
AN AGREEMENT made the 10th day of April, 2019

BETWEEN:

Mr. Perway Yu Kin Wai, holder of Hong Kong Identity Card number C286573(2) whose address is at Flat E, 18/F, Blk 1, The Beaumont, No. 8 Shek Kok Road, Tseung Kwan O, N.T., Hong Kong (hereinafter referred to as "**Vendor A**");

AND

Mr. Alfonso Chu Hin Ming, holder of Hong Kong Identity Card number G519918(1) whose address is at Room A, 11/F, 22 Belcher's Street, Sai Ying Pun, Hong Kong (hereinafter referred to as "**Vendor B**"),

(Vendor A and Vendor B shall be hereinafter collectively referred to as "**the Vendors**").

AND

Freemaster Limited (Company No.: 1898920), a company incorporated in British Virgin Islands and having its registered address at Vistra Corporate Services Centre, Wickham Cay II, Road Town, Tortola, VG1110, British Virgin Islands (hereinafter referred to as "**the Purchaser**") of the other part.

RECITALS

WHEREAS:-

A. The Company

- (i) **CHERISH POSSESSION LIMITED (BVI Company No.: 1977738)**, a company incorporated in British Virgin Islands under BVI Business Companies Act, 2004 and having its registered address at Sea Meadow House, Blackburne Highway, (PO Box 116), Road Town, Tortola, British Virgin Islands (hereinafter referred to as "**the Company**"). As at the date of this Agreement, the Company has an issued share capital of US\$10,000 divided into 10,000 ordinary shares (hereinafter referred to as "**the Issued Shares**").
- (ii) The Company is the ultimate beneficial owner of Total Blossom Sdn Bhd (Company No.: 1311264-X), a private limited company incorporated in Malaysia under the laws of Malaysia (hereinafter referred to as "**TBSB**"). As at the date hereof, the Company is the legal and beneficial owner of 49% of the entire issued shares of TBSB;
- (iii) TBSB has entered into a sale and purchase agreement (the "**Property Acquisition Agreement**") with Apple 99 Development Sdn Bhd (Company No.: 1051439-A) (the "**Developer**") dated 22 February 2019 for the acquisition of twenty two (22) units of a serviced apartment within the development known as 'The Apple', in Melaka, Malaysia (hereinafter collectively referred to as "**the Properties**"). The Properties are under development as at the date of this Agreement and construction is expected to complete by about the third quarter of 2019 and delivery of the Properties is expected to take place on or about the third quarter of 2019 pursuant to the terms of the sale and purchase agreement. Moreover the Vendors, the Purchaser, TBSB and the Developer entered into a novation agreement on 8 March 2019 pursuant to which 49% of the outstanding payment obligation of TBSB due to the Developer under the Property Acquisition Agreement have been novated to the Vendors and the Vendors

have irrevocably and unconditionally waived their rights to claim against TBSB for compensation, indemnity or reimbursement in relation thereto;

- (iv) As at the date of this Agreement and up to Completion (as defined below), there is no and will not incur outstanding loan due by the Company or TBSB to the Vendors.

B. The Purchaser

The Purchaser is a direct wholly-owned subsidiary of the Listco (as defined below).

C. The Issued Shares

Vendor A is the registered and beneficial owner of 5,000 issued shares in the capital of the Company (representing fifty per cent (50%) of the Issued Shares) and Vendor B is the registered and beneficial owner of 5,000 issued shares in the capital of the Company (representing fifty per cent (50%) of the Issued Shares).

D. Agreement to Sell

Vendor A has agreed to sell and the Purchaser has agreed to purchase the 5,000 Issued Shares (hereinafter referred to as "**Vendor A's Sale Shares**") and Vendor B has agreed to sell and the Purchaser has agreed to purchase the 5,000 Issued Shares (hereinafter referred to as "**Vendor B's Sale Shares**") upon the terms and subject to the conditions contained herein (hereinafter collectively referred to as "**the Sale Shares**").

NOW IT IS HEREBY AGREED AS FOLLOWS:

1. DEFINITIONS

- 1.1 In this Agreement, unless the context otherwise requires, the following words and expressions shall have the following meanings respectively:

"Business Day" means a day except Saturday, Sunday and public holidays (gazetted or ungazetted) and unscheduled holidays, on which banks and financial institutions are open for business in Hong Kong.

"Company" has the meaning ascribed to it in Recital A(i).

"Completion" means completion of the sale and purchase of the Sale Shares in accordance with **Clause 5** and "Complete" has a corresponding meaning.

"Completion Date" means a day falling on the 3rd Business Day from the date of the fulfillment of the last of the conditions set out in **Clause 3.1** hereof or (or such other date as the parties may agree in writing).

"Consideration Shares" means 58,527,778 new shares to be issued and allotted by the Listco pursuant to **Clause 4.1** of this Agreement.

