

DATED THE 4<sup>TH</sup> DAY OF MAY 2017

**NEW SPORTS GROUP LIMITED**

and

**DENG JIN AI**

---

**A G R E E M E N T**

for the sale and purchase of the entire issued share capital in,  
and assignment of shareholder's loan due from  
**HEROIC CORONET LIMITED**

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**THIS AGREEMENT** is made the 4<sup>th</sup> day of May 2017

**BETWEEN:-**

- (1) **New Sports Group Limited** (company registration no. 118977), a company incorporated under the laws of Cayman Islands and whose principal place of business is situated at Unit 2602, 26/F., Lippo Centre, Tower One, No. 89 Queensway, Admiralty, Hong Kong (the "**Vendor**"); and
- (2) **Deng Jin Ai**, holder of the People's Republic of China Identity Card No. 441900198207166023 and whose residential address is situated at Cun Ming Xiao Zu No. 217, Heng Li Shang Cun, Heng Li Zhen, Dongguan, Guangdong Province, the People's Republic of China (the "**Purchaser**").

**WHEREAS:-**

- (A) Heroic Coronet Limited (the "**Company**") is a company incorporated in British Virgin Islands with limited liability and has an authorised share capital of US\$50,000 divided into 50,000 ordinary shares of US\$1 each. As at the date hereof, 100 shares have been issued and fully paid or credited as fully paid up. Particulars of the Company are set out in Part A of Schedule 1.
- (B) The Company, through its direct wholly subsidiary incorporated in Hong Kong, namely All Rise Technology Limited, owns 65% equity interest in and operates a Sino-foreign joint venture company in the PRC, namely 北京開心就好科技有限公司 (Beijing Kaixin Jiuhao Technology Limited), which holds another direct wholly owned subsidiary, namely 海南開心軟件科技有限公司 (Hainan Kaixin Software Technology Limited). Particulars of all these Group Companies (defined below) under the Vendor are set out in Part B of Schedule 1.
- (C) As at 30 April 2017, the Company is indebted to the Vendor for the principal amount equal to HK\$2,276,333 as interest-free shareholder's loan. At Completion, save and except for the Shareholder's Loan (defined below), none of the Group Companies will be indebted to any member of the Vendor Group (defined below).
- (D) The Vendor has agreed to sell and assign to the Purchaser, and the Purchaser has agreed to purchase and accept the assignment of, the Sale Shares and all rights, title, benefit and interest of and in the Shareholder's Loan on the terms and conditions set out in this Agreement.

**AND NOW IT IS HEREBY AGREED** as follows:-

**1. DEFINITIONS AND INTERPRETATION**

- 1.1 In this Agreement, unless otherwise expressed or required by context, the following expressions shall have the respective meanings set opposite thereto, as follows:-

<u>Expression</u>	<u>Meaning</u>
<b>"All Rise"</b>	All Rise Technology Limited whose particulars are set out in Part B of Schedule I
<b>"associates"</b>	has the meaning ascribed to such term in the Listing Rules
<b>"Audited Accounts"</b>	the audited financial statements (including balance sheet, profit and loss statement, cash flow statement and statement of movement of equity) of the Group Companies (if any) for the financial year ended on the Audited Accounts Date (or if such company was incorporated for a shorter period, since its date of incorporation) prepared in accordance with Hong Kong Financial Reporting Standards or PRC accounting standards (where applicable)
<b>"Audited Accounts Date"</b>	31 December 2016
<b>"Authority(ies)" or "Governmental Authority(ies)"</b>	any government or regulatory subdivision thereof; any department, agency or instrumentality of any government or regulatory subdivision thereof; any court or arbitral tribunal; and the governing body of any securities exchange
<b>"Business Day"</b>	any day (excluding Saturday, Sunday, public holidays and any day on which a tropical cyclone warning no.8 or above or a "black" rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong
<b>"Companies Ordinance"</b>	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong
<b>"Completion"</b>	completion of the sale and purchase of the Sale Shares and the assignment of the Shareholder's Loan pursuant to Clause 4
<b>"Completion Date"</b>	the date of this Agreement
<b>"Confidential Information"</b>	means:-  (a) any information concerning the organization, business, operations, assets, technology, investments, finances, prospects, transactions or

affairs of any Party or Group Company (whether conveyed in written, electronic, oral or in any other form and whether such information is furnished before, on or after the date of this Agreement);

(b) the terms of any of the Documents and the other agreements, notices or documents entered into or to be entered into pursuant to any Document, and the identities of the Parties and their respective associates; and

(c) any information or materials prepared by a Party, any concerned Party or its Representatives that contains or otherwise reflects, or is generated from, any information described in (a) or (b) above

**"connected persons"** has the meaning ascribed to such term in the Listing Rules

**"Deed of Assignment"** the deed of assignment of the Shareholder's Loan to be entered into between the Vendor as the assignor, the Purchaser as the assignee and the Company at or immediately prior to Completion, in respect of the assignment of all rights, title, benefit and interest of and in the Shareholder's Loan, substantially in the form set out in Schedule 3

**"Disclosed"** fully and fairly disclosed by the Vendor to the Purchaser in this Agreement and the Disclosure Letter

**"Disclosure Letter"** means the letter of the same date as this Agreement from the Vendor to the Purchaser disclosing certain matters in relation to the Vendor Warranties together with all documents attached to it or listed in any schedule to it

**"Documents"** this Agreement and the Deed of Assignment together with any supplements, amendments thereof from time to time

**"Encumbrances"** (a) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any

person or entity, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable laws;

