

THIS AGREEMENT (“this Agreement”) is made the 8th day of June 2017

BETWEEN the person whose name and address is set out in the First Schedule hereto (“the Vendor”) of the one part and the person whose name and address is set out in the Second Schedule (“the Purchaser”) of the other part

WHEREAS:-

1. ACE GRAND LIMITED (Company No.1807337) (“the Company”) is a private company incorporated under the Laws of Hong Kong with limited liability whose registered office is situate at Flat F, 20th Floor, Golden Sun Centre, 59/67 Bonham Strand West, Sheung Wan, Hong Kong, and as at the date hereof, 1 ordinary share has been issued and is fully paid or credited as fully paid.
2. The Vendor is the legal and beneficial owner of all the issued share (being one ordinary share) of the Company (“the Share”).
3. The Company is the registered and beneficial owner of the property more particularly set out in the Third Schedule hereto (“the Property”).
4. The Company is incorporated for the sole purpose of holding the Property and has not carried on any business or engaged in any activities other than the holding as investment of the Property since its incorporation.
5. As at the date hereof, the Company is indebted to the Vendor as a director of the Company a total amount of HK\$37,014,413.66 (“the Loan”).
6. The Property is subject to the mortgage more particularly set out in the Third Schedule (“the Mortgage”).
7. The Vendor has executed the Customer Memorandum of Charge (as defined below). The Vendor shall cause to be released the Customer Memorandum of Charge on Completion.
8. Pursuant to the Customer Memorandum of Charge, the Vendor has deposited certain sum of money in the Bank Account at the request of HSBC as at the date of this Agreement (the “**Charge Secured Money**”).
9. The Vendor shall further deposit a sum of HK\$500,000 to the Bank Account (the “**Mortgage Instalment Money**”) after signing of this Agreement to meet the need to pay monthly installment under the Mortgage.

10. The Vendor and the Purchaser have entered into a Provisional Agreement for Sale and Purchase dated the 19th day of May 2017 in relation to the sale and purchase of the Property. The Vendor has agreed to sell and the Purchaser has agreed to purchase the Share on the terms and conditions hereinafter set out.

11. The Vendor has agreed to assign the Loan to the Purchaser on Completion.

12. The Vendor has agreed to discharge the Mortgage on or before Completion to the intent that the Property is free from all Encumbrances on Completion.

NOW IT IS HEREBY AGREED by and between the parties hereto as follows:-

1. (a) The Schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement and any reference to this Agreement shall include the Schedules.
- (b) In this Agreement the following words and expressions shall wherever the context admits have the meanings respectively set opposite them :
 - “Audited Accounts” comprises the Audited Accounts 2015 and the Audited Accounts 2016.
 - “Audited Accounts 2015” The audited accounts of the Company (comprising a balance sheet, profit and loss account and notes) for the financial year ended on the Accounts Date, copies of which are annexed to the Fourth Schedule of the Agreement.
 - “Audited Accounts 2016” The audited accounts of the Company (comprising a balance sheet, profit and loss account and notes) for the financial year ended on 31 December 2016.
 - “Accounts Date” 31 December 2015.
 - “Bank Account” the bank account in the name of the Company maintained with HSBC in which the Charge Secured Money and the Mortgage Installment Money are deposited in.
 - “Business Days” A day (other than a Saturday, a Sunday, a general

holiday as defined in the General Holidays Ordinance (Cap. 149, Laws of Hong Kong) or a day on which a tropical cyclone warning no. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 am and 5:00 pm) on which licensed banks operating in Hong Kong are generally open for ordinary business and dealings in inter-bank deposits and payments can take place.

- “Completion” Completion of the sale and purchase of the Share and the assignment of the Loan in accordance with Clause 4 hereof.
- “Completion Account” The unaudited accounts of the Company (comprising a balance sheet, profit and loss account and notes) for the period from 1 January 2017 as at the Completion Date, certified as true copy by a director of the Company.
- “Completion Date” The date of Completion, which shall take place at the Vendor’s Solicitors’ office on or before the 18th day of August 2017 before 2:00 p.m.
- “Customer Memorandum of Charge” The Customer Memorandum of Charge executed by the Company in favour of HSBC dated 25 March 2014 (Companies Registry Charge Registration Number: 2014006231).
- “Disclosed” (1) Disclosed elsewhere in this Agreement, or
(2) Disclosed in writing to the Purchaser prior to the execution and delivery of this Agreement.
- “Encumbrance” (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, including 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 law, (b) any lease, sub-lease, occupancy agreement, easement or covenant granting a right of use or occupancy to any Person, (c) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, negotiation or refusal or transfer restriction in favor of any Person and (d) any adverse claim as to title, possession or use.

“HK\$”	Dollars in the currency of Hong Kong.
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited.
“Insurance Policies”	all subsisting policies of insurance taken out in respect of the Property and/or the Company, each an “Insurance Policy”.
“Management Accounts”	the unaudited accounts of the Company (comprising a balance sheet, profit and loss account and notes) for the period commencing on 1 January 2017 and ending on 31 May 2017.
“Party”	the named parties to this Agreement and their respective successors and permitted assigns and “Party” means any one of them.
“Purchaser's Solicitors”	Messrs. Sidley Austin, Solicitors of 39 th Floor, Two International Finance Centre, Central, Hong Kong.
“Purchase Price”	The aggregate consideration for the purchase of the Share and the assignment of the Loan.
“Relevant GAAP”	The Hong Kong Financial Reporting Standards

	for Private Entities.
“Share”	one (1) ordinary share of the Company, representing the entire issued share capital of the Company.
“tax” or “taxation”	(a) taxes on income, profits and gains; and (b) all other taxes, levies, duties, imposts, charges and withholdings of any fiscal nature, including any excise, property, value added, sales, use, occupation, transfer, franchise and payroll taxes and any social security or social fund contributions, together with all penalties, charges and interest relating to any of the foregoing or to any late or incorrect return in respect of any of them.
“Title Deeds”	The title deeds and documents in respect of the Property.
“Vendor’s Solicitors”	Messrs. Y.L. Yeung & Co., Solicitors of Room A on 3 rd Floor, Harvest Building, Nos.29-35 Wing Kut Street, Central, Hong Kong.

(c) Unless the context otherwise requires, in this Agreement the singular includes the plural and the male includes the female and vice versa. References in this Agreement to any statute or statutory provision shall include any statute or statutory provision which amends, extends, consolidates or replaces the same or which has been amended, extended, consolidated or replaced by the same and shall include any orders, regulations, instruments or other subordinate legislation made under the relevant statute or statutory provision.

2. Subject to the terms and conditions hereinafter appearing:-

(a) The Vendor as the legal and beneficial owner of the Share shall sell, and the Purchaser shall purchase, the Share at Completion, free from any Encumbrances or other adverse rights and with the benefit of all rights now or hereafter attached thereto including all rights to dividends and other

distributions declared made or paid hereafter;

- (b) For the avoidance of doubt, it is agreed that the Purchaser shall not be liable to purchase any of the Share from the Vendor unless the Vendor simultaneously sells all of the Share to the Purchaser as aforesaid; and
- (c) The Vendor shall assign the Loan and all rights, title and interest therein (together with the right to any interest accrued thereon), free from all Encumbrances, to the Purchaser.