"Deed of Indemnity" the deed of indemnity to be executed by the Vendors in favour of the Company and the Purchaser upon Completion, an agreed form is provided in Schedule 2 to this Agreement

"Conditions Precedent"	means all the conditions set out in Clause 3.1 hereof.
"Listco"	means Forebase International Holdings Limited (stock code: 2310), a company incorporated in Hong Kong and the issued shares of which are listed on the main board of the Stock Exchange, being the ultimate holding company of the Purchaser
" Vendor A's Sale Shares "	means 5,000 ordinary shares of the issued share capital of the Company.
" Vendor B's Sale Shares "	means 5,000 ordinary shares of the issued share capital of the Company.
"Purchase Consideration"	means Hong Kong Dollar Twenty One Million and Seventy Thousand Only (HK\$21,070,000) only.
"Stock Exchange"	means the Stock Exchange of Hong Kong Limited.

1.2 Unless the context otherwise requires, any reference in this Agreement to:

- (i) **"agreement"** includes a concession, contract, deed, franchise, license, treaty or undertaking (in each case, whether oral or written);
- (ii) **"assets"** of a person shall be construed as a reference to the whole or any part of its business, undertaking, property, assets and revenues (including its right to receive revenues);
- (iii) **"law"** includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure in any jurisdiction or any present or future directive, regulation, request or requirement (in each case, whether or not having the force of law but, if not having the force of law, the compliance with which is in accordance with the general practice of persons to whom the directive, regulation, request or requirement is addressed);
- (iv) **"person"** includes a corporation;
- (v) **"taxes"** shall be construed so as to include any taxes, levies, duties or other charges of a similar nature including, without limitation, any penalty payable in connection with any failure to pay or any delay in paying any of the same; and
- (vi) **"financial year"** means a year ended/ending on 31st December for which the accounts of the Company is made up or to be made up, as the case may be, and where the financial year end of any Company is changed or amended, the expression "'financial year' shall be so adjusted to the new financial year end of the Company.

1.3 The words **"hereof"**, **"herein"**, **"hereon"** and **"hereunder"** and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

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- 1.4 Where the context otherwise requires, words importing the singular number shall include the plural number and vice versa.
- 1.5 The headings and sub-headings to the clauses hereof shall not be deemed to be a part thereof or be taken into consideration in the interpretation or construction thereof or of this Agreement.
- 1.6 References to any statute or legislation shall include any statutory modification or re-enactment thereof.
- 1.7 References herein to Clauses and Schedules are references to clauses and schedules in this Agreement.
- 1.8 Any reference to this Agreement or any other agreement or document shall be construed as a reference to this Agreement or, as the case may be, such other agreement or document, as the same may be or have been, or may from time to time be amended, varied or supplemented.
- 1.9 Where two or more persons or parties are included or comprised in any expression, agreements, covenants, terms, stipulations and undertakings expressed to be made by or on the part of such persons or parties shall be deemed to be made by and binding upon such persons or parties jointly and severally save where otherwise provided.
- 1.10 Words denoting an obligation on a person or party to do any act matter or thing include an obligation to procure that it be done and words placing a person or party under a restriction include an obligation not to permit infringement of the restriction save where otherwise provided.

2. AGREEMENT

- 2.1 The Vendors agree to sell and the Purchaser agrees to purchase the Sale Shares free from any and all claims, charges, liens, encumbrances and equities whatsoever together with all rights now or hereafter attaching thereto or accruing thereon including without limitation, all bonuses, rights, dividends and other distributions declared, paid or made thereof hereinafter as from the Completion Date at the Purchase Consideration, upon the terms and subject to the conditions herein contained.

3. CONDITIONS PRECEDENT

- 3.1 The sale of the Sale Shares shall be conditional upon the fulfillment of the following conditions precedent (hereinafter referred to as "**the Conditions Precedent**") within **three (3) months** of the date of this Agreement or such other extended period as the parties may mutually agree in writing (hereinafter referred to as "**the Conditions Period**"):
- (i) the Purchaser is satisfied with the results of the due diligence exercise conducted on the Company and TBSB;
 - (ii) the Purchaser obtaining the approval of its board of directors and its shareholders in general meeting for the purchase of the Sale Shares, if required;
 - (iii) the Company obtaining the approval of its' board of directors and/or its' shareholders in general meeting for the disposal of the Sale Shares, if so required;

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- (iv) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal, in the Consideration Shares;
 - (v) the obtaining of a legal opinion (in the form and substance to the satisfaction of the Purchaser) from a qualified Malaysian legal adviser appointed by the Purchaser in respect of the due incorporation and subsistence of TBSB, the legal and beneficial ownership of the share capital of TBSB by the Company, and the legality and validity of the Properties in Melaka, Malaysia;
 - (vi) the obtaining of a valuation report (in the form and substance satisfactory to the Purchaser) from a firm of independent professional valuer appointed by the Purchaser showing the valuation of the Properties to be not less than HK\$43,000,000;
 - (vii) the Warranties remaining true, accurate and complete in all respects; and
 - (viii) the parties obtaining the approval or consent of any other relevant authority(ies) or person(s) for the sale and purchase of the Sale Shares, if required.

3.2 Save for conditions (i) and (vii) above could be waived by the Purchaser at its absolute discretion, all the Conditions precedent could not be waived. In the event that the Conditions Precedent are not fulfilled (or waived, as the case may be) within the Conditions Period or such extension as may be mutually agreed by the parties, then upon expiration of such extension, this Agreement shall determine and cease to have any further force and effect (save for clauses 9, 14, 17, 21 and 22) with neither party having any rights and obligations against the other (save or any antecedent breach hereunder).

