned, accrued, received, entered into or occurring up to the date hereof, whether alone or in conjunction with any other circumstances whenever occurring and whether or not such Taxation is chargeable against or attributable to any other person, firm or company, including any and all Taxation resulting from the receipt by the Company (for itself and as trustee of DDL) or the Purchaser of any amounts paid by any of the Vendor under this Deed; and
 - (ii) any and all costs (including all legal costs), expenses or other liabilities which the Company, DDL or the Purchaser may reasonably and properly incur in connection with:
 - (A) the settlement in favour of the Company (for itself and/or as trustee of DDL) or the Purchaser of any claim under this Deed;

- (B) any legal proceedings in which the Purchaser or the Company (for itself and/or as trustee of DDL) claims under or in respect of this Deed and in respect of which judgment is given for the Purchaser, DDL or the Company; or
 - (C) the enforcement of any such settlement or judgment.
- (b) Any payments under this Deed for which the Vendor is liable shall be so payable not later than on the following dates:
 - (i) if the Taxation liability giving rise to a claim under this Deed involves an actual payment of Taxation by the Company and/or DDL, ten (10) Business Days before the date on which that Taxation becomes due and payable to the relevant Taxation authorities;
 - (ii) if the Taxation liability giving rise to a claim under this Deed involves a denial or loss in whole or in part of a Relief, the date falling ten (10) Business Days after the date when the Vendor have been notified by either the Company (for itself or as trustee of DDL) or the Purchaser that any director for the time being of the Company, DDL or the Purchaser (as the case may be) have certified at the request of the Company, DDL or the Purchaser (as the case may be) that there has been such a denial or loss of the whole or part of a Relief; and
 - (iii) if any costs become payable by the Company, DDL or the Purchaser in connection with any Taxation liability or any of the provisions of this Deed, no more than ten (10) Business Days before the Company, DDL or the Purchaser (as the case may be) becoming liable to pay such costs, and the Vendor further covenants with the Purchaser that it will pay (at the direction of the Purchaser) to the Company (for itself or as trustee of DDL) or the Purchaser an amount equal to any loss, cost, expense or liability which the Company, DDL or the Purchaser may suffer or incur by reason of payment thereof later than the date specified in this Clause (b) (it being acknowledged by the Vendor that payment of Taxation is not intended to take place until after receipt of such funds and is to be effected by utilisation of the same).
- (c) This indemnity does not cover any Claim and the Vendor shall be under no liability under this Deed in respect of Taxation:
 - (i) to the extent that provision is made for such Taxation in the Completion Accounts;
 - (ii) for which the Company and/or DDL is primarily liable as a result of transactions in the ordinary course of normal day to day trading operations after the Completion Date;
 - (iii) to the extent that such Taxation or Claim arises or is incurred as a result of the imposition of Taxation as a consequence of any retrospective change in the law or interpretation thereof coming into force after the date hereof or to the extent such Claim arises or is increased by an increase in rates of Taxation after the date hereof with retrospective effect; or
 - (iv) to the extent that such taxation or claim would not have arisen but for the disposal or sale or transfer (whether directly or indirectly) of the whole or part of the shares in the Company after completion.

3. LIMITATION OF CLAIMS

- (a) The Vendor shall be under no liabilities under this Deed unless the Purchaser shall have given notice in writing of the Claim to the Vendor within 7 years commencing on the Completion Date (stating in reasonable detail the specific matters and amount in respect of which the Claim is made), except for claims of a criminal nature, which shall have no time limit.
- (b) There shall be no double recovery by the Purchaser and/or the Company in respect of any Claim against the Vendor under this Deed and the Agreement.

4. CLAIMS

- (a) In the event of any Claim arising, the Purchaser or the Company (for itself or as trustee of DDL) shall, by way of covenant but not as a condition precedent to the liability of the Vendor hereunder, give or procure that notice thereof is given, as soon as reasonably practicable, to the Vendor and, as regards any Claim, the Purchaser, DDL or the Company shall take such action (as the Purchaser, DDL or the Company may in their absolute discretion deem appropriate) to cause the Claim to be withdrawn, or to dispute, resist, appeal against, compromise or defend the Claim and any determination in respect thereof, and subject to the Company, DDL or the Purchaser (as the case may be) being indemnified and secured to its reasonable satisfaction by the Vendor from and against any and all losses, liabilities (including additional Taxation), damages, interest, penalties, costs, charges and expenses which may be thereby sustained or incurred.
- (b) Notwithstanding anything to the contrary under Clause 4(a) above, the Purchaser, DDL or the Company shall be entitled in their reasonable discretion to settle any Claim if either:
 - (i) within ten (10) Business Days of being notified of the Claim, the Vendor fails to secure the Purchaser, DDL or the Company (as the case may be) to their reasonable satisfaction in respect of any Taxation payable, security for Taxation, costs and expenses, interest or penalty referred to under this Deed; or
 - (ii) the Vendor fails to pay any tax bill or purchase any tax reserve certificate within ten (10) Business Days of receiving such demand from the IRD, and shall bear all professional fees incurred in connection with such matters; or
 - (iii) the Purchaser, DDL or the Company (as the case may be) reasonably considers that failure to settle the Claim would have a material adverse effect on its business, financial position or the interests of their respective shareholders, provided that nothing in this Clause 4(b)(iii) shall restrict the Vendor's right to respond to queries from the IRD or negotiate with the IRD prior to settlement; or
 - (iv) the Purchaser, DDL or the Company (as the case may be) reasonably considers that to object to, avoid, resist or appeal against any such Claim would lead to the Purchaser, DDL or the Company (as the case may be) suffering a material adverse effect.

5. REFUNDS

If, after the Vendor have made any payment pursuant to this Deed, the Company or DDL shall receive a refund of all or part of the relevant Taxation, the Company (for itself or as trustee of DDL) shall repay to the Vendor a sum corresponding to the balance of the refund remaining after deducting the aggregate of (i) any costs, charges and expenses payable or sustained or incurred by the Company, DDL and/or the Purchaser in recovering such refund, and (ii) the amount of any additional Taxation which may be suffered or incurred by the Company or DDL in consequence of such refund.

6. NOTICES

- (a) Any notice required or permitted to be given hereunder shall be given in writing in English delivered personally or sent by pre-paid registered post or by facsimile to the party due to receive such notice at its address or facsimile number set out herein (or such other address or facsimile number as it may have notified to the other party in accordance with this Clause).

The Vendor

Address : 11th Floor, Nanyang Plaza, No. 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong

Attention : Mr. Leo Ong

The Purchaser

Address : Lau Tai Wah Gilbert
Flat A1, 26/F., Block A, Elm Tree Towers
8 Chun Fai Road
Jardine's Lookout
Hong Kong

- (b) Any notice delivered personally shall be deemed to be received when delivered and any notice sent by pre-paid registered post shall be deemed (in the absence of evidence of earlier receipt) to be received forty-eight (48) hours after posting and in proving the time of despatch it shall be sufficient to show that the envelope containing such notice was properly addressed, stamped and posted. Any notice sent by facsimile shall be deemed to have been received upon production of a transmission report by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient and provided that a hard copy of the notice so served by facsimile was posted or delivered by hand on the same day as the notice was served by facsimile or on the immediately subsequent day. Any notice received or deemed to be received on a Saturday, Sunday or public holiday in Hong Kong shall be deemed to have been received on the next working day.

7. BINDING EFFECT

This Deed shall enure to the benefit of and be binding on each party and their respective successors and assigns.

8. ENTIRETY OF DEED AND SEVERABILITY

- (a) The terms and conditions herein contained constitute the entire agreement between the parties relating to the subject matter hereof and shall supersede all previous communications, oral or written, between the parties with respect to the subject matter hereof which are inconsistent with the provisions of this Deed.
- (b) Any provision of this Deed prohibited by or unlawful or unenforceable under any applicable law actually applied by any court of competent jurisdiction shall, to the extent required by such law, be severed from this Deed and rendered ineffective so far as is possible without modifying the remaining provisions of this Deed. Where, however, the provisions of any such applicable law may be waived, they are hereby waived by the parties hereto to the full extent permitted by such law to the end that this Deed shall be valid, binding and enforceable in accordance with its terms.

9. AMENDMENT

This Deed may be varied, amended or modified only by agreement under seal of all parties.

10. RELEASE OF OBLIGATIONS

Any liability of the Vendor under this Deed may, in whole or in part, be released, compounded or compromised by the Company and/or the Purchaser, in its/their sole and absolute discretion, and time or any other indulgence may be granted to the Vendor by the Company and/or the Purchaser, in its/their sole and absolute discretion, without in any way prejudicing or affecting any of its/their other rights, powers or remedies against the Vendor under any other liability hereunder.

11. RIGHTS OF THIRD PARTIES

The parties do not intend any term of this Deed to be enforceable by any third party pursuant to the Contracts (Rights of Third Parties) Ordinance (Cap 623 of the Laws of Hong Kong).

12. LAW AND JURISDICTION

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

IN WITNESS whereof the parties thereto executed this Deed the day and year first above written.

The Vendor

EXECUTED and **DELIVERED** as a **DEED**

by

its director for and on behalf of

LATEST VENTURES LIMITED

in the presence of :-

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The Purchaser

EXECUTED and **DELIVERED** as a **DEED**)
by **LAU TAI WAH GILBERT**)
in the presence of :-)
)

The Company

SIGNED by its director)
)
for and on behalf of)
COLTON VENTURES LIMITED)
in the presence of :-)

SIGNATURE PAGE

The Vendor

SIGNED by
ONG CHI KING
for and on behalf of
LATEST VENTURES LIMITED
in the presence of:-



To Ming Yi
Solicitor
Howse Williams
27/F Alexandra House
18 Chater Road
Central
Hong Kong SAR

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)
)
)
)



The Purchaser

SIGNED by LAU TAI WAH GILBERT
in the presence of:-

)
)

SIGNATURE PAGE

The Vendor

SIGNED by
ONG CHI KING
for and on behalf of
LATEST VENTURES LIMITED
in the presence of:-

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)
)

The Purchaser

SIGNED by LAU TAI WAH GILBERT
in the presence of:-

)
)

Signature of Lau Tai Wah Gilbert



POON WAI YAN
Solicitor, Hong Kong SAR
P. C. WOO & CO.