3. The consideration payable by the Purchaser to the Vendor for the purchase of the Share and the assignment of the Loan shall be the aggregate sum of HONG KONG DOLLARS SIXTY FIVE MILLION ONLY (HK\$65,000,000.00) (“the Consideration”) of which (i) HK\$2,000,000.00 is the initial deposit which the Parties acknowledge has already been paid on the signing of the Provisional Agreement for Sale and Purchase dated the 19th day of May 2017 (“the Initial Deposit”); (ii) HK\$4,500,000.00 shall be the further deposit to be paid upon signing of this Agreement (“the Further Deposit”); and (iii) the remaining HK\$58,500,000.00 (being the balance) shall be paid on Completion as hereinafter set out (“the Balance of Purchase Price”). The Initial Deposit and the Further Deposit shall be paid to the Vendor’s Solicitors as stakeholders who shall not release the same to the Vendor until and unless Completion has occurred.

3A. Completion is conditional upon the following:

- (a) the Purchaser having completed its due diligence investigation on the business, financial, legal and all other respects of the Company and satisfied with the results thereof;
- (b) the Vendor, shall at the Vendor’s own cost, procure the Company to prove and give a good title to the Property in accordance with Sections 13 and 13A of the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong); and
- (c) all the representations, undertakings and warranties given by the Vendor under this Agreement are and shall remain true, accurate, correct and complete and not misleading in all respects up to the Completion.

If any of the foregoing conditions is not fulfilled (or waived by the Purchaser) on or before the Completion Date, the Purchaser shall be entitled to cancel the transaction

under this Agreement whereupon the Vendor shall return all the Initial Deposit and Further Deposit paid to the Purchaser forthwith within 7 Business Days upon request by the Purchaser.

4. Completion of the sale and purchase of the Share and the assignment of the Loan shall take place on the Completion Date at the office of the Vendor's Solicitors. On Completion,

- (a) the Vendor shall deliver to the Purchaser or their solicitors:-
 - (i) all deeds, bought and sold notes and instruments of transfer (in form and substance satisfactory to the Purchaser) duly executed by the Vendor in favour of the Purchaser or their nominees in respect of all the Share accompanied by the share certificates relating thereto;
 - (ii) duly executed written resignation letter(s) (in a form and substance satisfactory to the Purchaser) from the sole director of the Company and the company secretary of the Company dated on the Completion Date containing acknowledgements, *inter alia*, that they have no claims against the Company whether by way of remuneration expenses or compensation for loss of office, unfair or wrongful dismissal or on any account whatever;
 - (iii) duly executed written resignation letter of the auditors of the Company dated on or before the Completion Date and confirming that there are no facts which should be brought to the attention of the Company in connection with their resignation;
 - (iv) duly executed deed of indemnity in the same form as set out in the Fifth Schedule of this Agreement;
 - (v) duly executed deed of assignment in respect of the Loan in the same form as set out in the Sixth Schedule of this Agreement;
 - (vi) resolutions of the sole director of the Company approving the businesses as set out in Clause 5 of this Agreement;
 - (vii) in respect of the Company, the register of members of the Company, register of directors, register of mortgages and charge, the minutes books (including original minutes of the meeting of the directors of the Company), common seal, company chop, certificate of

- incorporation (and any certificate of incorporation on change of name), (if any) current business registration certificate, together with copies of the memorandum and articles of association, (if any) cheque books, books of account, and each of the following but only to the extent in the possession of the Vendor and/or the Company: copies of all tax return(s) filed and related correspondence (if any) (including all returns and audited reports filed by the Company to the Inland Revenue Department and the Profit Tax Assessment issued by the Inland Revenue Department to the Company), all current Insurance Policies, all contracts (if any) to which the Company is a party, bank statements, existing bank mandates and all other documents and records of the Company;
- (viii) vacant possession of the Property and keys and (if applicable) access/smart cards to all parts of the Property;
 - (ix) the Management Accounts;
 - (x) an undertaking by the Vendors' Solicitors to the Purchaser's Solicitors to deliver to the Purchaser's Solicitors the Release Deliverables (as set out in the Eighth Schedule of this Agreement) and the original of the existing Mortgage of the Property registered in the Land Registry by Memorial No.14070402140039 within twenty-one (21) days after the date of Completion, subject to the usual qualifications of the Law Society of Hong Kong;
 - (xi) all the original management fee and public utilities deposits receipts and receipted demand notes and/or receipts of Government rents and rates and management fees showing due payment thereof up to and inclusive of the Completion Date; and
 - (xii) (insofar as they have not been delivered to the Purchaser or the Purchaser's Solicitors before Completion) the Title Deeds.
- (b) upon receipt of all deliverables as set out in Clause 4(a) of this Agreement, the Purchaser shall deliver to the Vendor's Solicitors:
- (i) two solicitors' cheques of a total amount of HK\$58,500,000.00 being the Balance of Purchase Price; and

- (ii) an undertaking to the Vendor that the Purchaser shall return the Charge Secured Money and the Mortgage Instalment Money within 15 Business Days after the Completion Date, provided that the Purchaser is satisfied with the evidence to be adduced by the Vendor for the Charge Secured Money and the Mortgage Instalment Money.
- (c) the Vendor or the Vendor's Solicitors shall utilize the Balance of Purchase Price or part thereof to redeem the Mortgage and repay all amounts owing by the Company under the Mortgage on Completion; and
- (d) upon receipt of the two solicitors' cheques as set out in paragraph (b) above, the Vendor's Solicitors shall deliver to the Purchaser a receipt for HK\$58,500,000.00 for and on behalf of the Vendor.

5. On or prior to Completion hereof the Vendor shall procure that the Company shall pass resolutions of the sole director of the Company to approve the following businesses:-

- (a) the registration of the Purchaser or their nominee(s) as the holder(s) of the Share to be transferred pursuant to this Agreement;
- (b) the cancellation of the share certificate under the name of the Vendor and the issuance of new share certificate in the name of the Purchaser in respect of the Share;
- (c) the registration of the Purchaser as holder of the Share in the Company's register of members;
- (d) the appointment of such persons as the Purchaser may designate and notify to the Vendor as directors and secretary of the Company;
- (e) the resignation of the existing sole director of the Company and the company secretary of the Company; and
- (f) revocation of all existing authorities, authorized persons and bank signatories in respect of the operation of the bank accounts of the Company (including the Bank Account) and appointment of such person(s) whose identities have been notified by the Purchaser to the Vendor as new authorized signatories with effect after Completion.

6. Save as has been Disclosed, the Vendor hereby represents and warrants to the Purchaser that each statement contained below is true, accurate and not misleading in all

respects as at the date of this Agreement and will be true, accurate and not misleading in all respects as at Completion (with reference to the facts then subsisting):-

- (a) he is not a minor and is of full age and of sound mind;
- (b) no order has been made or receiver appointed in respect of him under the Mental Health Ordinance (Cap. 316 of the laws of Hong Kong) nor has any step or procedure been taken in any other jurisdiction which would restrict his ability or legal capacity to enter into this Agreement or would require the approval of a third party or an authority;
- (c) he is acting as principal and for his own account and not as agent or trustee or in any other capacity on behalf of any third party;
- (d) he has the legal capacity to enter into, perform and deliver this Agreement;
- (e) this Agreement and any other documents to which the Vendor is a party constitute valid, binding and enforceable legal obligations of the Vendor;
- (f) he is not bankrupt and no step is taken in relation to his bankruptcy;
- (g) the Company has been duly incorporated and constituted and is legally subsisting under the laws of its place of incorporation;
- (h) the Share is fully paid up (or credited as fully paid up). The Share represents all and the only issued share in the Company. Except for this Agreement, there are no agreements or commitments outstanding which calls for the transfer, allotment or issue of or accords to any person the right to call for the transfer, allotment or issue of any share or debentures in the Company (including any option or right of pre-emption or conversion). To the knowledge of the Vendor, there is no subsisting claim by any person to be entitled to any such agreement or commitment which has not been waived in its entirety or satisfied in full;
- (i) to the knowledge of the Vendor, the statutory books (including all registers and minute books) of the Company have been properly kept in all material respects and contain (in respect of matters up to but not including Completion) a record of the matters which should be dealt with in those books which is accurate and complete in all respects and contain no material inaccuracies or discrepancies of any kind and no subsisting notice or allegation that any of them is incorrect or should be rectified has been received by the Company;