3.3 This Agreement shall be deemed to be unconditional on the date the last of the Conditions Precedent is fulfilled and notice thereof is given to the respective parties' solicitors, being a date within the Conditions Period ("**Unconditional Date**").

4. PURCHASE CONSIDERATION AND PAYMENT

4.1 The purchase consideration for the Sale Shares shall be Hong Kong Dollar Twenty One Million and Seventy Thousand Only (HK\$21,070,000) only (hereinafter referred to as "**the Purchase Consideration**"), among which 50% thereof shall be payable to Vendor A and 50% thereof shall be payable to Vendor B.

4.2 The Purchase Consideration shall be paid to the Vendors by the Purchaser by procuring the Listco to issue and allot the Consideration Shares to each the Vendors (or their respective nominees) at Completion at the issue price of HK\$0.36 per Consideration Share upon Completion. Upon allotment and issue of the Consideration Share, all the payment obligation of the Purchaser under this Agreement shall be discharged in full.

5. COMPLETION

5.1 Completion shall take place upon the fulfillment (or wavier, as the case may be) of the Conditions Precedent in accordance with the terms and conditions of this Agreement on the Completion Date, whereon the Vendors shall deliver or cause to be delivered to the Purchaser as stakeholder the following documents:

- (a) the original share certificates of the Sale Shares;

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- (b) the valid and registrable Share Transfer Forms duly executed by the Vendors in favour of the Purchaser or their nominee(s) in respect of the whole of the Sale Shares;
 - (c) a copy of the Company's board of directors' resolution approving:-
 - (i) the sale, transfer and registration of such transfer of the Sale Shares from the Vendors to the Purchaser or their nominee(s);
 - (ii) the issue of new share certificate(s) in respect of the Sale Shares to the Purchaser;
 - (iii) the appointment of two (2) nominees of the Purchaser as directors of the Company subject to the terms of this Agreement; and
 - (iv) the Deed of Indemnity duly executed by the Vendors and the Company.
 - (d) completed bank authorities directed to the bankers of the Company and TBSB authorising the operation of each of their bank accounts by nominees of the Purchaser and terminating the authority of each of the present signatories;

AND

- (e) a pre-signed but undated written resignation of all the Vendors' nominee directors from the Company without any compensation or claims whatsoever against the Company, (including without limitation, for compensation for loss of office)

(hereinafter collectively referred to as "**the Stake Documents**").

- 5.2 On the Completion Date, the parties shall complete the sale of the Sale Shares at a place to be mutually agreed by the parties where the Purchaser provides the original share certificates of the Consideration Shares to the Vendors in exchange for the Stake Documents to the Purchaser; and
- 5.3 Upon completion of the matters referred to in **Clause 5.2** above, this Agreement shall be completed and the legal and beneficial ownership of the Sale Shares shall be transferred to the Purchaser.

6. WARRANTIES AND REPRESENTATIONS

- 6.1 The Vendors hereby give such warranties and representations to the Purchaser as stipulated in **Schedule 1** and the same shall be deemed to be as effective on the Completion Date as it is on the date hereof.
- 6.2 The Purchaser hereby represent and warrant to the Vendors that:-
 - (a) the Purchaser has the power to enter into and perform this agreement and each document to be executed at or before Completion to which it is a party and to comply with its obligations under them;
 - (c) this Agreement constitutes the legal, valid and binding obligation of the Purchaser and is enforceable in accordance with its terms;
 - (d) as at the date hereof, there are no winding up proceedings currently pending against

the Purchaser.

7. COVENANTS AND UNDERTAKINGS

7.1 Negative Covenants.

Save and except as provided herein, the Vendors hereby covenant and undertake that they shall ensure that each of the Company and TBSB shall not between the date of this Agreement and the Completion Date (both dates inclusive), without the prior written consent of the Purchaser which consent shall not be unreasonably withheld:

- (i) make or agree to make any change to the issued share capital from time to time of the Company or create or issue or agree to create or issue any shares or loan capital or give or agree to give any option in respect of any shares;
- (ii) create or where appropriate, make any change, issue any fixed or floating charge or debenture, or permit any liens (other than a lien arising by operation of law), mortgage, charges, security or encumbrances to arise on any of its undertaking, business, property or assets (tangible or intangible) in particular the Properties except those arising in the ordinary course of the Company's business;
- (iii) save and except in the ordinary course of the Company's business sell, transfer, lease, assign, dispose of or part with control of any interest in all or any material part of its undertaking, business, property or assets (tangible or intangible) (whether by a single transaction or a series of transactions) or contract to do so or acquire or contract to acquire any business, property or assets (tangible or intangible);
- (iv) enter into any long term contract or capital commitment save and except in the ordinary course of business;
- (v) do or suffer anything whereby its assets will be depleted or diminished in value other than normal depreciation in the ordinary course of business;
- (vi) do or suffer anything outside the ordinary course of business whereby its financial position shall be rendered less favourable than at the date hereof;
- (vii) pass any resolution in general meeting or make any alteration to the constitution of the Company (if any);
- (viii) declare any dividend or make any distribution of its capital to the Company's members;
- (ix) pay or agree to pay its directors or any of them any remuneration or other emoluments or benefits in excess of such remuneration, emoluments or benefits currently paid or granted thereof;
- (x) appoint any new directors or substantially change the management of the Company;
- (xi) do or cause or allow to be done or omitted to be done any act or thing which would result (or be likely to result) in the Company incurring any contingent liability;
- (xii) do or cause or allow to be done or omitted to be done any act or thing which would result (or be likely to result) in the Company being in breach of any existing contracts or agreements which are subsisting as at the date hereof;