- (b) any proxy, power of attorney, voting trust agreement, trust interest, option, right of first offer, negotiation or refusal or transfer restriction in favour of any person;
- (c) any adverse claim or third party rights as to title, votes, dividends, ownership, possession or use; and
- (d) any lease, sub-lease, occupancy agreement, easement or covenant granting a right of use or occupancy to any person

**"Financial Indebtedness"**

any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent in respect of:-

- (a) money borrowed and debit balances at banks;
- (b) any debt instrument;
- (c) acceptance credit facilities;
- (d) receivables sold otherwise than on a non-recourse basis;
- (e) deferred payments for assets or services acquired (but not ordinary trade credit);
- (f) finance leases and hire purchase contracts;
- (g) a counter-indemnity in respect of a Guarantee given by a financial institution;
- (h) any other transaction having the commercial effect of a borrowing; and
- (i) Guarantees of any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future,

actual or contingent of any person falling within any of (a) to (h) above

<b>"Group" or "Target Group"</b>	the Company, All Rise, Kaixin Beijing and Kaixin Hainan; <b>"Group Companies"</b> shall be construed accordingly and <b>"Group Company"</b> means any one of the Group Companies
<b>"Guarantee"</b>	any guarantee, indemnity, suretyship, letter of comfort or other assurance, security or right of set-off given or undertaken by a person to secure or support the obligations (actual or contingent) of any other Person and whether given directly or by way of counter-indemnity to any other Person who has provided a Guarantee
<b>"HK\$"</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>"Hong Kong"</b>	the Hong Kong Special Administrative Region of the PRC
<b>"Kaixin Beijing"</b>	北京開心就好科技有限公司 (Beijing Kaixin Jiu hao Technology Limited) whose particulars are set out in Part B of Schedule I
<b>"Kaixin Hainan"</b>	海南開心軟件科技有限公司 (Hainan Kaixin Software Technology Limited) whose particulars are set out in Part B of Schedule I
<b>"Laws"</b>	all applicable laws, regulations, rules and orders of any Authority, securities exchange or other self-regulating body, including any common or customary law, constitution, code, ordinance, statute or other legislative measure and any regulation, rule, treaty, order, decree or judgment
<b>"Listing Rules"</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>"Loan Consideration"</b>	the consideration for the assignment of the Shareholder's Loan, being the amount of the Shareholder's Loan as at the Completion Date
<b>"Losses"</b>	losses, damages, fines, penalties, charges, levies, liabilities, claims, proceedings, costs and expenses (including the fees, disbursements and other charges of legal advisers, counsels and other professional parties) incurred by a Person in any action between

such Person and any other Person or Authority, in connection with any injunction, investigation, evaluation, assessment, initiation, contest, defence, strike-out, inter-pleader, settlement of any claim, counter-claim, proceeding or determination of quantum, and the enforcement of any judgment, order or security in respect of such claim or proceeding)

- "Management Accounts"** the unaudited consolidated management accounts (including balance sheet, profit and loss statement, cash flow statement and statement of movement of equity) of the Group Companies as at the Management Accounts Date prepared in accordance with Hong Kong Generally Accepted Accounting Principles or PRC accounting standards (where applicable)
- "Management Accounts Date"** 30 April 2017
- "Material Adverse Effect"** means a material adverse effect on the general affairs, business, prospects, operations, assets, liabilities, results of operations or conditions (financial or otherwise) of Group as a whole, other than as a result of acts of God or force majeure; provided, however that any adverse effect on the Group resulting from the execution and performance of this Agreement and the announcement of this Agreement and the transaction contemplated hereunder shall be excluded from the determination of Material Adverse Effect
- "Parties"** the parties to this Agreement and **"Party"** means any one of them
- "Persons"** any natural person, firm, company, governmental authority, joint venture, partnership, association or other entity (whether or not having separate legal personality) and "Person" means any one of them
- "PRC"** People's Republic of China, which for the purposes of this Agreement, does not include Hong Kong, the Macau Special Administrative Region and Taiwan
- "Proposed Transactions"** the proposed transactions contemplated under this Agreement and the Deed of Assignment, including but not limited to the sale and purchase of the Sale Shares and assignment of all rights, title, benefit and

interest of any in the Shareholder's Loan from the Vendor to the Purchaser

<b>"RMB"</b>	Chinese Yuan Renminbi, the lawful currency of the PRC
<b>"RMB Translation Rate"</b>	1.1285, being the average exchange rate between HK\$ and RMB as quoted by HSBC Hong Kong on 4 May 2017
<b>"Sale Shares"</b>	100 ordinary shares of US\$1 in the issued share capital of the Company, representing the entire issued share capital of the Company as at the date of this Agreement and on Completion
<b>"Share Consideration"</b>	the difference between the Transaction Consideration and the Loan Consideration, being the consideration for the transfer of the Sale Shares
<b>"Shareholder's Loan"</b>	all amounts owing by the Company to the Vendor as at the Completion Date
<b>"Stock Exchange"</b>	The Stock Exchange of Hong Kong Limited
<b>"Tax" and "Taxation"</b>	<p>(a) any liability to any form of taxation whenever created or imposed by any Authority of Hong Kong or any other jurisdiction anywhere in the world and without prejudice to the generality of the foregoing includes profits tax, provisional profits tax, interest tax, estate duty, salaries tax, property tax, value added tax, capital gains tax (in particular but without limiting the foregoing, any tax, fees and levies imposed by the PRC Authorities pursuant to Regulation No.698 promulgated by the State Administration of taxation of the PRC), capital duty, stamp duty, payroll tax, withholding tax, rates, customs and excise duty and generally any tax, duty, impost, levy or rate or any amount payable to the Authorities of Hong Kong or any other jurisdiction anywhere in the world but excluding deferred taxation;</p> <p>(b) an amount equal to any deprivation of any relief, allowance, set-off, deduction in computing profits or right to repayment of taxation granted by or pursuant to any</p>



legislation concerning or otherwise relating to taxation which resulted in any increase in taxation payable by any Group Company; and