- (j) all the books and records of the Company have been properly kept in all material respects and are in the possession of the Company or under its control and all transactions relating to its business have been correctly recorded therein and there are as at the date of this Agreement no material inaccuracies or discrepancies of any kind contained or reflected in such books and records;
- (k) there is not outstanding any guarantee, indemnity or suretyship given by the Company for or relating to the performance of the obligations of any person other than the Company;
- (l) the Company has complied in all respects with all legal and procedural requirements and other formalities in connection with the Company concerning:
 - (i) its Memorandum and Articles of Association or other constitutional documents (including all resolutions passed or purported to have been passed);
 - (ii) the filing of all documents required by the applicable laws to be filed with the appropriate regulatory bodies;
 - (iii) issues of shares, debentures or other securities;
 - (iv) payments of dividends and making of other distributions; and
 - (v) appointment, resignation and removal of directors and other officers.
- (m) that each of the Audited Accounts 2015 (and at Completion, the Audited Accounts 2016) sets out a true and fair view of the state of affairs and financial position of the Company at 31 December 2015 and 31 December 2016 respectively and in particular:-
 - (i) comply with requirements of the Companies Ordinance, Chapter 622 (“the Companies Ordinance”) of the laws of Hong Kong;
 - (ii) were prepared in accordance with the requirements of the Relevant GAAP at the time they were prepared and were prepared on the same basis and in accordance with the same accounting policies consistently applied in the preceding year;
 - (iii) that there were no liabilities (existing or contingent) of whatsoever character which were not disclosed and fully provided for in the Audited Accounts and no liabilities stated in the balance sheet were understated;
- (n) the Management Accounts were prepared in accordance with the requirements

of the Relevant GAAP at the time they were prepared and were prepared on the same basis and in accordance with the same accounting policies consistently applied in the preceding year. The Management Accounts give a reasonable view and do not materially misstate the state of affairs of the Company at 31 May 2017, and of the results, changes in equity and cash flows of the Company for the financial period ended on the 31 May 2017;

- (o) that there has been no adverse change in the balance sheet position of the Company since the Accounts Date;
- (p) that since the Accounts Date and up to and including the Completion Date :-
 - (i) the Share has not been and shall not be increased and no Encumbrances in respect of the assets of the Company shall be created or allowed to arise;
 - (ii) the directors and secretary of the Company are as set out in the Seventh Schedule of this Agreement and they are the only directors and secretary thereof;
 - (iii) no new directors have been or will be appointed to the board of the Company and there is no remuneration payable to the directors of the Company in respect of their services since the Accounts Date;
 - (iv) no interim or final dividend or other distribution in respect of the financial year ending on the Accounts Date has been or will be declared; and
 - (v) no debts have been written off.
- (q) that the books of account of the Company have been duly entered up and contain or will contain true, complete and accurate records of all matters (including contracts assets and debts) relating to the business of the Company to Completion Date;
- (r) that the contents of the Register of Members of the Company truly and accurately record the members of the Company from time to time;
- (s) that the Company has good title to the Property and has performed all its obligations in respect of the Property and paid all requisite deposits in full and no notices have been served in respect thereof, that the Company has duly observed the terms and conditions contained in the government grant of the lot

on which the building/development of which the Property forms part is erected (“the Government Grant”) and the Deed of Mutual Covenant and Management Agreement registered in the Land Registry by Memorial No.14062600470022 (“the DMC”), that the existing use and the physical state and condition of the Property is in accordance or in compliance with the Government Grant, the DMC and the laws and regulations of Hong Kong, that all rates, government rent, management fees payable by the Company in respect of the Property have been or will be paid up to and inclusive of the Completion Date;

- (t) that the Company will not carry on any trade until the Completion Date;
- (u) that the statements made by the Vendor contained in the recitals hereinbefore and in this Agreement are true and accurate in all respects and Company has not agreed to issue or granted or agreed to grant any option in respect of any share or loan capital;
- (v) that none of the Share is or will be before Completion subject to any Encumbrance or options and that the Share will be registrable in the name of the Purchaser or such other names as the Purchaser may require;
- (w) that the Company has no subsidiary or employees;
- (x) all payments of tax required to be made by the Company on or before the Completion Date have been made;
- (y) the Company was incorporated for the sole purpose of holding the Property and has not carried on any business or engaged in any activities other than the holding as investment of the Property since its incorporation;
- (z) that the Company has not, since its incorporation :-
 - (i) incurred any contingent liabilities or forward commitments;
 - (ii) given or agreed to give any guarantee or indemnity in respect of which it remains under a prospective or contingent liability prior to the Completion Date (liabilities under the existing mortgage loan excepted); and
 - (iii) carried on any business or entered into any capital transaction or any long term or abnormal or onerous contracts or partnership or joint venture or voluntary association or other similar agreement for the conduct of any business or undertaken any obligations whatsoever of a

nature or magnitude calling for special attention;

- (aa) that the Company is not engaged in any litigation or arbitration or tribunal proceedings and that no such proceedings and no prosecutions are pending or threatened and the Vendor know of no facts or matters likely to give rise thereto and that the Company is not in default in respect of any obligation whether contractual statutory or municipal;
- (bb) that there are no existing service agreements or contracts between the Company and any directors or executives or employees thereof and that there is no present liability on the part of the Company to any former or existing directors, executives or employees or to any other person in respect of such directors executives or employees;
- (cc) save and except the Loan as mentioned in Paragraph 5 of the Recital and the Mortgage as mentioned in the Third Schedule, the Company has no existing liability under any deed, debenture, instrument, guarantee, mortgage, indemnity, contract, commitment or agreement of any sort whatsoever;
- (dd) that all returns particulars resolutions and other documents required to be filed or delivered by the Company to any governmental authorities or departments (including the Companies Registry in Hong Kong) have been filed or delivered to such governmental authorities or departments within the periods prescribed;
- (ee) that the Company have been properly incorporated and is in good standing under the laws of Hong Kong and is not in breach of any law in Hong Kong including the Companies Ordinance and the Inland Revenue Ordinance, and all returns required to be filed under the Companies Ordinance, the Inland Revenue Ordinance and any other relevant ordinance or regulation have been duly and properly filed, and all the requirements of the Company' Memorandum and Articles of Association have been duly and properly complied with or ratified in all respects and if any of the above matters has not been complied with, the Vendor agree to do use best endeavor to comply with the same on or before Completion;
- (ff) that there are no charges, liens, incumbrances, third party rights, conditions, planning consents, bye-laws, orders regulations or other restrictions affecting

the ability of the Company to carry on business at the same time in the same manner as hitherto;

- (gg) that no tender quotation or offer issued at any time by the Company is or will become capable of giving rise to contract by an order or acceptance by another party or other parties save in the ordinary course of business and on terms calculated to yield a gross profit margin consistent with the prudent carrying on of the business of the Company;
- (hh) that save and except the Loan and the Mortgage, the Company has no loan capital outstanding or has it incurred any indebtedness which it has not repaid or satisfied;
- (ii) that the Company shall not incur any liabilities from the date hereof until the Completion Date except with the prior written consent of the Purchaser save those ordinary and usual business expenses;
- (jj) that the Property are free from Encumbrances ;
- (kk) that no notice has been issued under the Lands Resumption Ordinance (Cap.124) affecting the Property nor is the Property included in any lay-out plans (draft or approved) under the Town Planning Ordinance (Cap.131);
- (ll) that no notice or order or demand note has been issued by the incorporated owners, the management company or any Government authority requesting or demanding or ordering the Company as the owner of the Property to carry out demolition, reinstatement or building works to the Property or as one of the co-owners of the building/development of which the Property forms part to contribute to any repair, renovation or maintenance works thereto or to the adjacent slope thereto;
- (mm) all premiums in respect of the Insurance Policies have been paid in full;
- (nn) the Company has not received any written notice from the insurers of the Insurance Policies that any of such Insurance Policies may become void or otherwise ineffective; and
- (oo) no claim is outstanding either by the insurer or the insured under any of the Insurance Policies as at the date of this Agreement.