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- (xiii) do or cause or allow to be done or omitted to be done any act or thing which would result (or be likely to result) in a breach of any of the representations warranties and undertakings contained herein;
 - (xiv) redeem, purchase, reorganize, consolidate, sub-divide, cancel or convert any of the share capital or securities or loan stock of the Company or in any way alter the rights attaching thereto;
 - (xv) enter into any partnership or profit sharing agreement or joint venture with any person;
 - (xvi) terminate or amend (save for amendments which do not materially and adversely affect the business of the Company) any existing contracts or agreements which are subsisting as at the date hereof;
 - (xvii) make or permit any material change to the nature of its business;
 - (xviii) make any composition or arrangement with its creditors, move for insolvency, receivership or judicial management or do or permit or suffer to be done any act or thing whereby the Company may be wound up voluntarily;
 - (xix) acquire, purchase or subscribe for any shares, loan stock, debentures, mortgages or securities (or any interest therein) or any other interest in any person;
 - (xx) enter into, vary or terminate any contract or transaction:-
 - (a) which is not in the ordinary and proper course of the Company's business on arm's length terms;
 - (b) for licensing to any third party of any rights in respect of intellectual property; or
 - (c) whereby any person would or might receive remuneration calculated by reference to the Company's income or profits;
 - (xxi) change its name or trade under any corporate or trade name other than its registered corporate name; and
 - (xxii) give any guarantee or indemnity to secure the liabilities or obligations of any person.

7.2 Positive Covenants.

Save and except as herein provided, the Vendors hereby covenant and undertake that they shall do or cause and procure each of the Company and TBSB to do the following upon the execution of this Agreement until the Completion Date:

- (i) carry on its business in, and only in, the usual, regular and ordinary course in substantially the same manner as heretofore and, to the extent consistent with such business, use all reasonable efforts to preserve intact its present business organisation, keep available the services of its present officers and employees, and preserve its relationships with customers, suppliers and others having business dealings with it to the end that its goodwill and going business shall be unimpaired at the Completion Date;

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- (ii) maintain all its material structures, equipment and other tangible personal property, owned or leased, used or useful in the conduct of its business, in good repair, order and condition, except for depletion, depreciation, ordinary wear and tear and damage by unavoidable casualty;
 - (iii) keep in full force and effect insurance, with financially sound and reputable insurers, at least comparable in amount and scope of coverage as are usually and customarily insured by companies engaged in a similar business with respect to properties and assets of a similar character, to replace the properties, inventories, equipment and goods;
 - (iv) perform in all material respects all of its obligations under agreements, contracts and instruments relating to or affecting its properties, assets and business, and ensuring that there is no breach of the aforementioned agreements, contracts and instruments;
 - (v) maintain its books of account and records, in which full and correct entries shall be made of all its financial transactions and its assets and business in accordance with generally accepted accounting principles consistently applied;
 - (vi) comply in all material respects with all statutes, laws, ordinances, rules and regulations applicable to it and to the conduct of its business; and
 - (vii) promptly advise the Purchaser in writing of any material adverse change in the financial condition, operations, business or prospects of the Company.

7.3 The Vendors hereby covenant and undertake that they shall not, from the date of this Agreement until the Completion Date, create, extend, grant or issue or agree to create, extend, grant or issue any mortgage, charge, debentures or other securities over the Sale Shares and the share capital of TBSB.

8. INDEMNITY

8.1 The Vendors hereby covenants with the Purchaser that they will indemnify and at all times keep the Purchaser indemnified against any tax liability or taxation assessable or recoverable on or from the Company in excess of that provided for in the management accounts, if any, to the extent of its tax liability in relation to profits of the Company prior to the Completion Date.

8.2 Notwithstanding the completion of the sale and purchase of the Sale Shares all warranties, undertakings, covenants, representations and obligations of the Vendors herein contained shall continue thereafter to subsist for so long as may be necessary to give effect to each and every one of them in accordance with the terms thereof. The Vendors hereby undertakes, covenants and agrees with the Purchaser that it shall at all times hereafter keep the Purchaser fully and effectively indemnified against any loss, damage, cost and expense which the Purchaser may directly or indirectly suffer as a result of any breach of any of the warranties, representations, covenants, undertakings and obligations set out herein.