- (c) all costs, interest, penalties, charges and expenses incidental or relating to taxation or to any relief, allowance, set-off or deduction in computing profits or right to repayment of taxation to the extent that the same is/are payable or suffered by any of the Group Companies

**"Transaction Consideration"** the total consideration to be paid by the Purchaser to the Vendor for the Sale Shares and the assignment of the Shareholder's Loan as set out in Clause 3.1

**"Vendor Group"** the Vendor and its subsidiaries (excluding the Group Companies)

**"Vendor Warranties"** the representations, warranties, undertakings or indemnities made or given by the Vendor to the Purchaser as contained in Schedule 2

- 1.2 The headings to the clauses of this Agreement are for ease of reference only and shall be ignored in interpreting this Agreement.
- 1.3 References herein to "**Clauses**" and "**Schedules**" are references to clauses of and schedules to this Agreement.
- 1.4 Words and expressions in the singular include the plural and vice versa and words importing a gender include every gender.
- 1.5 References to Person include any public body and any body of Persons, corporate or unincorporate and also include such Person's legal personal representatives and successors.
- 1.6 References to any Laws shall be construed as references to such Laws as may be amended or re-enacted from time to time and for the time being in force.
- 1.7 A "**subsidiary**" or "**holding company**" is to be construed (unless the context otherwise requires) in accordance with sections 13 to 16 of the Companies Ordinance.
- 1.8 Any Hong Kong legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall in respect of any jurisdiction other than Hong Kong be deemed to include what most nearly approximates in that jurisdiction to the Hong Kong legal term.
- 1.9 Time is to Hong Kong time unless otherwise stated.

## 2. SALE AND PURCHASE

- 2.1 Subject to the terms and conditions of this Agreement, the Vendor, as the sole legal and beneficial owner, hereby agrees to sell the Sale Shares and assign the Shareholder's Loan to the Purchaser and the Purchaser hereby agrees to purchase (and take the assignment of) the same from the Vendor free from all Encumbrances, together with all rights and benefits at any time accruing thereto, including but not limited to the right to all dividends or distributions made or declared in respect of the Sale Shares, on or after the Completion Date for the Transaction Consideration.
- 2.2 The sale and purchase of the Sale Shares and the assignment of all rights, title, benefit and interest of and in the Shareholder's Loan (if applicable) shall take place simultaneously on the Completion Date such that if any Party fails to complete any of the aforesaid transactions on the Completion Date, the other Party shall be entitled not to complete all of the aforesaid transactions, without prejudice to the rights to claim against such defaulting Party in accordance with this Agreement.

## 3. CONSIDERATION

- 3.1 The Transaction Consideration is Hong Kong Dollars Seventy Five Million (HK\$75,000,000) and shall be payable by the Purchaser to the Vendor in the following manner:-
- (a) Hong Kong Dollars Fifteen Million (HK\$15,000,000) (the "**First Instalment**") shall be payable within ten (10) days from the date of this Agreement,;
  - (b) Hong Kong Dollars Twenty Million (HK\$20,000,000) shall be payable on or before 20 July 2017;
  - (c) Hong Kong Dollars Twenty Million (HK\$20,000,000) shall be payable on or before 20 October 2017; and
  - (d) Hong Kong Dollars Twenty Million (HK\$20,000,000) shall be payable on or before 20 December 2017.
- 3.2 All payments of the Transaction Consideration to the Vendor shall be in Hong Kong dollars or Chinese Yuan Renminbi (being translated by adopting the RMB Translation Rate) by way of telegraphic transfer or such other method as agreed between the Purchaser and the Vendor to the following bank account of the Vendor:-

### In Hong Kong Dollars

Bank Name: HSBC Hong Kong  
Address: 1 Queen's Road, Central, Hong Kong  
Account No.: 004-848-469938-001  
Account Holder: New Sports Group Limited  
SWIFT Code: HSBCHKHCHKH

In Chinese Yuan RMB

Bank Name: 中信銀行深圳城市廣場旗艦支行  
Bank No.: 744191  
Account No.: 8110301013800116578  
Account Holder: 深圳寶新體育產業有限公司

The Purchaser shall as soon as practicable, but in any event at or before 6:00 p.m. on the relevant payment date, provide to the Vendor a copy of such document as shall be evidencing the payment of the Transaction Consideration as stipulated in Clause 3.1.

- 3.3 The Transaction Consideration shall be apportioned in the following manner:-
- (a) an amount equal to the Loan Consideration for the assignment of the Shareholder's Loan from the Vendor to the Purchaser; and
  - (b) an amount equal to the Transaction Consideration less the Loan Consideration for the transfer of the Sale Shares from the Vendor to the Purchaser.

For the avoidance of doubt, part of the First Instalment of the amount of HK\$2,276,333 shall be apportioned for the payment of the Loan Consideration.