7. The Vendor further represents and warrants and undertakes with and to the Purchaser:-

- (a) to provide the Audited Accounts of the Company which truly and accurately represent the results of operation and financial condition of the Company. The Company has no liabilities, which are not disclosed in the Audited Accounts and shall have no liabilities which are not disclosed in the Management Account on the Completion Date;
- (b) to provide the Audited Accounts 2016 which truly and accurately represent the results of operation and financial condition of the Company on or before the twentieth (20th) calendar day after the date of this Agreement;
- (c) to provide the Completion Account which truly and accurately represent the results of operation and financial condition of the Company on or before the thirtieth (30th) calendar day after the Completion Date;
- (d) to do such lawful acts, assurances and things and sign and execute all further documents and deeds for effecting the transfer of the Share of the Company to the Purchaser as may be reasonably required by the Purchaser without requiring any additional payment as the Purchaser may reasonably require if any mistake or omission occur or has occurred or is discovered, provided that the Purchaser shall have observed and performed their duties and obligations under this Agreement;
- (e) no consents or approvals are required for the execution or consummation of this Agreement; and the execution and consummation of this Agreement will not result in a breach or violation of any law or obligation of the Company or the Vendor; and
- (f) to complete the sale of the Share of the Company simultaneously with Clause 4(b) of this Agreement. For the avoidance of doubts, if either the Vendor fails to complete the sale of the Share of the Company, the Vendor was deemed to be in breach of this Agreement.

7A. The Vendor will forthwith disclose in writing to the Purchaser any matter which may arise or become known to the Vendor between the date of this Agreement and the Completion Date which is inconsistent with any of the foregoing representations and warranties and each of them above set forth are intended to be and will be true and accurate in every respect on the date of this Agreement and on the Completion Date as if they were given on such dates. Reference in the said representations and warranties to “the date hereof” and

like words and phrases shall be construed accordingly and PROVIDED THAT :-

- (i) no such representation and warranty shall be deemed to be broken by any act or omission which may be necessary to be done in implementing this Agreement (unless otherwise implied) and
- (ii) any breach or non-fulfillment before the Completion Date of any of the foregoing covenants, representations, warranties, agreements, obligations or happening of any event which would render untrue inaccurate or incomplete any of the foregoing representations and warranties had the same been given on the Completion Date shall entitle the Purchaser (without prejudice to any other right of the Purchaser in respect of any such breach whether before or after Completion) to exercise any of the following option:-

- (1) by notice in writing to the Vendor or the Vendor' Solicitors to rescind this Agreement without liability of any kind on the part of the Purchaser who shall be entitled to claim from the Vendor the reimbursement of all legal and out-of-pocket expenses incurred by the Purchaser in relation to the negotiation and preparation of this Agreement. The Vendor shall forthwith upon receipt of such notice within 7 Business Days thereof refund to the Purchaser the Initial Deposit and Further Deposit paid pursuant to Clause 3 of this Agreement; or
- (2) to proceed to Completion of this Agreement and to deduct from the Balance of the Purchase Price an amount equivalent to the losses or damages which may be incurred or suffered by the Company or the Purchaser as a result of the breach or non-fulfilment as aforesaid.

8. The parties hereto agree that should the Company incur any unusual liabilities between the Accounts Date and the Completion Date with the prior written consent of the Purchaser, the balance of the purchase price under Clause 3 herein shall be reduced by an amount equivalent to the amount of such liabilities incurred.

9. The Vendor further represents and warrants to the Purchaser in respect to the Property as follows :-

- (a) The Company shall show and prove a good title to the Property in accordance with Section 13 of the Conveyancing and Property Ordinance (Cap. 219) (“the Ordinance”);
 - (b) The Company shall give title to the Property in accordance with Section 13A of the Ordinance;
 - (c) The Company shall deliver to the Purchaser’s Solicitors for their inspection all the Title Deeds in relation to the Property within one (1) calendar month from 19 May 2017;
 - (d) The Company shall at its own costs discharge the Mortgage of the Property on or before Completion to the intent that the Property shall be free from all Encumbrances provided that the Purchaser shall accept the undertaking given by the Vendor’s Solicitors to deliver to the Purchaser (i) the original Mortgage (ii) the Receipt on Discharge of a Charge annexed to the Mortgage or the Release of the Mortgage (iii) the Memorial duly prepared and signed by the Vendor’s Solicitors and (iv) the cheque(s) for the registration fee and the filing fee with the Land Registry and the Companies Registry within 21 days from the Completion Date;
 - (e) The Company shall deliver up vacant possession of the Property to the Purchaser on Completion;
 - (f) The Company shall not dispose of or part with the Property or any part thereof or create any further mortgage or charge over the Property; and
 - (g) The Purchaser is entitled to carry out an inspection of the Property prior to Completion.
- (h) 10. The Purchaser agrees that :-
- (a) The Property will be sold on an ‘as is’ basis;
 - (b) Any requisitions or objection in respect of the title of the Property or otherwise shall be delivered in writing to the Vendor’s Solicitors within seven (7) business days after the date of receipt of the title deeds by the Purchaser's solicitors and any further requisitions or objection arising upon any reply to a former requisition shall be so delivered within seven (7) business days after the receipt of such reply otherwise such requisitions or objection to the Company’s title or further requisitions or objection (as the case may be) shall

be considered as waived;

- (c) If the Purchaser shall make and insist on any objection or requisition either as to title or any matter appearing on the title deeds or otherwise which the Vendor and/or the Company shall be unable (on the grounds of difficulty, delay or expense or on any other reasonable ground) to remove or comply with, or if the title of the Company shall be defective, the Vendor shall notwithstanding any previous negotiation or litigation be at liberty to annul the sale in which case unless the objection or requisition shall have been in the meantime withdrawn the sale shall be annulled in which case the Purchaser shall be entitled to the return of all deposits paid hereunder forthwith in full (without any deduction or setoff) but without costs and compensation, if that return is made within 7 days, without interest..