8.3 Without prejudice to any other rights or remedies of the parties, the parties hereby agree that the defaulting party shall at all times keep the non-defaulting party fully and effectively indemnified against any loss, damages, claim, proceeding, liability, cost and expense which the non-defaulting party may suffer or incur as a result of or in connection with any representations contained herein or any breach of any of the warranties, undertakings,

representations or covenants set out in this Agreement or in rectifying of any breach of such warranties, undertakings, representations or covenants set out in this Agreement.

9. DEFAULT

9.1 In the event that the Vendors or the Purchaser shall refuse, fail and/or neglect to complete the sale and purchase transaction contemplated under this Agreement in accordance with **Clause 5** or shall breach any material term or condition of this Agreement, including but not limited to the warranties, representations, covenants and undertakings, then where the Vendors is in default, the Purchaser shall be entitled to, and where the Purchaser is in default, the Vendors shall be entitled to either:

- (i) forthwith terminate this Agreement by notice in writing to the party in default, in which event the provisions of **Clause 9.2(i) and (ii)** shall apply, and shall be entitled to claim such ascertainable damages, losses, costs, expenses or outgoings (including legal, accountants and consultants' advisory fees) incurred in entering into this Agreement, and thereafter this Agreement shall be null and void and of no further force and effect and none of the parties shall have any further rights and obligations against the other save in respect of any antecedent breaches; or
- (ii) provided that this Agreement shall have become unconditional, complete this Agreement, in which case the remedy of specific performance of this Agreement shall be available to the party not in default, without any prejudice to that party's rights to claim from the party in breach or default any damages, losses, costs, expenses or outgoings arising out of such failure to complete or breach.

9.2 In the event that this Agreement is terminated in accordance with **Clause 9.1**, within seven (7) days from the date of receipt of the notice in writing terminating this Agreement, by the party to whom the said notice is given:

- (i) subject to **Clause 9.1(i)**, the Vendors shall return or cause to be returned to the Purchaser all monies paid in accordance with and/or pursuant to this Agreement free of interest, together with all documents and things forwarded or delivered to any of the Vendors pursuant to this Agreement; and
- (ii) the Purchaser shall return or shall cause to be returned to the Vendors all the Stake Documents referred to in **Clause 5.1** hereof together with all other documents and things forwarded or delivered to the Purchaser pursuant to this Agreement,

and thereafter, this Agreement shall be null and void and of no further force and effect and none of the parties shall have any further claims, rights and obligations against the other save in respect of any antecedent breaches.

10. DEFERRED COMPLETION

10.1 If for any reason the transactions evidenced by this Agreement shall not be completed on the Completion Date but shall by agreement between the parties be completed on a subsequent date then references throughout this Agreement to the Completion Date shall thereupon be substituted by reference to the actual date of completion.

11. REMEDIES

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- 11.1 No remedy conferred by any of the provisions of this Agreement is intended to be exclusive of any other remedy which is otherwise available at law, in equity, by statute or otherwise, and each and every other remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law, in equity, by statute or otherwise. The election of any one or more of such remedies by any of the parties shall not constitute a waiver by such party of the right to pursue any other available remedy.

12. OBLIGATION TO PURCHASE

- 12.1 Notwithstanding any other provision to the contrary herein contained, the Purchaser shall only be obliged to complete the purchase of the whole of the Sale Shares and not part thereof.

13. WHOLE AGREEMENT

- 13.1 This Agreement (together with any documents referred to herein) constitutes the whole agreement between the parties and supersedes any prior agreement and/or arrangement between the parties in relation to this transaction and it is expressly declared that no variation hereof shall be effective unless made by the parties in writing.

14. COSTS

- 14.1 Each party shall bear its own costs and expenses including stamp duty, their respective solicitors' fees, of and incidental to this Agreement and the completion thereof.

15. TIME

- 15.1 Time whenever mentioned in this Agreement shall be of the essence both as regards the dates and periods specifically mentioned and as to any dates and periods which may by agreement in writing between the parties be substituted for them.

16. BINDING EFFECT AND ASSIGNMENT

- 16.1 This Agreement shall be binding upon the successors in title and permitted assigns of the parties.
- 16.2 The parties shall not be entitled to assign its rights and obligations hereunder without the prior written consent of the other parties.

17. NOTICES

- 17.1 Notices, demands or other communications required or permitted to be given or made hereunder shall be in writing and delivered personally or sent by prepaid registered post with recorded delivery, or by legible telefax addressed to the intended recipient at its address set out in this Agreement or to such other address or telefax number as any party may from time to time duly notify to the other. Any such notice, demand or communication shall, unless the contrary is proved, be deemed to have been duly received or served (if given or made by prepaid registered mail) three (3) days after posting and in proving the

same it shall be sufficient to show, in the case of a letter, that the envelope containing the same was duly addressed, correctly stamped and posted and, in the case of a telefax, that such telefax was duly despatched to a current telefax number of the addressee.

18. FURTHER ASSURANCE

18.1 The parties hereby covenant with each other that they will respectively sign execute and do and procure all other persons or companies, if necessary, to execute and do all such further deeds, assurances, acts and things as may be necessary to give valid effect to the terms and conditions of this Agreement.

19. SCHEDULES / ANNEXURES

19.1 The Schedules and Annexures hereto shall have full effect and shall be read as an essential and integral part of this Agreement as if they were incorporated herein.