- 3.4 If the Purchaser fails to pay the Transaction Consideration on or before the prescribed schedule as set out in Clause 3.1 when due, without prejudice to any other rights and remedies in respect of such default, the Purchaser shall pay interest on such sum from and including the due date up to and including the date of actual payment at the rate of 0.01% per day, computed on the basis of the actual number of days elapsed in a year of three hundred and sixty five (365) days.
- 3.5 If the Purchaser fails to pay Transaction Consideration on or before the prescribed schedule as set out in Clause 3.1 when due, the Parties agree that the Vendor may purchase and the Purchaser shall sell the Sale Shares at a price equivalent to the outstanding amount owed by the Purchaser to the Vendor under this Agreement. The payment of the said price by the Vendor to the Purchaser shall be settled by way of cancelling the outstanding amount owed by the Purchaser to the Vendor under this Agreement. After the transfer of the Sale Shares back to the Vendor in accordance with this Clause, the obligations and liabilities under this Agreement shall set off.
- 3.6 On or before Completion, for the purpose of enabling the Vendor to exercise its rights under Clause 3.5, the Purchaser undertakes forthwith upon Completion to deposit duly executed instrument of transfer in blank in favour of the Lender or its nominee with the Vendor. The Purchaser hereby irrevocably authorises the Vendor at any time after its default in payment of the Transaction Consideration when due to date the said instrument of transfer and to fill in any blanks in favour of the Vendor or nominee of the Vendor.
- 3.7 If the Purchaser fails to pay any sum payable under this Agreement, or a bankruptcy petition is presented against the Purchaser, or any situation occurs which in the opinion of the Vendor that the ability of the Purchaser to pay any sum payable under this Agreement has been or will be adversely affected, all sums and interests payable

under this Agreement shall become immediately due, without further demand, notice or other legal formality of any kind from the Vendor.

#### **4 COMPLETION**

4.1 Completion of this Agreement shall take place at or before 6:00 p.m. on the Completion Date, or such other time or date as may be agreed between the Vendor and the Purchaser in writing, at the office of the Vendor or such other place as may be mutually agreed between the Vendor and the Purchaser, when the following business shall be simultaneously transacted:-

- (a) the Purchaser shall deliver the following, or procure the delivery of the following, to the Vendor:-
  - (i) the documents as set out in Clause 3.6;
  - (ii) three (3) original counterparts of the Deed of Assignment executed by the Purchaser; and
  - (iii) all other documents and/or forms necessary to complete the Proposed Transactions as reasonably requested by the Vendor;
- (b) the Vendor shall deliver to the Purchaser originals of the following documents (unless the context specifies otherwise):-
  - (i) instruments of transfer in respect of the Sale Shares (duly executed by the Vendor);
  - (ii) the share certificate no. Four representing 100 ordinary shares of the Company, to be cancelled by the approval of the board as referred to in subparagraph (iv) below;
  - (iii) share certificate in the name of the Purchaser in respect of the Sale Shares to be formally issued by the approval of the board referred to in subparagraph (iv) below;
  - (iv) original of the board resolutions dated the Completion Date of each Group Company approving the following matters (in such form as agreed between the Purchaser and the Vendor) as applicable:-
    - (1) (for the Company only) registration of the transfer of the Sale Shares from the Vendor to the Purchaser referred to above in the register of members of the Company and the register of transfers of the Company, cancellation of the share certificate no. Four of the Vendor, and issue of a new certificate therefor in the name of the Purchaser;
    - (2) (for the Company only) the execution by the Company of the Deed of Assignment and its performance of the transaction contemplated thereunder;

- (3) the resignation of all directors, secretary, auditors, legal representative of such Group Company and the appointment of such persons as the Purchaser nominates as directors, secretary, auditors, legal representative of such Group Company and the updating of corporate registers and/or filing and/or records maintained with the Authorities of each Group Company to record such change of directors, secretary, auditors of such Group Company;
  - (4) the termination of all existing bank mandates, authorizations and authorities of such Group Company in respect of all bank and securities accounts of such Group Company and the appointment of such persons as the Purchaser shall direct as the authorised persons and authorised signatories for operation of all bank and securities accounts of such Group Company and the manner and method of operation as directed by the Purchaser; and
  - (5) change of the registered office and business address of All Rise to the address as the Purchaser designates;
- (v) three (3) counterparts of the Deed of Assignment executed by each of the Vendor and the Company;
  - (vi) duly executed resignation letters of all directors, secretaries, legal representative, auditors and other employees of each of the Group Companies specifying that each of them has no claims for loss of office or termination of his/her employment with the Group Companies (in such form as provided by the Purchaser and agreed by the Vendor);
  - (vii) all such forms and documents as required by the PRC Governmental Authorities (duly executed, notarized and/or attested) to effect the change of all directors, officers, legal representatives of Kaixin Beijing and Kaixin Hainan to such persons as nominated by the Purchaser to act as the directors, officers, legal representative of Kaixin Beijing and Kaixin Hainan respectively (in such form as provided by the Purchaser and agreed by the Vendor);
  - (viii) for the Company and All Rise, to the extent that the following items are in the control and/or possession of the Vendor or any of the Company and All Rise, their respective common seal, rubber chop, Certificates of Incorporation and change of name, printed copies of constitutional documents and share certificate book, Business Registration Certificate, statutory books (including the minutes book with all minutes and resolutions of directors and shareholders), the Register of Directors, Register of Members, Register of Transfer, all correspondence, tax returns (if any), filings, account books, records, bank statements (if any), all devices and passwords for operation of bank and securities accounts, declarations of trusts in respect of its share capital (if any);

- (ix) (to be delivered in the PRC to an authorised representative of the Company) for Kaixin Beijing and Kaixin Hainan, to the extent that the following items are in the control and/or possession of the Vendor or any of the Group Companies, all corporate records, approvals, licenses, filings, certificates, updated and all previous capital verification reports, consents, updated and all previous Business License (original and duplicate copy), updated and all previous Certificate of Approval, common seal, rubber chop, updated and all previous articles of association and present registered articles of association, and all resolutions and minutes of meeting of the directors and shareholders, all correspondence, tax returns (if any), filings, account books, records, bank statements, all devices and passwords for operation of bank and securities accounts, declarations of trusts in respect of its share capital (if any); and
- (xi) such forms as the bank or securities firm which any Group Company has maintained any account for the change of authorised person and authorised signatories for operation of such account may require so as to effect the revocation of all existing authorizations and the appointment of new authorised persons and authorised signatories and manner of operation of such account as the Purchaser may direct, duly executed and completed (in such form as provided by the Purchaser and agreed by the Vendor).