11. The Vendor agrees to indemnify the Purchaser Indemnified Parties against all Losses to, and claims against, any Purchaser Indemnified Party which are incurred or arise in respect of any of the statements, representations, warranties and undertakings made in this Agreement which prove to be incorrect or misleading in any respect and/or any breach of this Agreement on the part of the Vendor, including in such indemnity the cost of rectifying any breach and all legal costs, expenses and other liabilities which the Purchaser Indemnified Party may incur either before Completion or after the commencement of any action in connection with the enforcement of such judgment or the enforcement of any settlement of any claim that any of the representations, warranties and/or undertakings are untrue, incorrect or misleading or have been breached in any respect. For the purposes of this Agreement, (i) "Losses" means losses, claims, damages, liabilities, judgments, fines, obligations, expenses and liabilities of any kind or nature whatsoever, including but not limited to any investigative, legal and other expenses incurred in connection with, and any amounts paid in settlement of, any pending or threatened legal action or proceeding; (ii) "Purchaser Indemnified Parties" shall mean Purchaser, its Affiliates (which shall include the Company after Completion) and its and their respective directors, officers, employees, shareholders, agents, attorneys, representatives, successors and assigns; and (iii) "Affiliate" means any holding company or subsidiary of a Party and any subsidiary of any such holding company, and the terms *holding* company and subsidiary shall have the same meaning as ascribed in the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

12. The Purchaser hereby expressly agrees with the Vendor that on Completion, subject to the Vendor's production of all the original receipts for management fee deposit and public utilities deposits, the Purchaser shall reimburse the Vendor for the management fee deposit, public electricity and water meter deposits and equipment fund (if any) which were paid by the Company in respect of the Property and will be refundable or transferable to successor-in-title of the Property under the Deed of Mutual Covenant and/or the Management Agreement (if any) and the purchase price of the Share shall be adjusted accordingly.

13. The Vendor hereby authorizes the Purchaser to pay the Consideration to Messrs. Y.L. Yeung & Co. solely and declares that:-

- (a) Messrs. Y.L. Yeung & Co. is the Vendor's agent for the purposes of receiving all moneys payable to him pursuant to the sale of the Share including the Initial Deposit, the Further Deposit and the Balance of Purchase Price; and
- (b) the payment to Messrs. Y.L. Yeung & Co. of the Consideration shall be a full and sufficient discharge of the Purchaser's obligations hereunder.

14. (a) If the Vendor has complied with all its obligations under this Agreement, and the Purchaser fails to complete the purchase of the Shares and the assignment of the Loan in accordance with the terms of this Agreement, the Purchaser shall forfeit the Initial Deposit and the Further Deposit paid, and the Vendor shall be entitled to retain the same as liquidated damages and terminate this Agreement and then sell the Share and assign the Loan to anyone he thinks fit and the Vendor shall not take any action to claim against the Purchaser for any further liabilities and/or damages nor for specific performance of this Agreement.
- (b) If the Parties fail to complete the sale and purchase of the Shares and the assignment of the Loan in accordance with the terms of this Agreement for any reason whatsoever other than due to a material breach of this Agreement by the Purchaser, the Vendor shall immediately refund to the Purchaser (and shall instruct the Vendor's Solicitor to immediately process the refund to the Purchaser of) the Initial Deposit and the Further Deposit paid by the Purchaser and compensate the Purchaser with an additional sum equivalent to the amount of the Initial Deposit and the Further Deposit as liquidated damages, and the Purchaser shall not take any action to claim for damages or enforce specific performance.

15. Unless otherwise specified herein, time shall in every respect be of the essence of this Agreement.

16. Notwithstanding to the contrary, the defaulting party shall be liable for estate agent's commission paid or payable and legal fees and disbursements incurred in relation to this transaction.

17. The Vendor hereby agrees with the Purchaser to deliver, execute and perform such further acts, deeds, documents and things as shall be necessary and properly to vest the Share in the Purchaser and to assure to the Purchaser the rights hereby agreed to be granted including but not limited to the assignment of the Loan and will do the same forthwith upon the request of the Purchaser and notwithstanding that Completion may have taken place.

18. All stamp duty payable in respect of the transfer of the Share shall be borne by the Purchaser solely.

19. Each of the Vendor and the Purchaser shall pay for their own costs and expenses incurred in the preparation, negotiation and performance of this Agreement (including but not limited to the legal fees for the preparation of this Agreement, fees and expenses incurred in the preparation of the documents in relation to and ancillary to the sale of the Share, the assignment of the Loan and the relevant minutes of meetings and returns thereof).

20. This Agreement set forth the entire agreement and understanding between the parties hereto in connection with the subject matter of this Agreement and supersede all and any previous agreements or arrangements between the parties relating to the Share or to any other matter referred to in this Agreement and no representations or warranties, express or implied, statutory or otherwise made by or on behalf of either party to the other party in connection with or arising out of the acquisition of the Share and which are not contained or referred to in this Agreement shall give rise to any liability on the part of the maker or makers of the same and all or any previous agreements relating to the same subject matter as this Agreement shall cease and determine with effect from the date of this Agreement. Notwithstanding of the aforesaid, the Provisional Agreement for Sale and Purchase dated the 19th day of May 2017 shall not form part and parcel of this Agreement and will be superseded by this Agreement.

22. No time allowed or indulgence granted by either party to the other in respect of the performance of any of the terms of this Agreement shall constitute a waiver of the same unless such obligation is expressly waived in writing by the party entitled to enforce it and no

waiver of any obligation of either party under this Agreement shall prevent the subsequent enforcement of the relative provision in respect of any subsequent event or the enforcement of any of the other terms of this Agreement.

23. This Agreement shall be binding on and inure for the benefit of the successors in title of the parties including wherever appropriate the personal representatives of any party or his successors but shall not be assignable in whole or in part without the prior written consent of both parties or their successors (as the case may be).

24. (a) Any notice to be given hereunder by either party to the other shall be in writing and shall be addressed to the other at the address set out in this Agreement or at such other address as may from time to time be notified to the other party for such purposes and shall be delivered by hand or sent by facsimile or telex, or prepaid first class post (airmail where appropriate) and shall take effect upon service; and

(b) Service shall be deemed to be effected in the case of a notice delivered by hand, upon delivery, and in the case of a notice sent by facsimile, when the transmission report shows that the notice has been sent, and in the case of a notice sent by telex, upon receipt of a confirmed answerback from the addressee, and in the case of a letter sent by post shall be deemed to be served on the second day after posting if posted to the party to be served in the country of its address and on the seventh day after posting if posted to the party to be served from any other country or upon actual receipt if earlier.

25. (a) Save as expressly provided to the contrary in this Agreement, a person who is not a party has no right under the (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce or enjoy the benefit of any term of this Agreement.

(b) Notwithstanding any term of this Agreement, the consent of any person who is not a party is not required to rescind or vary this Agreement at any time.

26. This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

27. Any term of this Agreement may be amended or waived only with the written consent of the parties and any such amendment or waiver will be binding on both parties.

28. This Agreement shall be governed by and construed in accordance with the laws of

Hong Kong Special Administrative Region and the parties shall submit to the exclusive jurisdiction of the Hong Kong courts.

29. The Vendor shall not be entitled to assign, transfer or create any trust in respect of the benefit or burden of any provision of this Agreement without the prior written consent of the Purchaser. Subject to the foregoing, this Agreement shall be binding upon, and inure to the benefit of the successors and permitted assigns of the Vendor. The Purchaser shall be entitled to assign, transfer or create any trust in respect of the benefit or burden of any provision of this Agreement without the prior written consent of the Vendor.

30. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed by the Parties hereto in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Vendors, on the one hand, and Purchaser, on the other hand, will be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof. Such remedies will, however, be cumulative and not exclusive and will be in addition to any other remedies which any Party may have under this Agreement. Each of the Parties hereto hereby waives (i) any defences in any action for specific performance, including the defence that a remedy at law would be adequate and (ii) any requirement under any applicable law to post a bond or other security as a prerequisite to obtaining equitable relief.

AS WITNESS whereof the hands of the parties hereto the day and year first above written.

THE FIRST SCHEDULE

Name of Vendor

Address

LIN WAN TSANG (連運增)

Flat F, 20th Floor, Golden Sun Centre, 59/67
Bonham Strand West, Sheung Wan, Hong Kong.