20. SEVERABILITY

20.1 If any provision of this Agreement herein contained or part thereof or any document incorporated hereto is rendered void, illegal or unenforceable for whatever reason in any respect under any law, it is hereby declared that such clause or document so affected shall not in any way affect or impair the validity, legality or enforceability of the other terms or provisions herein contained, which shall remain in full force and effect provided that such invalidity or unenforceability shall not substantially nullify the underlying intent of this Agreement and shall be deemed to be an independent provision and the parties shall be at liberty to have such provision severed from the rest of this Agreement.

21. LAW

21.1 This Agreement shall be governed by and construed in all respects in accordance with the laws of British Virgin Islands and the parties hereby submit to the jurisdiction of the Courts of Hong Kong.

22. COUNTERPARTS

22.1 This Agreement may be signed by the respective parties in counterparts and the date of the Agreement shall be the date that the last of the parties hereto has signed this Agreement.

23. SURVIVAL OF RIGHTS, DUTIES AND OBLIGATIONS

23.1 It is hereby agreed and declared that the Vendors' obligations, warranties and representations herein contained shall continue in full force and effect after the transfer to the Purchaser of the Sale Shares and the obligations shall not merge in the Purchaser's title or be otherwise thereby extinguished except in so far as the same are included and imposed in the Purchaser's title.

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SCHEDULE 1

(to be read and construed as an essential part of this Agreement)

Warranties and Representations given by the Vendors

The representation and warranties in this Schedule 1 shall apply *mutatis mutandis* to each of the Company and TBSB and the word "Company" shall refer to the Company and TBSB. The Vendors hereby warrants and represents to the Purchaser, save and except as otherwise disclosed by the Vendors to the Purchaser in writing before the date hereof or as provided for in this Agreement, that:

1. Title

- 1.1 The Vendors are all the shareholders of the Company, a company duly incorporated under the laws of the British Virgin Islands, which has the power and authority to own assets and to undertake their existing businesses.
- 1.2 The Vendors have full power and authority to execute, deliver and perform the terms and obligations of this Agreement.
- 1.3 Each of the Vendor have good title to the relevant Sale Shares and are or will be on the Completion Date freely at liberty to sell the same, free from any claims, charges, liens or any other encumbrances or equities, to the Purchaser pursuant to the terms of this Agreement.
- 1.4 The Vendor are not aware of any other fact or matter which renders any such information misleading or which might reasonably affect the willingness of the Purchaser to purchase the Sale Shares on the terms (including price) of this Agreement.

2. Option

- 2.1 No person has the right (whether exercisable now or in the future and whether contingent or not) to call for the allotment, issue, sale, transfer or conversion of any share or loan capital of the Company under any option or other agreement (including conversion rights and rights of pre-emption).

3. Material Contract

3.1 The Company:

- (i) does not have any material capital commitments not disclosed to the Purchaser;
- (ii) is not a party to any contract entered into otherwise than in the ordinary course of business or any contract of an onerous or long-term nature.
- (iii) has not delegated any powers under a power of attorney which remains in effect; and
- (iv) has not by reason of any default by it in any of its obligations become bound or liable to be called upon to repay prematurely any loan capital or borrowed moneys.

- 3.2 Neither the Vendors nor the Company is a party to any agreement which is or may become terminable as a result of the entry into or completion of this Agreement.

3.3 The Company has neither entered into nor is it bound by any guarantee or indemnity under which any liability, contingent or otherwise is outstanding.

4. Payment to Directors and Employees

4.1 Save and except disclosed and/or made known to the Purchaser from time to time until the Completion Date, there are no other amounts owing to any present or former directors of the Company other than remuneration accrued due or for reimbursement of business expenses.

4.2 Save for Clause 4.1 hereof and to the extent (if any) to which provision or allowance has been made in the accounts of the Company, it has not made or agreed to make any payment to or provided or agreed to provide any benefit for any former director or employee which is not allowable as a deduction for the purposes of taxation.

4.3 Save to the extent (if any) to which provision or allowance has been made in the accounts of the Vendors:

- (i) no liability has been incurred by the Company for breach of any contract of service or for services, or for compensation for wrongful dismissal or unfair dismissal; and
- (ii) no gratuitous payment has been made or promised by the Company in connection with the actual or proposed termination or suspension of employment or variation of any contract of employment of any present or former director or employee.

4.4 The Company has in relation to each of its employees (and so far as relevant to each of its former employees) complied in all material respects with all obligations imposed on it by all statutes, regulations and codes of conduct and practice relevant to the relations between it and its employees and has maintained current adequate and suitable records regarding the service of each of its employees.

4.5 The Company neither has in existence nor is proposing to introduce any share incentive scheme, share option scheme or profit sharing scheme for all or any part of its directors or employees.

4.6 There is neither in existence nor has any proposal been announced to establish any retirement, death or disability benefit schemes for directors or employees nor are there any obligations to or in respect of present or former directors or employees with regard to retirement, death or disability pursuant to which the Company is or may become liable to make payments and no pension or retirement or sickness gratuity is currently being paid or has been promised by the Company to or in respect of any former director or former employee.