4.2 The transactions described in Clause 4.1 shall, unless the context otherwise specifies, take place at the same time so that in default of performance of any such transactions or any part thereof by any of the Parties (as the case may be), without prejudice to any other rights and remedies in respect of such default, the other Party (the “**Non-Defaulting Party**”) may:-

- (a) defer Completion to a day not more than fourteen (14) days after the date fixed for Completion (and so that the provisions of Clause 4.1 shall apply to Completion so deferred);
- (b) proceed to Completion so far as practicable (but without prejudice to the Non-Defaulting Party’s rights hereunder in respect of the outstanding obligations of the Defaulting Party hereunder); or
- (c) rescind this Agreement by notice in writing.

## 5. WARRANTIES AND POST COMPLETION UNDERTAKINGS OF THE PARTIES

5.1 The Vendor hereby represents and warrants to and undertakes with the Purchaser that each of the matters set out in Schedule 2 is as at the date hereof and as at the Completion be true, accurate and correct in all material respects and not misleading in any material respects. The Vendor Warranties are qualified by those matters Disclosed.

- 5.2 The Vendor's total liability in respect of all claims under the Documents (including without limitation to any claims under Clause 5.1) shall be limited to the amount of the Transaction Consideration received by the Vendor under this Agreement. Without prejudice to the foregoing, the Vendor shall not be liable in respect of any claim under Clause 5.1 unless:-
- (a) the amount of its liability determined in respect of each such claim is not less than HK\$1,000,000, or if there are two or more of such claims under the same sub-paragraph of the Vendor Warranties, each of which is less than HK\$1,000,000, but when aggregated is not less than HK\$1,000,000, in which case the Vendor shall be liable for the full amount and not just the excess; and
  - (b) the Purchaser has given the Vendor notice of its claim, stating the details of the claim (including the specific matter in respect of which the claim is made and an estimate of the amount claimed (where available)) by no later than six (6) months from the Completion Date.
- 5.3 The Vendor shall not be liable in respect of any claim under Clause 5.1 or otherwise under this Agreement relating to any Loss suffered by the Purchaser, and/or the Group Companies:-
- (a) resulting from or arising out of, whether directly or indirectly, any change or promulgation in applicable Laws after the Completion Date notwithstanding whether they shall have any retrospective effect;
  - (b) which would not have arisen but for something voluntarily done or omitted to be done (other than pursuant to a legally binding commitment created on or before Completion) by the Purchaser or the Group after Completion; and
  - (c) to the extent that it has already been Disclosed, including but not limited to those being provided for in the Audited Accounts and/or the Management Accounts.
- 5.3 Notwithstanding any provision to the contrary in this Agreement, to the extent that Purchaser and/or the Group Companies is otherwise indemnified or compensated for any Loss for which indemnification may be asserted under any of the provisions in Clause 5.1 or pursuant to any other provision in this Agreement, then such Party shall not be entitled to any duplicative recovery for the same set of facts as any indemnification claim pursuant to this Clause 5.1 or otherwise under this Agreement.
- 5.4 The Purchaser hereby represents, warrants and undertakes to the Vendor that as at the date hereof and as at Completion:-
- (a) she and her respective associates are not connected person of the Vendor; and
  - (b) she and her respective associates are not interested in any share capital in the Vendor and/or any member of the Vendor Group.
- 5.5 The Purchaser hereby acknowledges and confirms that she has completed the due diligence on the Group Companies and is satisfied with the results thereof.

- 5.6 The Purchaser hereby undertakes with the Vendor that the Purchaser will, within a reasonable time upon a written request by the Vendor, make available to the Vendor for inspection and provide copies of (i) the audited financial statements (including balance sheet, profit and loss statement, cash flow statement and statement of movement of equity, ledgers) of each of the Group Companies for the financial year ending on 31 December 2017 (or if such company was incorporated for a shorter period, since its date of incorporation) prepared in accordance with Hong Kong Financial Reporting Standards and PRC accounting standards as applicable; and (ii) other such documents as may be required by the Vendor for the purpose of preparing the audited financial statements of the Vendor Group and/or the associated companies of any of the members of the Vendor Group.

## 6. ASSIGNMENT

This Agreement shall be binding on and shall ensure for the benefits of the successors and assigns of the Parties but shall not be assigned by any Party without the prior written consent of the other Party.

## 7. NOTICES AND OTHER COMMUNICATION

- 7.1 Any notice required or permitted to be given hereunder shall be given in writing delivered personally or sent by post (airmail if overseas) or facsimile message to the Party due to receive such notice at its address as set out below (or such other address as it may have notified to the other Party in accordance with this Clause).

- 7.2 A notice delivered personally shall be deemed to be received when delivered and any notice sent by pre-paid recorded delivery post shall be deemed (in the absence of evidence of earlier receipt) to be received two (2) Business Days (or seven (7) Business Days if overseas) 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 or that the facsimile message was properly addressed and despatched as the case may be. A notice sent by facsimile message shall be deemed to have been received at the time of despatch.

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

Address : Unit 2602, 26/F., Lippo Centre, Tower One, No. 89  
Queensway, Admiralty, Hong Kong  
Facsimile : (852) 2877 8080  
Attention : Mr. Zhang Xiaodong

- (b) For the purpose of delivery of notices under this Agreement, the address of the Purchaser is:-

Address : 中華人民共和國廣東省東莞市橫瀝鎮橫瀝上村村民小組  
217號



**8. COSTS AND EXPENSES**

- 8.1 Save as expressly specified in this Agreement, each Party shall pay for its own costs and expenses in connection with and incidental to this Agreement and all transactions contemplated hereunder.
- 8.2 Each Party shall bear its own Tax arising out of or consequential to the Proposed Transactions, the entering into the Documents and the performance of its respective obligations thereunder.

**9. GENERAL**

- 9.1 No failure of any Party to exercise and no delay on her/its part in exercising any right hereunder will operate as a release or waiver thereof, nor will any single or partial exercise of any right under this Agreement preclude any other or further exercise of her/it or the exercise of any right or prejudice or affect any right against others under the same liability whether joint, several or otherwise.
- 9.2 Any variation to this Agreement shall be binding only if it is recorded in a document signed by all the Parties.
- 9.3 The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by the Laws.
- 9.4 This Agreement constitutes the entire agreement and understanding between the parties in connection with the subject matter of this Agreement and supersedes all previous proposals, representations, warranties, agreements or undertakings relating thereto whether oral, written or otherwise and none of the Parties has relied on any such proposals, representations, warranties, agreements or undertakings.
- 9.5 If at any time any one or more provisions hereof is or becomes invalid, illegal, unenforceable or incapable of performance in any respect, the validity, legality, enforceability or performance of the remaining provisions hereof shall not thereby in any way be affected or impaired.
- 9.6 This Agreement and the Disclosure Letter may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The exchange and delivery of this Agreement and the Disclosure Letter may be effected by facsimile and e-mailed copies of signatures and the Parties hereby agree to provide sufficient original duly executed counterparts after the date of this Agreement for the purposes of compilation of this Agreement.
- 9.7 Each Party hereby undertakes to execute and do and cause or procure to be executed and done all such other documents, instruments, acts and things as the other Party may reasonably require in order to give effect to this Agreement.
- 9.8 Except as may be required by Laws or pursuant to any written request of the Authority or otherwise contemplated by the Documents, each Party undertakes to the other Party that it shall not disclose, and that it shall procure that its respective current or

prospective directors, equity interest holders, partners, members, advisors and bankers, officers, employees, agents, consultants, auditors, professional advisors and associates and the current or prospective directors, equity interest holders, partners, members, advisors and bankers, officers, employees, agents, consultants, auditors and professional advisors of each such associates (collectively, the "**Representatives**") do not use, reveal or disclose to any third party or issue or release any press release, public statement, advertisement or similar manner or form of publicity with respect to any Confidential Information without the prior written consent of the concerned Party, as the case may be, or use any Confidential Information in such manner that is detrimental to the concerned Party, as the case may be. The confidentiality obligations contained in this Clause 9.8 shall survive termination of this Agreement (in its entirety or as against a Party) and shall remain in effect and be binding on each Party for a period of two (2) years after such termination.

9.9 The provisions of Clause 9.8 shall not apply to:-

- (a) disclosure of Confidential Information that is or becomes generally available to the public other than as a result of disclosure by or at the direction of a Party or any of its Representatives in violation of this Agreement;
- (b) disclosure by a Party to its Representatives; provided that such Representative (1) is bound by obligations of confidentiality under applicable Laws or in writing; or (2) is otherwise under a binding professional obligation of confidentiality; or (3) Confidential Information that is reasonably necessary in the ordinary reporting procedure of that Party to its board of directors and senior management for making decisions in respect of the Proposed Transaction; or
- (c) disclosure, after giving prior notice to the other Parties to the extent reasonably practicable under the circumstances and subject to any practicable arrangements to protect confidentiality, to the extent required under the rules of any stock exchange on which the shares of a Party or its parent company are listed or by applicable Laws or judicial or regulatory process or in connection with any judicial process regarding any legal action, suit or proceeding arising out of or relating to this Agreement.

## 10. **GOVERNING LAW AND JURISDICTION**

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

10.2 The Parties hereby agree that they shall submit any and all disputes to the courts of Hong Kong and the agree to submit to the non-exclusive jurisdiction of the courts of Hong Kong for resolution of all disputes arising out of this Agreement.

## 11. **THIRD PARTY RIGHTS**

A person who is not a party to this Agreement shall have no right, whether under common law, ordinance (including but not limited to the Contracts (Rights of Third

Parties) Ordinance (Cap.623)) or otherwise to enforce any term of this Agreement or enjoy the benefit of any of the provisions of this Agreement and the consent of any person who is not a party to this Agreement is not required to rescind or vary this Agreement at any time.

*[Remainder of this page intentionally left blank.]*

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

**PURCHASER**

SIGNED by  
DENG JIN AI

)  
) 邓锦爱.

**VENDOR**

SIGNED by  
for and on behalf of  
NEW SPORTS GROUP  
LIMITED

)  
)  
) For and on behalf of  
) New Sports Group Limited  
) 新體育集團有限公司  
)  
)  
)   
) .....  
) Authorized Signature(s)

**SCHEDULE 1**

**PART A**

**PARTICULARS OF THE COMPANY**

Name : HEROIC CORONET LIMITED

Company No. : 1803477

Date of incorporation : 18 December 2013

Place of incorporation : British Virgin Islands

Registered office : NovaSage Chambers, Wickham's Cay II, Road Town, Tortola,  
British Virgin Islands

Authorised share capital : US\$50,000 divided into 50,000 ordinary shares of US\$1 each

Issued share capital : US\$100 comprising 100 ordinary shares of US\$1 each

Shareholder and  
shareholding : New Sports Group Limited  
: 100 ordinary shares (100%)

Director(s) : Zhang Xiaodong  
Xia Lingjie

## **PART B**

### **PARTICULARS OF THE OTHER GROUP COMPANIES**

(1)

Name	:	ALL RISE TECHNOLOGY LIMITED 眾昇科技有限公司
Company number	:	1984025
Registered office	:	Unit 2602, 26/F., Lippo Centre, Tower One, No. 89 Queensway, Admiralty, Hong Kong
Date of incorporation	:	22 October 2013
Place of incorporation	:	Hong Kong
Type of entity	:	Limited company
Director(s)	:	Zhang Xiaodong (張曉東) Xia Lingjie (夏凌捷)
Issued share capital	:	HK\$1 comprising 1 ordinary share
Shareholder and shareholding	:	HEROIC CORONET LIMITED 1 ordinary share (100%)
Scope of business	:	Investment Holding
Branches	:	N/A
Direct subsidiary	:	北京開心就好科技有限公司

(2)	
Name	: 北京開心就好科技有限公司
Company number	: 91110107064934208D
Registered office	: 北京市石景山區實興大街 30 號院 3 號樓 2 層 A-0008 房間
Date of incorporation	: 22 May 2015
Place of incorporation	: PRC
Type of entity	: 有限責任公司(中外合資)
Director(s)	: 劉威
Legal Representative	: 譚治望
Registered capital (paid up amount)	: RMB2,200,000
Total Investment Amount	: RMB2,200,000
Holder(s) of equity interest	: ALL RISE TECHNOLOGY LIMITED (65%) 劉威 (35%)
Scope of business	: 研發計算機軟件技術及產品；提供上述產品的技術開發、技術服務、技術諮詢、技術轉讓；系統集成；銷售自產產品；從事計算機軟件及輔助設備、電子產品、電子元器件的批發及佣金代理（拍賣除外）；訊息諮詢；投資諮詢。（依法須經批准的項目，經相關部門批准後依批准的內容開展經營活動。）
Branches	: N/A
Direct subsidiary	: 海南開心軟件科技有限公司

(3)

Name	:	海南開心軟件科技有限公司
Company number	:	91469027075711982T
Registered office	:	海南省老城高新技術示範區海南生態軟件園
Date of incorporation	:	29 August 2013
Place of incorporation	:	PRC
Type of entity	:	有限責任公司
Director(s)	:	郭軼蕊、夏凌捷
Legal Representative	:	夏凌捷
Registered capital (paid up amount)	:	RMB5,000,000
Total Investment Amount	:	RMB5,000,000
Holders of equity interest	:	北京開心就好科技有限公司 (100%)
Scope of business	:	技術推廣、技術開發、技術服務、技術諮詢；圖文設計；經濟信息諮詢；投資諮詢；設計、製作、代理、發佈廣告；計算機系統服務；銷售計算機軟件及輔助設備、電子產品、電子元器件。
Branches	:	N/A
Direct subsidiary	:	N/A



## SCHEDULE 2

### THE VENDOR WARRANTIES

#### **1. POWERS AND OBLIGATIONS OF THE GROUP COMPANY**

- 1.1 No Group Company has granted or issued any options or securities convertible or exchangeable into any of its shares or equity interest.
- 1.2 The Group Companies do not have, and have never had, any subsidiary or shares in any Person other than the Group Companies.
- 1.3 The Vendor is the legal and beneficial owner of the Sale Shares and the Shareholder's Loan free from all Encumbrances.
- 1.4 The execution and delivery of, and the performance of obligations under and compliance with the provisions of this Agreement (and the other Documents once executed) will not result in:-
  - (a) a violation of any provision of the memorandum or articles of association (or equivalent constitutional documents) of any Group Company or the Vendor; or
  - (b) a breach of, or constitute a default under, any instrument to which any Group Company or the Vendor is a party or by which any Group Company or the Vendor is bound; or
  - (c) a violation of any law or regulation in any jurisdiction having the force of law or of any order, judgment or decree of any court or governmental agency or agreement to which any Group Company or the Vendor is a party or by which any Group Company or the Vendor is bound.
- 1.5 No consent, authorization, licence or approval of or notice to the Company's shareholders or any governmental, administrative, judicial or regulatory body, Authority or organisation is required to authorise the execution, delivery, validity or enforceability of any of the Documents.
- 1.6 Save and except for any intra-group advances, loans and borrowings amongst the Group Companies, the Shareholder's Loan, and any other outstanding Financial Indebtedness owing by the Group to other Persons which are fully set out in the Management Accounts, none of the Group Companies owe any Financial Indebtedness to any member within the Vendor Group or any third party, or given any Guarantee in favour of any Person in respect of the obligations of any member within the Vendor Group or any third party.
- 1.7 None of the issued share capital or equity interest in any Group Company (excluding the Company) is subject to any Encumbrance, and each of the Company, All Rise, Kaixin Beijing and Kaixin Hainan is the legal and beneficial owner of the issued share

capital and equity interest of each respective Group Company (excluding the Company) to which it is a shareholder as set out in Part B of Schedule 1.

## **2. COMPLIANCE WITH LEGAL REQUIREMENTS**

Each Group Company is conducting and has conducted its business and corporate affairs in all material respects in accordance with and is in good standing with regards to all applicable laws and regulations of Hong Kong, the British Virgin Islands, the PRC and/or any jurisdiction in which it was incorporated and/or operates and has no material liability for any unlawful act committed by any other Person.

## **3. TRANSACTIONS SINCE THE AUDITED ACCOUNTS DATE**

Save as Disclosed, since the Audited Accounts Date (other than as disclosed in the Audited Accounts):-

- (a) no Group Company has created any Encumbrance on the whole or any part of its assets now outstanding (other than in its ordinary course of business;
- (b) no unlawful act of any person has depleted the assets of any Group Company;
- (c) the business of each Group Company has been carried on in the ordinary course and in the same manner (including nature and scale) as immediately before the Audited Accounts Date;
- (d) each Group Company has paid its creditors within the time limits agreed with such creditors;
- (e) no Group Company has sold any trading stock or provided services at prices abnormally lower than market price; and
- (f) no event has occurred which has a Material Adverse Event on the Group.

## **4. GROUP COMPANIES, ISSUES OF SHARES AND MAKING OF DISTRIBUTIONS**

- 4.1 Each Group Company (i) has been duly incorporated and constituted and is legally subsisting under the law of its place of incorporation; and (ii) has all necessary power and authority to own, operate or lease the properties and assets owned, operated or leased by such company and to carry on its business as it has been and is currently conducted by such company.
- 4.2 No person has the right to call for the allotment, issue, sale or transfer of any shares or loan capital or other securities of any Group Company, or to convert any shares or loan capital or other securities of any such company into share capital or share capital of a different class.

**5. LITIGATION**

- 5.1 To the best knowledge of the Vendor, no Group Company nor any person for whose acts that company may be vicariously liable is engaged in any capacity in any litigation, arbitration, prosecution or other legal proceedings or in any proceedings or hearings before any statutory or Governmental body, department, board or agency which may result in a material adverse change in the financial position of the Group taken as a whole; no such matters are pending or threatened; and so far as the Vendor is aware there are no circumstances which are likely to give rise to any such matter.
- 5.2 To the best knowledge of the Vendor, there is no outstanding judgment, order, decree, arbitral award or decision of any court, tribunal, arbitrator or governmental agency against any Group Company or any person for whose acts that company may be vicariously liable.
- 5.3 No Group Company is a party to any subsisting undertaking given to any court or third party arising out of any proceedings of the kind described in paragraph 5.1.

### SCHEDULE 3

#### FORM OF DEED OF ASSIGNMENT

THIS DEED OF ASSIGNMENT is made the 4th day of May 2017

BETWEEN:-

- (1) **Deng Jin Ai**, holder of the People's Republic of China Identity Card No. 441900198207166023 and whose residential address is situated at Cun Ming Xiao Zu No. 217, Heng Li Shang Cun, Heng Li Zhen, Dongguan, Guangdong Province, the People's Republic of China (the "**Assignee**");
- (2) **New Sports Group Limited** (company registration no. 118977), a company incorporated under the laws of Cayman Islands and whose principal place of business is situated at Unit 2602, 26/F., Lippo Centre, Tower One, No. 89 Queensway, Admiralty, Hong Kong (the "**Assignor**"); and
- (3) **Heroic Coronet Limited** (company registration no.1803477), a company incorporated in British Virgin Islands with limited liability and having its registered office at NovaSage Chambers, Wickham's Cay II, Road Town, Tortola, British Virgin Islands (the "**Company**").

WHEREAS:-

- (A) Pursuant to an agreement for the sale and purchase of the entire issued share capital in and assignment of shareholder's loan due from Heroic Coronet Limited (the "**SPA**") entered into between the Assignor as the vendor and the Assignee as the purchaser of even date, the Assignor agreed to sell and the Assignee agreed to purchase and the Sale Shares (as defined therein) and the Loan (to be defined below) subject to the terms and conditions therein contained.
- (B) As at the date hereof the Company is indebted to the Assignor in the amount of HK\$2,276,333 (the "**Loan**") which is interest free and repayable on demand of the Assignor.
- (C) Pursuant, and as a condition to the completion under the SPA, the Assignor has agreed to transfer and assign all its title, rights, interests and benefits in the Loan to the Assignee.

NOW THIS DEED WITNESSETH as follows:-

- (1) In consideration of the amount of HK\$2,276,333 (to be paid by the Purchaser to the Vendor within ten (10) days from the date of this Deed), the Assignor as beneficial owner hereby transfers and assigns unto the Assignee all the title, rights, interests and benefits of the Assignor in and to the Loan absolutely and with immediate effect to the

intent that the Assignee shall be solely and absolutely entitled to the same to the exclusion of the Assignor.

- (2) The Assignor hereby warrants to the Assignee that:-
  - (a) the Loan is duly and validly owing by the Company to the Assignor; and
  - (b) the Assignor has full power and authority to enter into this Deed and assign the Loan without any consent or approval from any third party; and
  - (c) the Assignor will as soon as practicable after being called upon by the Assignee so to do execute all further assurances and do all acts and deeds as may be reasonably required by the Assignee to perfect the title of the Assignee to the Loan.
- (3) The Company hereby acknowledges and confirms to the Assignee that as from the date hereof, the Loan is owed to the Assignee and the Company will henceforth make all payments due under the Loan, and discharge all of its obligations in respect thereof, to the Assignee directly instead of to the Assignor.
- (4) If the Assignee fails to pay the amount of HK\$2,276,333 within ten (10) days from the date of this Deed, without prejudice to any other rights and remedies in respect of such default, the Assignor is entitled to charge the Assignee an interest rate of 0.01% per day for any outstanding amount.
- (5) This Deed shall be governed by and construed in accordance with law of the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**") and the parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of the Hong Kong Courts.

IN WITNESS whereof the parties have executed this Deed under seal the day and year first above written.

SIGNED, SEALED and DELIVERED )  
by DENG JIN AI )  
in the presence of or whose signature )  
is verified by:- )

SEALED with the COMMON SEAL )  
of NEW SPORTS GROUP LIMITED )  
and SIGNED by )  
in the presence of or whose signature )  
is verified by:- )

SEALED with the COMMON SEAL )  
of HEROIC CORONET LIMITED )  
and SIGNED by )  
in the presence of or whose signature )  
is verified by:- )