Holder of Hong Kong Identity Card No.G098896(A)

THE SECOND SCHEDULE

Name of Purchaser

Address

Jumbo Wisdom Investments Limited
巨智投資有限公司

Vistra Corporate Services Centre, Wickhams Cay II,
Road Town, Tortola, VG1110, British Virgin Islands

Company Registration No.1944902

THE THIRD SCHEDULE

The Properties :

- i. ALL THOSE 124 equal undivided 7,884th parts or shares of and in ALL THOSE pieces or parcels of ground respectively registered in the Land Registry as SECTION A OF INLAND LOT NO.1381, THE REMAINING PORTION OF SECTION B OF INLAND LOT NO.1381, SUB-SECTION 1 OF SECTION N OF INLAND LOT NO.1381 and SUB-SECTION 1 OF SECTION O OF INLAND LOT NO.1381 (Flat B, 15th Floor, Kennedy Park at Central, No.4 Kennedy Road, Hong Kong).

- ii. ALL THOSE 13 equal undivided 7,884th parts or shares of and in ALL THOSE pieces or parcels of ground respectively registered in the Land Registry as SECTION A OF INLAND LOT NO.1381, THE REMAINING PORTION OF SECTION B OF INLAND LOT NO.1381, SUB-SECTION 1 OF SECTION N OF INLAND LOT NO.1381 and SUB-SECTION 1 OF SECTION O OF INLAND LOT NO.1381 (Private Car Parking Space No.P1 on Lower Ground 4 Floor, Kennedy Park at Central, No.4 Kennedy Road, Hong Kong).

The Mortgage :

Mortgage in favour of HSBC registered at Land Registry by Memorial No.14070402140039

THE FOURTH SCHEDULE

Audit Accounts annexed hereto

ACE GRAND LIMITED

REPORTS AND ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER, 2015

康盛會計師事務所有限公司

APAC CPA LIMITED

CERTIFIED PUBLIC ACCOUNTANTS (Practising)

Room 804, 8/F., Prosper Comm. Building, 9 Yin Chong Street, Mongkok, Kowloon, Hong Kong

ACE GRAND LIMITED
REPORTS AND ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER, 2015

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ACE GRAND LIMITED

REPORT OF THE DIRECTOR

FOR THE YEAR ENDED 31ST DECEMBER, 2015

The director has pleasure in submitting his report together with the audited financial statements for the year ended 31st December, 2015.

Principal activities

The principal activities of the company is property investment.

Results and appropriations

The results of the company for the year are set out in the income statement on page 5.

The director does not recommend the payment of a dividend (2014: Nil).

Share issued in the year

No share was issued by the company during the financial year.

Debenture issued in the year

No debenture was issued by the company during the financial year.

Equity-linked agreement

During the financial year, the company did not enter into any equity-linked agreement.

At the end of the financial year, the company did not subsist any equity-linked agreement.

Director

The director of the company during the financial year was:

Lin Wan Tsang

At the forthcoming ordinary general meeting the director will retire from office, and being eligible, offer himself for re-election.

ACE GRAND LIMITED

REPORT OF THE DIRECTOR (CONT'D)

FOR THE YEAR ENDED 31ST DECEMBER, 2015

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the company were extend into or existed during the year.

Subsequent events

There are no significant events occurred after the reporting date.

Permitted indemnity provision

At no time during the financial period and up to the date of this report of the director, there was or is, any permitted indemnity provision being in force for the benefit of any of the director of the company.

Auditor

The financial statements have been audited by APAC CPA LIMITED, Certified Public Accountants (Practising) who retire, and being eligible, offer themselves for re-appointment.

Lin X


Sole director
Lin Wan Tsang

Hong Kong 17 JAN 2017

康盛會計師事務所有限公司
APAC CPA LIMITED

CERTIFIED PUBLIC ACCOUNTANTS (Practising)
Room 804, 8/F., Prosper Comm. Building, 9 Yin Chong Street, Mongkok, Kowloon, Hong Kong

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF

ACE GRAND LIMITED

(incorporated in Hong Kong with limited liability)

Report on the financial statements

We have audited the financial statements of Ace Grand Limited set out on pages 5 to 11, which comprise the statement of financial position as at 31st December, 2015, and the income statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Director's responsibility for the financial statements

The director is responsible for the preparation of financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Hong Kong Standards on Auditing and with reference to Practice Note 900 (Revised) "Audit of Financial Statements Prepared in Accordance with the SME-FRS" issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

康盛會計師事務所有限公司

APAC CPA LIMITED

CERTIFIED PUBLIC ACCOUNTANTS (Practising)

Room 804, 8/F., Prosper Comm. Building, 9 Yin Chong Street, Mongkok, Kowloon, Hong Kong

INDEPENDENT AUDITOR'S REPORT (CONT'D)

TO THE MEMBER OF

ACE GRAND LIMITED

(incorporated in Hong Kong with limited liability)

Auditor's responsibility (cont'd)

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the director, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements of the Company for the year ended 31st December, 2015 are prepared, in all material respects, in accordance with the SME-FRS and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Emphasis of matters

Without qualifying our opinion, we draw attention to page 6 of the financial statements which indicates that the Company had net current liabilities of HK\$58,871,072 as at 31st December, 2015. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.



APAC CPA LIMITED

Certified Public Accountants (Practising)

Tsoi Siu Wai (PC No.: P06477)

Hong Kong 17 JAN 2017

ACE GRAND LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2015

	NOTES	2015 HK\$	2014 HK\$
OTHER INCOME	2	23	2,000,011
LESS: GENERAL AND ADMINISTRATIVE EXPENSES		<u>(818,744)</u>	<u>(691,921)</u>
PROFIT/(LOSS) FROM OPERATIONS		(818,721)	1,308,090
LESS: FINANCE COST	3	<u>(296,066)</u>	<u>(165,589)</u>
PROFIT/(LOSS) FOR THE YEAR	4	(1,114,787)	1,142,501
RETAINED EARNINGS/ (ACCUMULATED LOSSES) FORWARD FORWARD		<u>1,119,427</u>	<u>(23,074)</u>
RETAINED EARNINGS CARRIED FORWARD		<u>4,640</u>	<u>1,119,427</u>

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

ACE GRAND LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2015

	NOTES	2015 HK\$	2014 HK\$
NON-CURRENT ASSET			
Property, plant and equipment	8	58,875,713	59,511,318
CURRENT ASSETS			
Prepayment and deposits paid		19,623	19,623
Cash at bank		2,431,951	4,160,808
		2,451,574	4,180,431
LESS: CURRENT LIABILITIES			
Accruals		16,000	8,000
Amount due to the director	7	34,477,500	34,284,939
Bank loans	9	26,829,146	28,279,382
		61,322,646	62,572,321
NET CURRENT LIABILITIES		(58,871,072)	(58,391,890)
NET ASSETS		4,641	1,119,428
EQUITY			
Share capital			
Issued and fully paid:			
1 ordinary share	10	1	1
Retained earnings	10	4,640	1,119,427
		4,641	1,119,428

Approved by:


Sole-director
Lin Wan Tsang

The accompanying accounting policies and explanatory notes form an integral part of, and should be read in conjunction with, these financial statements.

ACE GRAND LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2015

Reporting entity

Ace Grand Limited is a company incorporated in Hong Kong with limited liability. The company's registered office is located at Flat F, 20/F., Golden Sun Centre, 59/67 Bonham Strand West, Sheung Wan, Hong Kong.

The principal activities of the company is property investment.

1. Basis of preparation and accounting policies

The company qualifies for the reporting exemption as a small private company under section 359 (1)(a) of the Hong Kong Companies Ordinance (Cap. 622). The company is therefore entitled to prepare and present its financial statements for the year ended 31st December, 2015 in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the company is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:

a) Revenue

Revenue is recognised when it is probable that the economic benefits will flow to the company and when the revenue can be measured reliably on the following basis:

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

b) Taxation

Income tax expense represents current tax expenses. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rate (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is not provided.

c) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

ACE GRAND LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2015

1. Basis of preparation and accounting policies (cont'd)

d) Borrowing costs

Borrowing costs are recognised as an expenses in the period in which they are incurred.

e) Leases

Leases where substantially all the risks and rewards of ownership of assets are not transferred to the lessee are accounted for as operating leases. Annual rental income applicable to such operating leases are credited to the income statement on a straight-line basis over the lease term.

f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rate used for depreciation is as follows:

Leasehold land	over the lease terms
Building	2% or over the remaining term of the leasehold land on which the buildings were erected, whichever is the shorter

g) Impairment of assets

An assessment is made at each balance sheet date to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

2. Other income

	2015	2014
	HK\$	HK\$
Bank interest income	23	11
Sundry income	-	2,000,000

ACE GRAND LIMITED

**ACCOUNTING POLICIES AND EXPLANATORY NOTES
TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31ST DECEMBER, 2015

3. Finance cost

	2015	2014
	HK\$	HK\$
Bank loan interest	<u>296,066</u>	<u>165,589</u>

4. Profit/(loss) for the year

Profit/(loss) for the year as stated was arrived at after charging the following items:

	2015	2014
	HK\$	HK\$
Auditor's remuneration	6,000	6,000
Building management fee	90,204	33,606
Depreciation	635,605	635,605
Professional fee	5,105	10,538
Rent and rates	<u>74,366</u>	<u>-</u>

5. Director's remuneration

No remuneration was paid or accrued to the director during the year (2014: Nil).

6. Income tax expense

No Hong Kong profits tax has been provided in the financial statements as the company did not derived any assessable profits during the year (2014: Nil).

7. Related party transactions

In addition to the transactions and balances detailed elsewhere in these financial statements, the company had the following transactions with a related party:

	2015	2014
	HK\$	HK\$
<u>Amount due to the director</u>		
Lin Wan Tsang	<u>34,477,500</u>	<u>34,284,939</u>

The amount due to the director was unsecured, interest-free and repayment on demand.

ACE GRAND LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES
TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2015

8. Property, plant and equipment

	Leasehold land and buildings HK\$
<u>Cost</u>	
As at 1.1.2015 and 31.12.2015	<u>60,146,923</u>
<u>Accumulated depreciation</u>	
As at 1.1.2015	635,605
Charge for the year	635,605
As at 31.12.2015	<u>1,271,210</u>
<u>Net book value</u>	
As at 31.12.2015	<u>58,875,713</u>
As at 31.12.2014	<u>59,511,318</u>

9. Bank loans

	2015 HK\$	2014 HK\$
Current portion	<u>26,829,146</u>	<u>28,279,382</u>

The company's loans are secured by the company's leasehold land and buildings. They are repayable by monthly instalments of principal and interest. The rates of interest were determined by the bank from time to time depending on the fluctuation of the Hong Kong dollar's prime rate and HIBOR rate.

Due to the adoption of HK Interpretation 5 in the current year, as the company's interest-bearing bank borrowings totally in the amount of HK\$26,829,146 (2014: HK\$28,279,382), containing on demand clauses, have been classified as a current liability. For the purpose of the above analysis, the loans are included as within one year or on demand.

Based on the maturity terms of the loans, the amount repayables in respect of the loans are: within one year or on demand HK\$26,829,146 (2014: HK\$28,279,382).

ACE GRAND LIMITED

ACCOUNTING POLICIES AND EXPLANATORY NOTES
TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2015

10. Changes in equity

	Share capital HK\$	Retained earnings HK\$	Total HK\$
Balance as at 1st January, 2015	1	1,119,427	1,119,428
Loss for the year	-	(1,114,787)	(1,114,787)
Balance as at 31st December, 2015	1	4,640	4,641

11. General

In common with organisations of similar size, the company's internal control relies heavily on the close supervisions of the sole-director.

12. Going concern

The member of the company has undertaken to give continuous financial supports to the company so as to enable it to continue its operations as a going concern.

13. Approval of accounts

These financial statements were authorised for issue by the company's sole-director on
17 JAN 2017

THE FIFTH SCHEDULE

Deed of Indemnity

THIS DEED OF INDEMNITY is made the _____ day of _____ 2017

BETWEEN:-

1. LIN WAN TSANG (連運增) of Flat F, 20th Floor, Golden Sun Centre, 59/67 Bonham Strand West, Sheung Wan, Hong Kong (“the Vendor”);
2. JUMBO WISDOM INVESTMENTS LIMITED (巨智投資有限公司) whose registered office is situated at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (“the Purchaser”); and
3. ACE GRAND LIMITED (“the Company”).

AND WITNESSES as follows:-

- A. This Deed is executed in pursuance of an agreement dated the _____ and _____ made between the Vendor and the Purchaser for the sale and purchase of all issued share of the Company (“the Agreement”) and in this Deed words and expressions defined in the Agreement have the meanings so defined.
- B. The Vendor hereby irrevocably and unconditionally covenants with the Purchaser and as a separate covenant with the Company to indemnify and hold harmless the Purchaser and the Company against and from:-
 - (a) all or any liability incurred by the Company and/or the Purchaser up to the date hereof (i.e. the Completion Date) including but not limited to liability for taxation of whatever nature arising out of any event or transaction which shall have happened or have been effected on or before the Completion Date in respect of any of the provisions of the Inland Revenue Ordinance (Cap 112) or the Inland Revenue Rules made thereunder or any modification amendment re-enactment thereof or any substituted legislation for the time being in force including (but without prejudice to the generality of the foregoing) the recovery of any tax from the Company or the non allowance of any reliefs or any other loss of whatever kind arising out of the Agreement or its carrying into effect or any claim for tax payable on or by reference to the income of the Company for any period ending on or before the Completion Date;

- (b) any cost, loss, damages, fees and expenses incurred by the Purchaser and/or the Company in the event of any of the matters, statements, representations, warranties and undertakings made by the Vendor in the Agreement being untrue, inaccurate or misleading in any respect;
- (c) any cost, loss, damages, fees and expenses incurred by the Purchaser and/or the Company arising from or in connection with any material breach of any provision in the Agreement by the Vendor;
- (d) any claim by a third party against the Property or any other asset(s) being held by the Company after Completion (to the extent that the cause for such claim should have been arisen or contemplated before Completion);
- (e) the payment of any penalty imposed on or costs or expenses incurred by the Company in connection with any of the foregoing matters; and
- (f) any settlement of any threatened action, claim, demand, direction or apportionment in respect of any of the foregoing matters.

IN WITNESS whereof the parties have executed this Deed the day and year first
before written.