5. Business Operation

5.1 The Company has not prior to the date of this Agreement in any way departed from the ordinary course of its day to day business as regards the nature scope or manner of conducting the same.

6. Capital Transaction

6.1 Since the incorporation of the Company, the Company has not entered into any capital transactions either as vendor or as purchaser except in the ordinary course of its business.

6.2 There is outstanding payment obligation of a material amount which the Company is obliged to pay to any third party under any agreements, contracts, deeds or other undertakings of which the Company is a party thereto.

6.3 There is no outstanding loan or amounts due by the Company to the Vendors or the directors thereof.

7. Going Concern

7.1 The Company shall continue to carry on its business in its present form for the foreseeable future and for the purposes of executing, carrying out and fulfilling in accordance with their terms all orders, projects and contractual obligations which have been placed with, or undertaken by the Company, and that the Company is a going concern and there are no outstanding contracts or agreements which may or will prevent it from continuing as a going concern.

8. Licenses

8.1 All necessary licenses, consents, permits and authorities (public and private) have been obtained by the Company to enable the Company to carry on its business effectively in the places and in the manner in which its business is now carried on and all such licenses, consents, permits and authorities are valid and subsisting and the Company is not in violation of any laws, rules or regulations and the Vendors know of no reason why any of licenses, consents, permits and authorities (public and private) should be suspended, cancelled or revoked.

9. Records

9.1 All records, statutory books and books of accounts of the Company, minute books, registers are duly entered up and maintained up-to-date in accordance with all legal requirements applicable thereto and contain true, full and accurate records of all matters required to be dealt with therein and all such books and all records and documents (including documents of title) which are its property are in its possession or under its control. All accounts, documents and returns required to be delivered or made to the relevant regulatory authorities have been duly and correctly delivered or made and contain information in accordance with generally accepted principles relating to all transactions to which the Company has been a party.

10. Outstanding Liabilities

10.1 To the best of the Vendors' knowledge:-

(i) the Company has no outstanding debts or liabilities other than those incurred in the ordinary course of business.

(ii) no claim for damages whether in torts or contracts have been made against the Company.

(iii) the Company is not at present engaged whether as plaintiff or defendant or otherwise in any legal action, proceedings or arbitration nor is it being prosecuted for any criminal offence.

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- (iv) there are no circumstances known to the Vendors after making due and careful enquiries likely to lead to any such claim or legal action, proceedings or arbitration or prosecution.

11. Taxation

- 11.1 There is no liability to taxation in whatsoever nature in respect of which a claim could be made in respect of the Company (other than as specifically provided for in its accounts and other than income tax on ordinary trading income arising from transactions entered into in the ordinary course of business, if any) and there are no circumstances likely to give rise to such a liability.
- 11.2 The Company has not received any tax concession, relief or other special tax treatment, whether in relation to its assets or the business to be carried on by it or otherwise which, if revoked or otherwise removed, will or may give rise to any additional liability to taxation.
- 11.3 The Company has duly made all returns and given or delivered all notices, accounts and information which on or before the date hereof ought to have been made, given or delivered for the purposes of taxation and all such returns, notices, accounts and information (and all other information supplied to the relevant revenue or other fiscal authority concerned for any such purpose) have to the best of the knowledge and belief of the Vendors after making due and careful enquiries been correct and made on a proper basis and none of such returns, notices, accounts or information is disputed in any material respect by the fiscal authority concerned and there is no fact known to the Vendors which might be the occasion of any such dispute or of any claim for taxation in respect of any financial period not provided for in the accounts of the Company.
- 11.4 The Company is not involved in any transaction which may render the same to be an infringement under the anti-avoidance provisions.
- 11.5 There are no outstanding import duties, export duties, sales tax, service tax, withholding tax, impost, taxes and duties of whatsoever nature due from the Company.

12. Furniture, Fixtures & Fittings

- 12.1 The furniture fixtures fittings equipment and vehicles (if any) used in connection with the business of the Company are, except as disclosed in its accounts, its property.

13. Insolvency

- 13.1 To the best of the Vendor's knowledge:-
- (i) no order has been made or petition presented or resolution passed for the winding up of the Company, nor has any distress, execution or other process been levied against the Company or action taken to repossess goods in the Company's possession.
- (ii) no steps have been taken for the appointment of any administrator or receiver of any part of the Company's property.
- (iii) no floating charge created by the Company has crystallised and, there are no circumstances likely to cause such a floating charge to crystallise.

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- (iv) the Company has not been a party to any transaction which could be avoided in a winding up or liquidation.
 - (v) the Company has not made or proposed any arrangement or composition with its creditors or any class of its creditors.

14. Insurance

- 14.1 Where applicable, the Company has effected and maintained all insurance necessary and proper to be effected and maintained by reason of the nature of the business carried on and that such insurance are now in force and there is no fact or matter which could lead to any such insurance being vitiated or repudiated.