SIGNED SEALED and DELIVERED by)
the Vendor (who having been previously)
identified by production of his Hong Kong)
Identity Card No.G098896(A)) in the presence)
of:-)

WITNESSED by :-

EXECUTED AS A DEED)
under the Common Seal)
Jumbo Wisdom Investments Limited)
巨智投資有限公司)
in the presence of and)
SIGNED by)
)
)
)
)
whose signature(s) is/are witnessed by:-)

SEALED with the common seal of)
ACE GRAND LIMITED and)
SIGNED by Mr. Lin Wan Tsang, its sole)
director in the presence of:-)

Dated the _____ day of _____ 2017

DEED OF INDEMNITY

THE SIXTH SCHEDULE

Deed of Assignment

THIS DEED OF ASSIGNMENT is made the day of 2017

BY AND AMONG

1. LIN WAN TSANG (連運增) of Flat F, 20th Floor, Golden Sun Centre, 59/67 Bonham Strand West, Sheung Wan, Hong Kong (“the Assignor”); and
2. JUMBO WISDOM INVESTMENTS LIMITED (巨智投資有限公司) whose registered office is situated at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (“the Assignee”).
3. ACE GRAND LIMITED (Company No.1807337) whose registered office is situated at Flat F, 20th Floor, Golden Sun Centre, 59/67 Bonham Strand West, Sheung Wan, Hong Kong (the “Debtor”).

WHEREAS:-

- (1) The Debtor is a company with limited liability incorporated under the Laws of Hong Kong.
- (2) As at the date hereof the Company is indebted to the Assignor in the sum of HK\$37,014,413.66 (“the Loan”).

NOW THIS DEED WITNESSETH as follows :-

1. In consideration of the Assignee paying or agreeing to pay such part of the consideration which is equivalent to the face amount of the Loan (the receipt whereof is hereby acknowledged), the Assignor as beneficial owner assigns to the Assignee all his benefit, advantage, and interest of and in the Loan due and owing to the Assignor by the Company as aforesaid and all interest due and to become due for the same together with all rights on and after the date hereof attaching thereto TO HOLD the same unto the Assignee absolutely.
2. The Assignor covenants with the Assignee to pay to the Assignee immediately on

receipt any payments or other money which may be received by the Assignor from the Debtor in respect of the Loan and until such payment to hold the same on trust for the Assignee.

3. The Assignor further represents and warrants that :-
 - (i) he has not assigned or charged the Loan in favour of any third party;
 - (ii) the Company have not acquired any right of set-off or counterclaim available against it in respect of the Loan;
 - (iii) the Loan consists of the principal sum of HK\$37,014,413.66 without interest as at the date hereof;
 - (iv) the Loan is due and payable and is valid and subsisting and repayable by the Debtor to the Assignor in full on demand and free from all or any encumbrance, charge, lien, rights of set-off or counterclaim, compromise, release, waiver, option and dealing or any agreement for any of the same;
 - (v) no event has occurred directly or indirectly whereby any part of the Loan has or may become unenforceable or any title, rights, interests and benefits of the Assignor in the Loan or any of its rights or remedies have been or may become adversely affected; and
 - (vi) the Assignor is the sole person entitled to the benefits of the Loan and has all the right, authority and power to assign its benefit of and in the Loan in the manner set out in this Deed of Assignment without the consent or approval of any third party.
4. All payments made by the Assignor under this Deed of Assignment shall be made gross, free of any rights of counterclaim or set-off and without deductions or withholdings of any nature.
5. This Deed of Assignment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any party may enter into this Deed of Assignment by executing any such counterpart.
6. A person who is not a party to this Deed of Assignment shall not have any rights under the Contracts (Rights of Third Parties) Ordinance (Cap 623) to enforce any term of this Deed of Assignment.
7. This Deed of Assignment shall be governed by and construed in all respects in

accordance with the laws of Hong Kong Special Administrative Region (“Hong Kong”) and the parties hereto hereby irrevocably submit to the exclusive jurisdiction of the courts of Hong Kong.

IN WITNESS whereof the parties have executed this Deed of Assignment the days and years first before written.

SIGNED SEALED and DELIVERED by)
Lin Wan Tsang (who has been previously)
identified by production of his Hong Kong)
Identity Card No.G098896(A)) in the presence)
of:-)

WITNESSED by :-

EXECUTED AS A DEED)
under the Common Seal)
Jumbo Wisdom Investments Limited)
巨智投資有限公司)
in the presence of and)
SIGNED by)
)
)
)
)
whose signature(s) is/are witnessed by:-)

EXECUTED AS A DEED)
under the Common Seal)
Ace Grand Limited)
巨智投資有限公司)
in the presence of and)
SIGNED by)
)
)
)
)
)
whose signature(s) is/are witnessed by:-)

Dated the _____ day of _____ 2017

DEED OF ASSIGNMENT

THE SEVENTH SCHEDULE

Directors of the Company

1. LIN WAN TSANG (連運增)

Secretary of the Company




GLOBE SECRETARIES LIMITED (高信秘書事務有限公司)

THE EIGHTH SCHEDULE

Release Deliverables

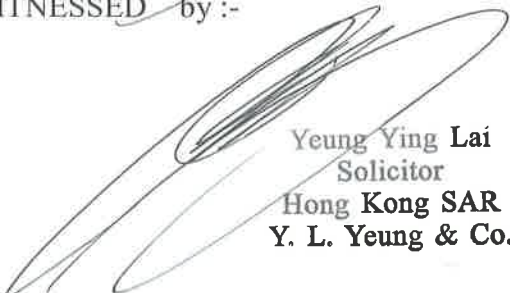
1. the executed original release or discharge of the Mortgage to be dated not later than the Completion Date together with the Memorial (where applicable) thereof completed and signed by the solicitor who prepared the same;
 2. the executed original release or discharge of the Customer Memorandum of Charge to be dated not later than the date of Completion;
 3. the completed Notification of Release (Form NM2) in respect of the release or discharge of the Mortgage to be filed with the Hong Kong Companies Registry and the solicitor's cheque drawn in favour of the Government of HKSAR for the relevant filing fee;
 4. the completed Notification of Release (Form NM2) in respect of the release or discharge of the Customer Memorandum of Charge to be filed with the Hong Kong Companies Registry and the solicitor's cheque drawn in favour of the Government of HKSAR for the relevant filing fee; and
 5. solicitor's cheque drawn in favour of the Government of HKSAR for registration fees on the said releases or discharges and filing fees on the said NM2s.
-

SIGNED SEALED and DELIVERED by)
Ko Sau Mee (Holder of Hong Kong Identity)
Card No. D464971(1)) the lawful attorney of)
the said Lin Wan Tsang in the presence)
of:-)

Yeung Ying Lai
Solicitor
Hong Kong SAR
Y. L. Yeung & Co.

WITNESSED by :-



Yeung Ying Lai
Solicitor
Hong Kong SAR
Y. L. Yeung & Co.

SIGNED by Kwok Ling Yee Pearl Elizabeth)

For and on behalf of)
Jumbo Wisdom Investments Limited)
巨智投資有限公司)

whose signature is witnessed by:-)

Ho Yiu Chung 

For and on behalf of
JUMBO WISDOM INVESTMENTS LIMITED
巨智投資有限公司

.....
Authorized Signature(s)

RECEIVED before the day and year first above)
written of and from the Purchaser the sum of)
HONG KONG DOLLARS TWO MILLION) HK\$2,000,000.00
ONLY being the initial deposit paid)



The Vendor's Solicitors
as stakeholders

RECEIVED on the day and year first above)
written of and from the Purchaser the sum of)
HONG KONG DOLLARS FOUR MILLION) HK\$4,500,000.00
AND FIVE HUNDRED THOUSAND ONLY)
being the further deposit paid)



The Vendor's Solicitors
as stakeholders

Dated the 8th day of June 2017

AGREEMENT FOR SALE AND PURCHASE OF
ONE (1) ORDINARY SHARE
OF
ACE GRAND LIMITED

Messrs. Y.L. Yeung & Co.,
Solicitors
Room A, 3rd Floor,
Harvest Building,
29 Wing Kut Street,
Central, Hong Kong.

Tel No: 2852 2208
Fax No: 2161 1008
(Ref : 45959/17/YLY-cyy)