15. Recitals

- 15.1 The recitals are true and all other information in writing which has been given by the Vendors or any of the directors or officials of the Company to the Purchaser or any of the professional advisers of the Purchaser in the course of the negotiations leading to this Agreement was then given to the best of the knowledge and belief of the Vendors after making due and careful inquiries are true, complete and accurate in all material respects and after making due and careful inquiries the Vendors are not aware of any fact or matter not disclosed in writing to the Purchaser which renders any such information untrue inaccurate or misleading or the disclosure of which might reasonably affect the willingness of the Purchaser to purchase the Sale Shares at the Purchase Consideration and on the terms of this Agreement.

16. Stamp Duties

- 16.1 All documents in the possession or under the control of the Vendors or to the production of which the Company is entitled which are necessary to establish the title, interest or benefit of the Company to any asset or in any transaction and which attract stamp duty in British Virgin Islands, if any, have been properly stamped.

17. Material Reduction

- 17.1 Since the date of this Agreement, there has been no material reduction in the aggregate net asset position of the Company, other than pursuant to expenses incurred in the ordinary course of business.

18. Consequences of acquisition by the Purchaser of the Sale Shares

- 18.1 The purchase of the Sale Shares by the Purchaser or compliance with the terms of this Agreement:
- (i) will not cause the Company to lose the benefit of any right or privilege it presently enjoys or so far as the Vendors are aware, cause any person who normally does business with the Company not to continue to do so on the same basis as previously;
 - (ii) will not relieve any person of any obligation to the Company or enable any person to determine any such obligation or any right or benefit enjoyed by the Company or to exercise any right whether under an agreement with or otherwise in respect of the Vendors;

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- (iii) will not result in any present or future indebtedness of the Company becoming due or capable of being declared due and payable prior to its stated maturity; and
 - (iv) will not give rise to or cause to become exercisable any right of pre-emption;

and, to the best of the knowledge and belief of the Vendors, the Company's relationship with clients, customers, suppliers and employees will not be adversely affected thereby.

19. Title Retention

19.1 The Company has neither acquired nor agreed to acquire any material assets on terms that property therein does not pass when full payment is made.

20.1 Properties

20.1 The Company is the legal and beneficial owner of the Properties as stated in Schedule 3.

20.2 There is and has been no breach by the Company of the covenants, conditions and/or undertakings performed or to be performed by the Company in respect of the land where the Properties are erected on, or any deed of covenant or equivalent documents concerning the Properties.

20.3 All rent and other charges payable under any tenancy agreements (the "Tenancy Agreements") which the Company is subject to have been promptly paid as and when due and no rent has been paid in advance of the due date for payment and any consents required for the grant of the Tenancy Agreements have been obtained from the mortgagee (if any).

20.4 There are no disputes with any adjoining or neighboring owner with respect to boundary walls and fences, or with respect to any easement, right or means of access to any of the Properties.

20.5 The principal means of access to the Properties are not subject to rights of determination by any other party.

20.6 Each of the Properties enjoys the main services of telephone, water, drainage, and electricity.

20.7 There is no outstanding and unobserved or unperformed notice issued under any law and regulation or obligation in Malaysia or any other part of the world with respect to the Properties necessary to comply with the requirements (whether formal or informal) of any competent authority exercising statutory or delegated powers.

20.8 No notice, whether formal or informal, has been served by any competent governmental authorities, the implementation of which would affect the occupation or enjoyment.

20.9 All leases and tenancies and all agreements for lease and tenancies and all options for renewal of leases and tenancies to which the Company is a party are on terms negotiated at arm's length.

20.10 The Company has not entered into any assignments of rental or other monies payable under any leases or tenancies in respect of the Properties.

20.11 There is no unauthorised structure or alteration in the Properties or any part thereof and no members of the Company has received or is aware of there being any notice from any

governmental authorities or authority of competent jurisdiction to demolish or reinstate any part of the Properties.

- 20.12 The Company is not in breach of any of the deed of mutual covenant of the building of which the Properties forms part and the Company has not received or is not aware of there being any notice from any governmental authorities or authority of competent jurisdiction to effect repairs and/or decoration and/or renovation to pay or contribute to the costs of repairs and/or decoration and/or renovation of any common part of any such building.

SCHEDULE 2

FORM OF DEED OF INDEMNITY

SCHEDULE 3

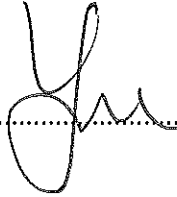
THE PROPERTIES

IN WITNESS WHEREOF the parties hereto have hereunto caused this Agreement to be duly executed as at the day and year first above written.

THE VENDORS

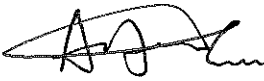
Signed by
Perway Yu Kin Wai
In the presence of

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)

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Name:

Signed by
Alfonso Chu Hin Ming
In the presence of

)
)
)

.....

Name:

THE PURCHASER

Signed by
for and on behalf of **Freemaster Limited**
In the presence of

)
)
)



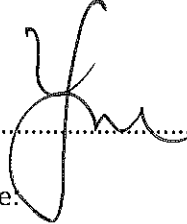
.....
Director
Name:

IN WITNESS WHEREOF the parties hereto have hereunto caused this Agreement to be duly executed as at the day and year first above written.

THE VENDORS


Signed by
Perway Yu Kin Wai
In the presence of

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Name:

Signed by
Alfonso Chu Hin Ming
In the presence of

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Name: