

Dated the 30th day of September 2003

Chan Chung Chiu
(Vendor)

and

Vision Leader Limited
(Purchaser)

AGREEMENT
for sale and purchase of the entire issued share capital of
TALENT SHOP INVESTMENT LIMITED

Preston|Gates|Ellis

SOLICITORS

普蓋茨律師事務所

10th Floor, Hutchison House
10 Harcourt Road
Central, Hong Kong

Tel: (852) 2511 5100 Fax: (852) 2511 9515

Website: www.prestongates.com

Our ref: 42442-00004/VTSO/CWF

THIS AGREEMENT is dated the 30th day of September 2003

BETWEEN:

- (1) **Chan Chung Chiu** (holder of Hong Kong Identity Card Number G174589(0)) of 2106, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong (the "Vendor"); and
- (2) **Vision Leader Limited**, a company incorporated under the laws of the British Virgin Islands and having its registered office at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands (the "Purchaser").

WHEREAS:

- (A) Talent Shop Investment Limited (智業投資有限公司) (the "Company") is a company with limited liability incorporated under the laws of the British Virgin Islands and has an authorised share capital of US\$50,000 divided into 50,000 shares of US\$1 each, of which 1 share has been issued and is fully paid. Further information and particulars of the Company as at the date of this Agreement are set out in Schedule 1.
- (B) The Vendor is the sole director of the Company and legal and beneficial owner of the Sale Share (as defined below), representing the entire issued share capital of the Company.
- (C) The Company has entered into the Cooperation Agreements (as defined below) with 珠海市龍山工業區管理委員會, an authority in the PRC responsible for the development of the industrial area of Loong Shan, ("珠海市龍山工業區管理委員會") in respect of the joint development of 珠海市龍山智業產業園 in Zhuhai of the PRC.
- (D) The Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Share (as defined below) on the terms and conditions of this Agreement.

NOW IT IS HEREBY AGREED AS FOLLOWS:

1. INTERPRETATION

- 1.1 In this Agreement (including the Recitals, Schedules and Annexures), unless the context otherwise requires, the following words and expressions shall have the following meanings ascribed to each of them below:

"Agreement" this agreement for the sale and purchase of the Sale Share, as amended or supplemented from time to time;

"Business Day" a day (other than Saturdays and days on which a tropic cyclone warning No. 8 or above or a rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are generally open for the transaction of normal banking business;

“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“Completion Date”	any date on or before the Long Stop Date as agreed by the Vendor and the Purchaser after the last condition precedent set out in <u>Clause 3.1</u> has been fulfilled or waived by the Purchaser;
“Completion”	completion of the sale and purchase of the Sale Share in accordance with <u>Clause 5</u> ;
“Consideration”	the total sum of HK\$190,000,000 (or, if the parties so agree, its equivalent of any other currency), payable by the Purchaser to the Vendor for the purchase of the Sale Share pursuant to <u>Clause 4.1</u> ;
“Cooperation Agreements”	collectively the cooperation agreement dated 28 January 2003 entered into between 珠海市龍山工業區管理委員會 and the Company, as supplemented by the Supplemental Agreement, and all other related agreements and documents (if any), which particulars are set out in <u>Schedule 3</u> , in connection with the joint development of the Loong Shan Land;
“Deposit”	a refundable deposit of a sum of HK\$5,000,000 payable by the Purchaser to the Vendor in the manner set out in <u>Clause 4.1</u> ;
“Disclosed”	any matter which has been fully and fairly disclosed by the Vendor in this Agreement and in the due diligence to be conducted by the Purchaser pursuant to <u>Clause 3.3</u> for the purpose of qualifying the Warranties;
“Encumbrance”	any interest or equity of any person (including any right to acquire, option or right of pre-emption), voting arrangement, mortgage, charge, pledge, bill of sale, lien (otherwise than arising by statute or operation of law), equities, deposit, hypothecation, assignment or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-lease-back arrangement or arrangement or interest under any contract or trust or any other third party interest of whatsoever nature over or in the relevant shares, assets or property or rights of whatsoever nature and includes any agreement for any of the same;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Long Stop Date”	31 October 2003;

“Loong Shan Land”	the piece of land of a total area of 7 square kilometers situated at the industrial area of Loong Shan (龍山工業區) of the development to be named as 珠海市龍山智業產業園 in Zhuhai of the PRC;
“Management Accounts”	the unaudited balance sheet of the Company as at the Management Accounts Date and the unaudited profit and loss account of the Company for the period from the date of its incorporation and ended on the Management Accounts Date, copies of which are annexed to this Agreement as <u>Annexure 1</u> ;
“Management Accounts Date”	31 August 2003;
“PRC”	the People’s Republic of China, which for the purpose of this Agreement, excludes Hong Kong and the Macau Special Administrative Region of the PRC for the purpose of this Agreement;
“Purchaser’s Solicitors”	Preston Gates & Ellis, 10th Floor, 10 Hutchison House, 10 Harcourt Road, Central, Hong Kong;
“Sale Share”	1 Share to be sold by the Vendor to the Purchaser, representing the entire issued share capital of the Company;
“Shares”	ordinary shares of US\$1 each in the share capital of the Company;
“Supplemental Agreement”	the supplemental agreement entered into between 珠海市龍山工業區管理委員會 and the Company on 26 August 2003 in respect of the joint development of the Loong Shan Land;
“Tax Indemnity”	the deed of indemnity to be given by the Vendor in favour of the Purchaser and the Company in the agreed form set out in <u>Annexure 2</u> ;
“Taxation”	all forms of taxation whenever created or imposed and whether in Hong Kong, PRC or elsewhere and without limiting the generality of the foregoing, includes all forms of profits tax, interest tax, salaries tax, property tax, estate duty, stamp duty, sales tax, any provisional tax, customs and import duty and any amount equal to any deprivation of any relief, allowance, set off, deduction in computing profits or rights to repayment of taxation granted by or pursuant to any legislation concerning or otherwise relating to taxation and also includes in addition and without prejudice to the foregoing, all fines, penalties, costs, charges, expenses and interests relating thereto;

“USS” United States dollars, the lawful currency of the United States of America; and

“Warranties” the representations, warranties and undertakings and indemnities made or given by the Vendor to the Purchaser in this Agreement (including but not limited to Schedule 2) and “Warranty” shall be construed accordingly.

1.2 The headings of this Agreement are inserted for convenience only and shall be ignored in construing this Agreement.

1.3 Unless the context otherwise requires, references in this Agreement to the singular shall be deemed to include references to the plural and vice versa; and references to one gender shall include all genders and references to any person shall include an individual, firm, body corporate or unincorporated.

1.4 References in this Agreement to clauses, schedules and annexures are references to clauses, schedules and annexures of this Agreement and references to sub-clauses and paragraphs are unless otherwise stated, references to sub-clauses and paragraphs of the clause, sub-clause or, as appropriate, the schedule or the annexure in which the reference appears.

1.5 Reference to a “subsidiary” shall be construed in accordance with section 2 of the Companies Ordinance.

1.6 Reference to any ordinance, regulation or other statutory provision in this Agreement includes reference to such ordinance, regulation, provision or rule as modified, consolidated or re-enacted from time to time.

1.7 The Schedules and Annexures comprise schedules and annexures to this Agreement and form part of this Agreement.

2. SALE AND PURCHASE OF THE SALE SHARE

2.1 Subject to the terms and conditions of this Agreement, the Vendor as beneficial owner of the Sale Share shall sell and the Purchaser shall, relying on the Warranties and indemnities herein contained, purchase the Sale Share, with full title guarantee with effect from Completion free from all Encumbrances together with all rights now or hereafter attaching or accruing thereto including but not limited to all dividends paid, declared and/or made in respect thereof on or after the Completion Date.

2.2 The Vendor represents and warrants that there are no pre-emption rights and any other restrictions on the transfer or issue in relation to the Sale Share, whether conferred by the memorandum and articles of association of the Company or otherwise.

3. CONDITIONS PRECEDENT

3.1 Completion is conditional upon:

- (a) the Purchaser having completed its due diligence of the Company (including without limitation, review of business, legal, financial, commercial and taxation aspects), the results of which are, in the absolute opinion of the

Purchaser, satisfactory and acceptable to the Purchaser in all respects;

- (b) the Purchaser having obtained a written legal opinion issued by a lawyer (acceptable to the Purchaser) qualified to practise PRC laws (which form and contents are satisfactory and acceptable to the Purchaser at its absolute discretion) in respect of, inter alia,
 - (i) the legality and enforceability of the Cooperation Agreements;
 - (ii) the legality of the transactions and business being and to be carried by the Company contemplated therefor under the Cooperation Agreements; and
 - (iii) other issues relating thereto which the Purchaser at its sole discretion consider necessary;
- (c) the Vendor having provided the Purchaser with a written legal opinion issued by a law firm (acceptable to the Purchaser) qualified to practise laws in the British Virgin Islands (which form and contents are satisfactory and acceptable to the Purchaser at its absolute discretion) confirming, inter alia, the due incorporation of the Company, a certificate of good standing of the Company and a certificate of incumbency of the Company; and
- (d) all necessary consents, permits and approval (whether governmental, regulatory or otherwise) as may be required in respect of this Agreement and the transactions contemplated hereunder having been obtained by the Purchaser.

3.2 The Vendor undertakes to use all reasonable endeavours to ensure that the conditions precedent in Clauses 3.1 (a) to (c) are fulfilled to the satisfaction of the Purchaser as soon as reasonably practicable and in any event not later than the Long Stop Date and shall keep the Purchaser fully informed of all his actions and efforts in connection therewith.

3.3 In relation to Clause 3.1(a), the Vendor shall give and shall procure that the Purchaser and/or any persons authorised by it in writing will be given such access to the premises and all books, documents, title deeds, records, returns, approvals, correspondence and accounts of the Company and all such information relating to the Company as may be reasonably requested by or on behalf of the Purchaser to undertake and conduct a full due diligence (including but without limitation, in business, legal, financial, commercial and taxation aspects) against the Company and be permitted to take copies of any such books, documents, title deeds, records and accounts and that the directors and employees of the Company shall be instructed to give promptly all such information and explanations to any such persons as aforesaid as may be requested by it or them. For the avoidance of doubt, such due diligence shall not limit or otherwise qualify in any way the obligations and liabilities of the Vendor under Clause 6.

3.4 The Purchaser shall be entitled in its absolute discretion, at any time by written notice in writing to the Vendor, to waive any of the conditions precedent either in whole or in part. If (a) any of the conditions precedent set out in Clause 3.1 has not been satisfied (or as the case may be, waived by the Purchaser) on or before 5:00 p.m. on the Long Stop Date or such later date as the Purchaser may agree in writing; or (b) the Purchaser informs the Vendor in writing that it is not satisfied with the results of the due diligence conducted according to Clause 3.3, this Agreement shall automatically terminate and none of the parties to this Agreement shall have any claim of any nature or liabilities hereunder whatsoever against any of the other parties under this Agreement (save for

any antecedent breaches of the terms hereof and save that all monies (including but not limited to the Deposit) paid by the Purchaser to the Vendor hereunder shall be repaid to the Purchaser in full without any deduction forthwith).

4. CONSIDERATION

4.1 The total purchase price for the sale and purchase of the Sale Share shall be the Consideration which shall be satisfied by the Purchaser in the following manner:

- (a) upon signing of this Agreement, the Purchaser shall pay to the Vendor the Deposit; and
- (b) on Completion, the Purchaser shall pay to the Vendor the balance of the Consideration,

in each case by a cashier order or cheque or by other payment method as the Vendor and the Purchaser may agree.

4.2 For the avoidance of doubt, the Deposit shall be refunded to the Purchaser by the Vendor in full, without any deduction, forthwith upon termination of this Agreement pursuant to the terms and conditions herein including the circumstance provided for under Clause 3.4.

5. COMPLETION

5.1 Completion shall take place at the Hong Kong office of the Purchaser's Solicitors on the Completion Date at 3:00 p.m. (or at such other place and time as the parties may agree) when all the acts and requirements set out in this Clause 5 shall be complied with.

5.2 On Completion, the Vendor shall (as the case may be) deliver, or procure the delivery to the Purchaser of, all the following:

- (a) duly executed instruments of transfer and contract notes, if applicable, in respect of the transfer of the Sale Share by the Vendor or the registered holder(s) thereof in favour of the Purchaser or such other nominee(s) as the Purchaser may direct and such other documents as may be required to give a good and effective transfer of title to the Sale Share to the Purchaser or such nominee(s) and to enable the Purchaser or such nominee(s) to become the registered and beneficial holder thereof free from all Encumbrances to the Purchaser's satisfaction;
- (b) (if applicable) a cashier order in favour of the Government of Hong Kong on account of the Vendor's share of Hong Kong stamp duty payable by the Vendor upon the sale and purchase of the Sale Share, together with a written undertaking (in form and content acceptable to the Purchaser) by the Vendor in favour of the Government of Hong Kong and the Purchaser to pay within 48 hours after assessment half of any additional stamp duty which may be assessed payable in respect of the sale and purchase of the Sale Share;
- (c) the original definitive share certificate in respect of the Sale Share and other evidence as may be required by the Purchaser showing that the Vendor is the beneficial owner of the Sale Share free from all Encumbrances;
- (d) copies, certified as true by a director of the Company, of the resolutions of

the directors and/or, where applicable, the shareholders, of the Company approving, among other matters, the execution of, and the performance by the Vendor of its obligation under, this Agreement, the execution of any documents (where appropriate, as a deed) by the Company pursuant to this Agreement and the matters as stipulated in Clause 5.3;

- (e)
 - (i) all statutory records and books of the Company (which shall be written up to date) and all unissued share certificates (if any);
 - (ii) all common seals and all rubber stamps, cheque books, cheque stubs and bank statements, receipt books, all current insurance policies, books and accounts and title deeds and evidence of ownerships to all assets and all current contracts and all other accounting records;
 - (iii) all correspondence and other documents belonging to the Company (including its constitutional documents);
 - (iv) all original Cooperation Agreements; and
 - (v) such other documents as the Purchaser may reasonably request;
- (f) the original of the Tax Indemnity duly executed by the Vendor and the Company; and
- (g) the original of resignations duly executed under seal by each of the existing directors and the secretary, if any, of the Company to resign from their respective offices with effect from the Completion Date and to confirm to the satisfaction of the Purchaser that they have no claim against the Company for compensation for loss of office or otherwise.

5.3 On Completion, the Vendor shall procure the passing of resolutions by the directors and/or, where applicable, the shareholders, of the Company pursuant to which the following matters, among other matters, shall be dealt with and approved:

- (a) the transfer of the Sale Share to the Purchaser or its nominee(s) and its/their registration as holder(s) of the Sale Share;
- (b) such person(s) as the Purchaser may nominate to be validly appointed as directors of the Company with effect from the Company Date;
- (c) such person as the Purchaser may nominate to be validly appointed as the secretary of the Company with effect from the Company Date;
- (d) such directors and the secretary, if any, of the Company as the Purchaser may request to resign from their offices with the Company; and
- (e) such person(s) as the Purchaser may nominate to be the authorised signatories for the operation of the bank accounts of the Company and cause the removal of such existing authorised signatories as the Purchaser may direct.

5.4 Against performance of the obligations by the Vendor under Clauses 5.2 and 5.3, the Purchaser shall:

- (a) deliver to the Vendor a certified copy of the directors' resolutions of the Purchaser authorising the execution of, and the performance of its obligation under, this Agreement and the execution of any documents (where

appropriate, as a deed) by the Company pursuant to this Agreement;

- (b) the original of the Tax Indemnity duly executed by the Purchaser; and
- (c) pay to the Vendor the balance of the Consideration in accordance with Clause 4.1 (b).

5.5 If the Vendor shall fail to do anything required to be done by them under Clauses 5.2 and 5.3, without prejudice to any other right or remedy available to the Purchaser, the Purchaser may:

- (a) defer Completion to a day not later than fourteen (14) days after the date fixed for Completion or such other period that the Purchaser deems fit and appropriate (and so that the provisions of this paragraph (a) shall apply to Completion as so deferred); or
- (b) proceed to Completion so far as practicable but without prejudice to the Purchaser's rights to the extent that the Vendor shall not have complied with their obligations hereunder; or
- (c) rescind this Agreement without liability on its part and all monies paid by the Purchaser to the Vendor hereunder shall be repaid to the Purchaser in full without any deduction forthwith.

5.6 Clauses 6, 7, 8, 9, 10, 11, 12, 14, 16 and 17 shall survive Completion.

6. WARRANTIES

- 6.1 The Vendor hereby represents and warrants to the Purchaser that the Warranties are true and accurate in all respects as at the date of this Agreement and will continue to be so up to and including the Completion Date and acknowledges that the Purchaser, in entering into this Agreement, is relying on, inter alia, such Warranties. For the avoidance of doubt, the liabilities and obligations of the Vendor under the Warranties shall in no circumstances be lessened, modified, relieved or otherwise reduced due to any actual or constructive knowledge of the Purchaser of any facts or events relating to the business, operations or otherwise of the Company, whether such knowledge is gained in the course of the due diligence conducted under Clause 3.3 or otherwise.
- 6.2 The Vendor agrees that the Purchaser shall treat each of the Warranties as a condition of this Agreement. In addition, each of the Warranties is without prejudice to any other Warranty and, except where expressly otherwise stated, no provision in any Warranty shall govern or limit the extent or application of any other provision in any Warranty.
- 6.3 The Vendor agrees to fully indemnify and keep the Purchaser fully indemnified on demand from and against all losses, liabilities, damages, costs and expenses (including legal expenses) which the Purchaser may incur or sustain from or in consequence of any of the Warranties not being correct or fully complied with. This indemnity shall be without prejudice to any other rights and remedies of the Purchaser in relation to any such breach of Warranties and all such rights and remedies are hereby reserved.
- 6.4 The Warranties shall survive Completion and the rights and remedies of the Purchaser in respect of any breach of the Warranties shall not be affected by Completion or by any investigation made by or on behalf of the Purchaser into the affairs of the Company or by the Purchaser rescinding, or failing to rescind this Agreement, or failing to exercise or delaying the exercise of any right or remedy, or by any other event or matter whatsoever,

except a specific and duly authorised written waiver or release and no single or partial exercise of any right or remedy shall preclude any further or other exercise.

6.5 The Purchaser shall be entitled to take action both before and after Completion in respect of any breach or non-fulfillment of any of the Warranties and Completion shall not in any way constitute a waiver of any right of the Purchaser.

6.6 The Vendor undertakes in relation to any Warranty which refers to the knowledge, information or belief of the Vendor that he has made full enquiry into the subject matter of that Warranty and that they do not have actual or constructive knowledge, information or belief that the subject matter of that Warranty may not be correct, complete or accurate.

6.7 If at any time before Completion the Vendor comes to know of any fact or event which:

- (a) is in any way inconsistent with any of the undertakings given by the Vendor, and/or
- (b) suggests that any fact warranted may not be as warranted or may be misleading; and/or
- (c) might affect the willingness of a prudent purchaser for value of the Sale Share to complete its purchase or the amount of the consideration which such purchaser would be prepared to pay for the Sale Share,

the Vendor shall give immediate written notice thereof to the Purchaser in which event the Purchaser may within fourteen (14) days of receiving such notice rescind this Agreement by written notice to the Vendor and all monies paid by the Purchaser to the Vendor hereunder shall be repaid to the Purchaser in full without any deduction forthwith.

6.8 If at any time before Completion, the Purchaser finds that any of the Warranties is incorrect or has not been or is (in the reasonable opinion of the Purchaser) incapable of being rectified the Purchaser may rescind this Agreement by written notice to the Vendor and all monies paid by the Purchaser to the Vendor hereunder shall be repaid to the Purchaser in full without any deduction forthwith.

6.9 The Purchaser's rights under the above clauses are in addition to and without prejudice to all other rights and remedies available to it and its exercise of or its failure to exercise its rights under any of the above clauses shall not constitute a waiver of or prejudice any of its other rights under this Agreement.

7. VENDOR'S UNDERTAKINGS

7.1 The Vendor covenants and undertakes that prior to Completion and without the prior written consent of the Purchaser, the Vendor shall procure that the Company shall not:

- (a) issue or agree to issue any shares, warrants or other securities or loan capital or grant or agree to grant any option over or right to acquire or convert into any share or loan capital or otherwise take any action which might result in the Purchaser acquiring on Completion a percentage interest in the Company lower than that contemplated under this Agreement;
- (b) incur any expenditure on capital account or enter into any option in respect of any part of its assets;

- (c) dispose of or agree to dispose of or grant any option in respect of any part of its assets;
- (d) borrow any money (other than not exceeding HK\$100,000 (or its equivalent in any other currency) in aggregate in the ordinary course of business of the Company) or make any payments out of or drawings on its bank account(s) other than routine payments;
- (e) enter into any long term, unusual or abnormal contract or commitment;
- (f) make any loan, advances or other credits to any third party;
- (g) enter into any leasing hire purchase or other agreement or arrangements for payment on deferred terms;
- (h) declare make or pay any dividend or other distribution or do or suffer anything which may render its financial position less favourable than as at the date of this Agreement;
- (i) grant or issue or agree to grant or issue any mortgages charges debentures or other securities or give or agree to give any guarantees, indemnities, surety or security;
- (j) let or agree to let or otherwise part with possession or ownership of the whole or any part of the Properties nor purchase, take on lease or assume possession of any real property;
- (k) make any change in the terms and conditions of employment or pension benefits of any of its directors or employees or employ or terminate (other than for good cause) the employment of any person;
- (l) permit any of its insurances to lapse or do anything which would make any policy of insurance void or voidable;
- (m) purchase or redeem any shares in the Company or provide financial assistance for any such purchase;
- (n) in any other way depart from the ordinary course of its respective day-to-day business either as regards the nature scope or manner of conducting the same;
- (o) alter any provisions of its memorandum or articles of association or other constitutional documents;
- (p) compromise, settle, release, discharge or compound any material civil, criminal, arbitration or other proceedings or any material liability, claim, action, demand or dispute or waive any right in relation to any of the foregoing;
- (q) voluntarily contravene or fail to comply with any material obligation, statutory or otherwise;
- (r) repay any loan or monies to the shareholders of the Company; and
- (s) do any act or thing which will have or which will reasonably be expected to have a material and adverse effect on the financial position or prospects of

the Company.

- 7.2 The Vendor agrees to fully indemnify and keep the Company and/or the Purchaser fully indemnified on demand from and against all losses, liabilities, damages, costs and expenses (including legal expenses) which the Company and/or the Purchaser may incur or sustain from or in consequence of any liabilities of the Company, whether actual or contingent, arising from any act or omission or otherwise incurred on or before the Completion Date.

8. **ACCESS TO INFORMATION**

The Vendor shall assist the Purchaser, its agents, representatives and professional advisers in obtaining promptly on request full access to all such facilities and information regarding the business, assets, liabilities, contracts and affairs of the Company and other evidence of ownership of the assets owned by the Company as the Purchaser may require.

9. **FURTHER ASSURANCE**

The Vendor shall execute, do and perform or procure to be executed, done and performed by other necessary persons all such further acts, agreements, assignments, assurances, deeds and documents as the Purchaser may require effectively to vest the registered and beneficial ownership of the Sale Share in the Purchaser free from all Encumbrances and with all rights now and hereafter attaching thereto.

10. **CONFIDENTIALITY**

Each of the parties undertakes to the other that it will not, at any time after the date of this Agreement, divulge or communicate to any person other than to its professional advisers, or when required by law or to its respective officers or employees whose province is to know the same any confidential information concerning the business, accounts, finance or contractual arrangements or other dealings, transactions or affairs of any of the others which may be within or may come to its knowledge and it shall use its best endeavours to prevent the publication or disclosure of any such confidential information concerning such matters.

11. **TIME**

Time shall be of the essence of this Agreement, both as regards the dates and periods specifically mentioned and as to any dates and periods which may, by agreement in writing between or on behalf of the Vendor and the Purchaser, be substituted for them.

12. **ASSIGNMENT**

This Agreement shall be binding upon and enure for the benefit of the estates, personal representatives or successors of the parties but shall not be assignable.

13. **ENTIRE AGREEMENT**

This Agreement (together with any documents referred to herein) constitutes the

entire agreement between the parties hereto and supersedes all previous agreements, arrangements, statements, understandings or transactions between the parties hereto in relation to the matters hereof and the parties acknowledge that no claim shall arise in respect of any agreement so superseded.

14. AMENDMENT

Unless otherwise specifically provided for in this Agreement, any provision of this Agreement may be amended, varied, supplemented or waived only if the parties hereto agree in writing.

15. NOTICES AND OTHER COMMUNICATION

15.1 Any notice required or permitted to be given hereunder shall be given in writing in the English language delivered personally or sent by post (airmail if overseas) or by facsimile message to the parties hereto due to receive such notice at their addresses as set out below (or such other address as it may have notified to the other parties hereto in accordance with this Clause 15).

15.2 A notice delivered personally shall be deemed to be received when delivered and any notice sent by pre-paid recorded delivery post shall be deemed (in the absence of evidence of earlier receipt) to be received two (2) Business Days after posting and in proving the time of despatch it shall be sufficient to show that the envelope containing such notice was properly addressed, stamped and posted or that the facsimile message was properly addressed and despatched as the case may be. A notice sent by facsimile message shall be deemed to have been received at the expiration of two hours after the time of despatch, if despatched before 3:00 p.m. on any Business Day and, in any other case, at 10:00 a.m. on the Business Day following the date of despatch.

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

Address : 2106, Paul Y. Centre, 51 Hung To Road, Kwun Tong,
Kowloon, Hong Kong
Facsimile : (852) 2994 6013

(b) For the purpose of delivery of notices under this Agreement, the address and facsimile number of the Purchaser are:

Address : 8/F, Paul Y. Centre, 51 Hung To Road, Kwun Tong,
Kowloon, Hong Kong
Facsimile : (852) 2810 6982
Attention : The Board of Directors

15.4 Nothing in this Clause 15 shall preclude the service of communication or the proof of such service by any mode permitted by law.

16. COSTS AND STAMP DUTY

16.1 Each party shall bear his/its own costs and expenses (including legal fees) incurred in connection with the preparation, negotiation, execution and performance of this Agreement and all documents incidental or relating to Completion.

16.2 All stamp duty (if any) payable in connection with the sale and purchase of the Sale Share shall be borne by the Vendor and the Purchaser in equal shares.

17. **GENERAL**

17.1 The provisions of this Agreement including the Warranties and indemnities herein contained insofar as the same shall not have been fully performed at Completion or any other requisite time shall remain in full force and effect notwithstanding Completion or after such requisite time.

17.2 This Agreement may be executed in one or more counterparts each of which shall be binding on each party by whom or on whose behalf it is so executed, but which together shall constitute a single instrument. For the avoidance of doubt, this Agreement shall not be binding on any party hereto unless and until it shall have been executed by or on behalf of all persons expressed to be the parties hereto.

17.3 Any right of rescission conferred upon any party hereby shall be in addition to and without prejudice to all other rights and remedies available to it and no exercise or failure to exercise such a right of rescission shall constitute a waiver by such party of any such other right or remedy.

17.4 No failure or delay by the Vendor or the Purchaser in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of the same preclude any further exercise thereof or the exercise of any other right, power or remedy. Without limiting the foregoing, no waiver by a party of any breach by the other party of any provisions hereof shall be deemed to be a waiver of any subsequent breach of that or any other provision hereof. If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect, the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby.

18. **GOVERNING LAW AND JURISDICTION**

This Agreement shall be governed by and construed in accordance with the laws of Hong Kong and the parties hereto submit to the non-exclusive jurisdiction of the Hong Kong courts for the purpose of determining or enforcing any claim arising hereunder.

IN WITNESS whereof this Agreement has been duly executed by all parties hereto the day and year first above written.

The Vendor

SIGNED by
CHAN CHUNG CHIU
in the presence of:

)
)
)



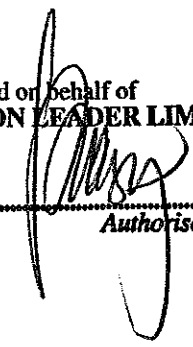
The Purchaser

SIGNED by
for and on behalf of
VISION LEADER LIMITED
in the presence of:

)
)
)

For and on behalf of
VISION LEADER LIMITED

Authorised Signature(s)



SCHEDULE 1

Particulars of the Company

Name of the Company	:	Talent Shop Investment Limited(智業投資有限公司)
Company number	:	524480
Date of incorporation	:	16 December 2002
Place of incorporation	:	British Virgin Islands
Address of registered office	:	Beaufort House, P.O. Box 438, Road Town, Tortola, British Virgin Islands
Authorised share capital	:	US\$50,000 divided into 50,000 shares of US\$1 each
Issued share capital	:	1 Share
Directors	:	Chan Chung Chiu
Shareholder	:	<u>Name</u> <u>No. of Shares</u> <u>Shareholding</u> <u>Percentage</u> Chan Chung Chiu 1 100%
Subsidiary	:	Nil

SCHEDULE 2

Warranties

Part I

General Warranties

Subject to the matters referred to herein and save as Disclosed, the Vendor represents and warrants to the Purchaser that all representations and statements set out in this Schedule 2 are and shall be true and accurate and not misleading in all aspects as at the date hereof and at all times up to and including Completion with reference to the facts and circumstances subsisting at such time.

1. General

- 1.1 The facts and information set out in the Recitals, Schedules and Annexures are true and all information which has been provided in writing to the Purchaser or its representatives or advisers by the Vendor or by any director, officer or other official of the Company or by their respective professional advisers or other agents was when given and is now true and accurate in all material respects. There is no fact or matter which has not been disclosed which renders any such information untrue, inaccurate or misleading or the disclosure of which might reasonably affect the willingness of a willing purchaser to purchase the Sale Share in accordance with the provisions of this Agreement.
- 1.2 The information Disclosed to the Purchaser or its representatives or professional advisers, comprises all information which is material for the reasonable assessment of the financial and trading prospects of the Company.
- 1.3 The Vendor is not a connected person (as defined under the Rules Governing the Listing of Securities on The Stock of Hong Kong Limited ("Listing Rules")) to the Purchaser and its ultimate holding company, and is independent and not connected with the directors, chief executive or substantial shareholders of the ultimate holding company of the Purchaser or any of their respective associates (as defined in the Listing Rules).

2. Corporate information

Due Incorporation

- 2.1 The Company has been duly incorporated and is validly existing under the laws of its place of incorporation, is in good standing under such laws, is not in receivership or liquidation, has not taken any steps to enter into liquidation and no petition has been presented for its winding up and there are no grounds on which a petition or application could be based for the winding up or appointment of a receiver thereof. The Company has all requisite governmental approvals and consents to do business in each jurisdiction in which it currently operates. The Vendor has furnished to the Purchaser a true and complete copy of the Company's memorandum and articles of association as amended to date and as presently in effect and such copy has attached to it copies of all resolutions and other documents required by law to be so attached.

2.2 The Company has complied with its memorandum and articles of association in all material respects and none of its activities, agreements, commitments or rights is ultra vires, unauthorized or in violation of any Applicable Laws.

2.3 For the purpose of these Warranties, "Applicable Laws" means, with respect to any person, any and all provisions of any constitution, treaty, statute, law, regulation, ordinance, code, rule, judgement, rule of common law, order, decree, award, injunction, governmental approval, concession, grant, franchise, license, agreement, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any governmental authority, whether in effect as of the date hereof or thereafter.

Status of the Company

2.4 The Company has not, since incorporation, engaged in any trading or business activities whatsoever, nor acquired any properties or other assets or incurred any obligations or liabilities (whether actual or contingent, but save pursuant to the Cooperation Agreements) and has not entered into any written or oral agreement, contract, commitment, order, licence, lease or other instrument and arrangement in connection therewith (save for the Cooperation Agreements).

Capital structure and ownership

2.5 The Sale Share constitutes the entire issued share capital of the Company as at the date of this Agreement and the Completion Date and are duly and validly issued, fully paid up.

2.6 There is no Encumbrance or other form of agreement (including conversion rights and rights of pre-emption) on, over or affecting the Sale Share or any unissued shares, debentures or other securities of the Company and there is no agreement or commitment to give or create any of the foregoing, and no claim has been made by any person to be entitled to any of the foregoing, and no person has the right (whether exercisable now or in the future and whether contingent or not) to call for the issue of any share or loan capital of the Company under any of the foregoing.

2.7 The Sale Share is solely legally and beneficially owned by and registered in the names of the Vendor and the Sale Share and the unissued share capital of the Company are free from any Encumbrance and there are no arrangements in force or claimed entitling or allegedly entitling any person to any Encumbrance.

2.8 The Company has not at any time:

- (a) repaid, redeemed or purchased or agreed to repay, redeem or purchase any of its shares, or otherwise reduced or agreed to reduce its issued share capital or any class of it; or
- (b) capitalised or agreed to capitalise in the form of shares, debentures or other securities or in paying up any amounts unpaid on any shares, debentures or other securities, any profits or reserves of any class or description or passed or agreed to pass any resolution to do so.

2.9 The Company:

- (a) is not and has not agreed to become the holder or beneficial owner of any class of any shares, debentures or other securities of any other company (wherever incorporated) other than its existing subsidiaries;
- (b) has not been and has not agreed to become a subsidiary of any other company or under the control of any group of companies or consortium;
- (c) is not and has not at any time been and has not agreed to become a member of any partnership, joint venture, consortium or other unincorporated association; and
- (d) has no branch, place of business, permanent establishment or substantial assets outside Hong Kong or PRC.

3. Compliance

- 3.1 The Company has, since the date of its incorporation, conducted its corporate affairs in accordance with its memorandum and articles of association and in all respects with all applicable laws (whether of the British Virgin Islands or any other jurisdiction) and is not in violation of any Applicable Laws.
- 3.2 The Company is, since the date of its incorporation, not in default of any order, decree or judgement of any court or any governmental or regulatory authority (whether of the British Virgin Islands or any other jurisdiction). There is no provision of any outstanding governmental judgement, decree, statute, rule or regulation applicable to or binding upon the Company, which materially adversely affects its business, prospects, assets or condition, financial or otherwise.
- 3.3 The Company does not own, directly or indirectly, any equity security of any other corporation, limited partnership or other business entity.
- 3.4 The Company has obtained all necessary corporate authorisations and all other applicable governmental approval required to empower it to enter into and perform its obligations under this Agreement and the Cooperation Agreements. Each of the Cooperation Agreements constitutes legal, valid and binding obligations of the Company.

4. Management Accounts

- 4.1 The Management Accounts:
 - (a) were prepared in accordance with the requirements of all relevant laws, statutes, with good accounting principles and practices generally accepted at the date hereof in Hong Kong for companies carrying on a similar business to that of the Company comply with the Companies Ordinance and all relevant statements of standard accounting practice and accounting guidelines issued by the relevant authorities, are prepared on a basis consistent with preceding accounting periods of the Company and with the books of account of the Company and are true and accurate in all material respects;
 - (b) disclose a true and fair view of the assets and liabilities of the Company at the Management Accounts Date and of its profits for the financial year ended on such date;

- (c) contain full provision or reserve for bad and doubtful debts, burdensome contracts or other obligations, obsolescent or slow moving stocks and for depreciation on fixed assets, which provision or reserve was when made and is now adequate;
 - (d) contain a note of all capital commitments of the Company at the Management Accounts Date, which note was when made and is now adequate, fair and not misleading; and
 - (e) contain full provision or reserves (as appropriate) for all Taxation.
- 4.2 At the Management Accounts Date, the Company had no liabilities known, actual or contingent (including contingent liabilities to customers and contingent liabilities for Taxation) which were not disclosed, noted or provided for in the Accounts.
- 4.3 All accounts, books, ledgers, financial and other necessary records of whatsoever kind of the Company (including all invoices and other records required for tax):
- (a) have been fully, properly and accurately maintained, are in the possession of the Company and contain true and accurate records of all matters including those required to be entered in them by applicable laws and no notice or allegation that any of the same is incorrect or should be rectified has been received;
 - (b) do not contain or reflect any material inaccuracies or discrepancies;
 - (c) give and reflect a true and fair view of the matters which ought to appear in them and in particular of the financial, contractual and trading position of the Company and of its plant and machinery, fixed and current assets and liabilities (actual and contingent), debtors and creditors and stock-in trade; and
 - (d) contain accurate information in accordance with generally accepted accounting principles in Hong Kong or PRC (as the case may be) relating to all transactions to which the Company has been a party and the Accounts do not overstate the value of any asset or understate any liability of the Company at the Management Accounts Date.

5. Post Management Accounts Date Events

Since the Management Accounts Date, the Company, other than as disclosed in the Management Accounts:

- (a) has carried on its business in the ordinary and usual course and without entering into any transaction, assuming any liability or making any payment not provided for in the Accounts which is not in the ordinary course of business and without any interruption or alteration in the nature, scope or manner of its business and nothing has been done which would be likely to prejudice the interests of the Purchaser as a prospective purchaser of the Sale Share;
- (b) has not experienced any deterioration in its financial or trading position or prospects or turnover or suffered any diminution of its assets by the wrongful act of any person and the value of its net assets is not less than the value of its net assets as at the Management Accounts Date as shown by the Accounts and the Company has not had its business, profitability or prospects adversely

affected by the loss of any important customer or source of supply or by any abnormal factor not affecting similar businesses to a like extent and there are no facts which are likely to give rise to any such effects;

- (c) has not acquired or disposed of or agreed to acquire or dispose of any assets or assumed or incurred or agreed to assume or incur any liabilities (actual or contingent) otherwise than in the ordinary course of business;
- (d) has not declared, made or paid any dividend, bonus or other distribution of capital or income (whether a qualifying distribution or otherwise) and (excluding fluctuations in overdrawn current accounts with bankers) no loan or loan capital of the Company has been repaid in whole or in part or has become due or is liable to be declared due by reason of either service of a notice or lapse of time or otherwise howsoever;
- (e) has not carried out or entered into any transaction and no other event has occurred in consequence of which (whether alone or together with any one or more transactions or events occurring before, on or after the date of this Agreement) any liability of the Company to Taxation has arisen or will arise (or would have arisen or would or might arise but for the availability of any relief, allowance, deduction or credit) other than profits tax on the actual income (not chargeable gains or deemed income) of the Company arising from transactions entered into in the ordinary course of business;
- (f) has not made any change to the remuneration, terms of employment, emoluments or pension benefits of any present or former director, officer or employee of the Company who on the Management Accounts Date was entitled to remuneration in excess of HK\$100,000 (or its equivalent in any other currency) per annum and has not appointed or employed any additional director, officer or employee entitled as aforesaid;
- (g) has not waived or released any debts in whole or in part and has not written off debts in an amount exceeding HK\$500,000 (or its equivalent in any other currency) in the aggregate;
- (h) has not entered into contracts involving capital expenditure in an amount exceeding in the aggregate HK\$500,000 (or its equivalent in any other currency);
- (i) has not passed any resolution whether in general meeting or otherwise;
- (j) has not become aware that any event has occurred which would entitle any third party to terminate any contract or any benefit enjoyed by it or call in any money before the normal due date therefor;
- (k) has not purchased stocks in quantities or at prices materially greater than was the practice of the Company prior to the Management Accounts Date;
- (l) has paid its creditors within the times agreed with such creditors and does not have any debts outstanding which are overdue for payment by more than four weeks; or
- (m) has not borrowed or raised any money or taken any financial facility (except such short term borrowings from bankers as are within the amount of any overdraft facility which was available to the Company at the Management Accounts Date) or since the Management Accounts Date renegotiated or

received any notice from any banker that such banker wishes to renegotiate any overdraft facility available to the Company at the Management Accounts Date.

6. Transactions with Vendor, Directors and Connected Persons

- 6.1 There is not outstanding:
- (a) any indebtedness or other liability (actual or contingent) owing by the Company to any of the Vendor or any director of the Company or any connected person (as defined in the Listing Rules) ("Connected Person") of any of them or owing to the Company by any of the Vendor or any director of the Company or any Connected Person of any of them; or
 - (b) any guarantee or security for any such indebtedness or liability as aforesaid.
- 6.2 (a) There is not now outstanding, any agreement, arrangement or understanding (whether legally enforceable or not) to which the Company is a party or has an interest and in which the Vendor, or any director of the Company or any Connected Person of any of them is interested whether directly or indirectly.
- (b) The Company is not a party to nor has its profits or financial position during the last 3 years been affected by any agreement or arrangement which is not entirely of an arm's length nature.
- 6.3 None of the Vendor nor any director of the Company nor any Connected Person of any of them or intends to acquire, either individually or collectively, or with any other person or persons, has any estate, right or interest, directly or indirectly, in any business other than that now carried on by the Company which is or is likely to be or become competitive with the business of the Company.
- 6.4 None of the Vendor nor any director of the Company nor any of their respective Connected Persons either individually, collectively or with any other person or persons are not interested in any way whatsoever in any intellectual property used and not wholly owned by the Company.
- 6.5 None of the Vendor nor any director of the Company, nor any of their respective Connected Persons, is entitled to or has claimed entitlement to any remuneration, compensation or other benefit from the Company.

7. Litigation

- 7.1 Save as being a plaintiff in the collection of debts (not exceeding HK\$100,000 (or its equivalent in any other currency) in the aggregate) arising in the ordinary course of business, the Company is not now engaged in any litigation or arbitration proceedings and there are no lawsuits or arbitration proceedings pending or threatened by or against the Company or any person for whose acts or defaults the Company may be vicariously liable.
- 7.2 No injunction has been granted against the Company.
- 7.3 The Company is not subject to any order or judgment given by any court or governmental agency which is still in force.

- 7.4 The Company has not given any undertaking to any court or to any third party arising out of any legal proceedings.
- 7.5 There is no unsatisfied judgement or court order outstanding against the Company and no order has been made or petition presented or resolution passed for its winding up nor has any receiving been appointed or distress, execution or process levied on any part of its business or assets.

8. Consequence of the Purchase of the Sale Share

The purchase of the Sale Share by the Purchaser or compliance with the terms of this Agreement and any change in the current management of the Company:

- (a) will not cause the Company to lose the benefit of any right or privilege it presently enjoys or cause any person who normally does business with the Company not to continue to do so on the same basis as previously;
- (b) will not relieve any person of any obligation to the Company (whether contractual or otherwise) 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 Company;
- (c) will not conflict with or result in the breach of or constitute a default under any of the terms, conditions or provisions of any agreement or instrument to which the Company is now a party or any loan to or mortgage created by the Company or of its memorandum or articles of association;
- (d) will not result in any present or future indebtedness of the Company becoming due and payable or capable of being declared due and payable prior to its stated maturity;
- (e) will not cause any director, supervisor, officer or senior employee of the Company (other than those who are required to resign in accordance with Clause 5.3(c)) to leave employment ;
- (f) will not conflict with, violate or result in a breach of any law, regulation, order, decree or writ applicable to the Company; and
- (g) the attitude or actions of clients, customers and suppliers with regard to the Company will not be prejudicially affected thereby.

Part II

Specific Warranties

1. Subsidiary

The Company has no subsidiary or associated company.

2. Cooperation Agreements

2.1 In respect of each of the Cooperation Agreements :

- (a) each of the Cooperation Agreements has been duly executed and delivered by the parties thereto and each of them is legally valid, binding and enforceable against the parties thereto in accordance with its terms and under the laws of its relevant jurisdiction; and
- (b) the Cooperation Agreements are not required to be registered with any relevant government authorities in the PRC; and
- (c) all relevant consents, approvals or authorisations which are necessary or useful in the performance of the terms of the Cooperation Agreements by the parties thereto have been duly obtained, granted and remain effective and valid; and
- (d) there is no event or circumstance which would give rise to the early termination of any of the Cooperation Agreements; and
- (e) the terms of all the Cooperation Agreements have been complied with by the Company and by the other parties thereto in all respects and there are no circumstances likely to give rise to a default by the Company or by the other parties thereto or a cause of litigation or arbitration.

2.2 From the Management Accounts Date and up to the Completion Date, the Company has not and shall not enter into or engage in, and/or agree to enter into or engage in, any commitments, obligations or liabilities (save and except in relation to the Cooperation Agreements and with the prior written consent of the Purchaser).

3. Loong Shan Land

- 3.1 珠海市龍山工業區管理委員會 : (a) is empowered to grant the state-owned land use rights in relation to the Loong Shan Land to the Company and/or any third parties introduced by the Company pursuant to the Cooperation Agreements or (as the case may be) is already granted with the state-owned land use rights in relation to the Loong Shan Land; (b) there are no circumstances likely to affect the exercise, and the legality and validity of the exercise, of such power by 珠海市龍山工業區管理委員會 or (as the case may be) transfer, and the legality and validity of the transfer, of such state-owned land use rights by 珠海市龍山工業區管理委員會 in favour of the Company and/or any third parties introduced by the Company pursuant to the Cooperation Agreements; and (c) there are no circumstances that such power or (as the case may be) such state-owned land use rights will be forfeited and/or restricted.
- 3.2 The Company and/or any third parties introduced by the Company pursuant to the Cooperation Agreements will legally and validly obtain or be granted with the state-owned land use rights in relation to the Loong Shan Land.
- 3.3 The Company has no payment obligations, liabilities and commitments in respect of the Loong Shan Land other than the payment of the land resumption fee (征地費) for the land area of 1 square kilometer for the first phrase of stage one development of the Loong Shan Land as stated in the Supplemental Agreement.

SCHEDULE 3

Cooperation Agreements

- (1) 合作協議書 (甲方：珠海市龍山工業區管理委員會； 乙方：香港智業投資有限公司) (簽於2003年1月28日)； 及
- (2) 補充協議 (甲方：珠海市龍山工業區管理委員會； 乙方：香港智業投資有限公司) (簽於2003年8月26日)。

ANNEXURE 1
Management Accounts

ANNEXURE 2

Tax Indemnity

Dated the _____ day of _____ 2003

Chan Chung Chiu

and

Vision Leader Limited

and

Talent Shop Investment Limited

DEED OF INDEMNITY

THIS DEED OF INDEMNITY is executed on the day of 2003

BY:

Chan Chung Chiu (Holder of Hong Kong Identity Card Number G174589(0)) of 2106, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong (the "**Indemnifier**")

IN FAVOUR OF:

- (1) **Vision Leader Limited**, a company incorporated under the laws of the British Virgin Islands and having its registered office at P.O. Box 956, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands (the "**Purchaser**"); and
- (2) **Talent Shop Investment Limited**, a company incorporated under the laws of the British Virgin Islands and having its registered office at Beaufort House, P.O. Box 438, Road Town, Tortola, British Virgin Islands (the "**Company**").

WHEREAS:

- (A) By an agreement (the "**Agreement**") dated [•] 2003, the Purchaser agreed to purchase from the Indemnifier the entire issued share capital of the Company subject to and upon the terms and conditions of the Agreement.
- (B) The Indemnifier agreed with the Purchaser to execute this Deed pursuant and supplemental to the Agreement.

NOW THIS DEED WITNESSETH as follows:

1. (a) Words and expressions used herein, unless otherwise expressed or required by context, shall have the same meanings as those used or defined in the Agreement.
- (b) In this Deed, in addition to the definitions in the Agreement, the following words and expressions shall have the following meanings:

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

"Taxation" (i) any liability to any form of taxation, duty, impost, levy, rate, or other amount payable to any revenue, customs or fiscal authorities whenever created or imposed and of any part of the world, including, without limitation, profits tax, provisional profits tax, interest tax, salaries tax, property tax, taxes on income, estate duty, capital duty, stamp duty, payroll tax, rates, customs and excise duties and other similar liabilities

- (ii) such amount or amounts as is referred to in Clause 1(c) hereof
- (iii) all interest, penalties, costs, charges and expenses incidental or relating to the liability to Taxation or the deprivation of any Relief which is the subject of this indemnity to the extent that the same is payable or suffered by the Company

“Relief” any relief, allowance, set-off or deduction in computing profits or credit or right to repayment of Taxation available to the Company granted by or pursuant to any legislation concerning or otherwise relating to Taxation

- (c) In the event of deprivation of any Relief, there shall be treated as an amount of Taxation for which liability has arisen the amount of such Relief, applying the relevant rates of Taxation in force in the period or periods in respect of which Relief would have applied or (where the rate has at the relevant time not been fixed) the last known rate and assuming that Relief was capable of full utilisation by the relevant company.

2. Subject to as hereinafter provided, the Indemnifier hereby covenants and agrees with the Purchaser and the Company that they will fully and effectually indemnify and at all times keep fully and effectually indemnified the Purchaser and the Company from and against:

- (a) the amount of any and all Taxation falling on the Company from or by reference to any income, profits, gains, transactions, events, matters or things earned, accrued, received, entered into or occurring up to the date hereof, whether alone or in conjunction with any other circumstances whenever occurring and whether or not such Taxation is chargeable against or attributable to any other person, firm or company, including any and all Taxation resulting from the receipt by the Company or the Purchaser of any amounts paid by the Indemnifier under this Deed; and
- (b) all reasonable costs (including all legal costs), expense or other liabilities which the Purchaser or the Company may incur in connection with:
 - (i) the settlement of any claim under this Deed;
 - (ii) any legal proceedings in which the Purchaser or the Company claims under or in respect of this Deed and in which judgement is given for the Purchaser or the Company or
 - (iii) the enforcement of any such settlement or judgment.

3. This Deed does not cover any Claim and the Indemnifier shall be under no liability under this Deed in respect of Taxation:

- (a) to the extent that provision has been made for such Taxation in the Accounts; or
- (b) which would not have arisen but for any act or omission by the Purchaser or the Company effected without the prior written consent or agreement of the Indemnifier, otherwise than in the ordinary course of business after the date hereof; or
- (c) for which the Company is primarily liable as a result of transactions in the ordinary course of normal day to day trading operations since the Completion Date; or
- (d) to the extent that such Claim arises or is incurred as a result of the imposition of

Taxation as a consequence of any retrospective change in the law or practice coming into force after the date hereof or to the extent such Claim arises or is increased by an increase in rates of Taxation after the date hereof with retrospective effect.

4. (a) No claim under this Deed shall be made by the Purchaser and the Company in respect of the same Taxation.
- (b) No claim under this Deed shall be made if a Claim in respect thereof has been made under the Agreement.
- (c) The Indemnifier shall not be liable in respect of any Claim under this Deed after the sixth anniversary of the Completion Date except for Claims notice of which has been given to the Indemnifier on or prior to such sixth anniversary.
5. (a) In the event of any Claim arising, the Purchaser shall, by way of covenant but not as a condition precedent to the liability of the Indemnifier hereunder, give or procure that notice thereof is given, as soon as reasonably practicable, to the Indemnifier and, as regards any Claim, the Company and/or the Purchaser shall take such action to cause the Claim to be withdrawn, or to dispute, resist, appeal against, compromise or defend the Claim and any determination in respect thereof, but subject to it being indemnified and secured to its reasonable satisfaction by the Indemnifier from and against any and all losses, liabilities (including additional Taxation), damages, interest, penalties, costs, charges and expenses which may be thereby sustained or incurred.
- (b) Without the prior approval of the Purchaser (which shall not be unnecessary withheld), the Indemnifier shall make no settlement of any Claim nor agree any matter in the course of disputing any Claim likely to affect the amount thereof or the future taxation liability of the Company.
6. If, after the Indemnifier has made any payment pursuant to this Deed, the Company shall receive a refund of all or part of the relevant Taxation, the relevant company shall repay to the Indemnifier a sum corresponding to the balance of the refund remaining after deducting the aggregate of (a) any costs, charges and expenses payable or sustained or incurred by the Company and/or the Purchaser in recovering such refund, and (b) the amount of any additional Taxation which may be suffered or incurred by the Company in consequence of such refund.
7. The provisions of the Agreement relating to service of notice shall be incorporated in and be deemed to be part of this Deed.
8. Time shall be of the essence of this Deed.
9. The indemnities, agreements and undertakings herein contained shall bind the personal representatives and successors of the Indemnifier and shall enure for the benefit of each party's successors and assigns.
10. The whole or any part of the benefit of this Deed may be assigned by the Purchaser or the Company.
11. Any provision of this Deed prohibited by or which is unlawful or unenforceable under any applicable law actually applied by any court of competent jurisdiction shall, to the extent required by such law, be severed from this Deed and rendered ineffective so far as is possible without modifying the remaining provisions of this Deed. Where, however, the provisions of any such applicable law may be waived, they are hereby waived by the parties hereto to the full extent permitted by such law to the end that this Deed shall be valid, binding and

enforceable in accordance with its terms.

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

AS WITNESS whereof this Deed has been duly executed on the day and year first above written.

The Indemnifier

SIGNED SEALED and DELIVERED by)
CHAN CHUNG CHIU)
in the presence of:)

The Purchaser

SIGNED by)
for and on behalf of)
VISION LEADER LIMITED)
in the presence of:)

The Company

SIGNED by)
for and on behalf of)
TALENT SHOP INVESTMENT LIMITED)
in the presence of:)

Talent Shop Investment Ltd.

Balance sheet

As at August 31, 2003

	HK\$
Amount due to a shareholder	<u>(11,722.20)</u>
	<u>(11,722.20)</u>
Share capital	7.80
Loss for the period	<u>(11,730.00)</u>
	<u>(11,722.20)</u>

Talent Shop Investment Ltd.

Income statement

For the period ended August 31, 2003

	HK\$
Sundry expenses	<u>11,730.00</u>
	<u>11,730.00</u>

补充协议

珠斗龙智补(3-001)

甲方：珠海市龙山工业区管理委员会

乙方：香港智业投资有限公司

To: Mr. Vincent Tso

Fax: 25 11 9575

Total: 2 pages, 5/9/03

cc: Jenny Chan 12/11/03

甲乙双方经友好协商就二零零三年一月二十八日所签定之珠海市龙山智业产业园 <<合作协议书>> 作如下补充说明：

(一) 珠海市龙山智业产业园之开发原则上分两阶段于五年内完成，每期1平方公里，第一阶段为三期共3平方公里，在乙方完成按第七条向甲方支付第一阶段第一期1平方公里的征地费后，随即启动此期的开发建设和招商引资，乙方在甲方完成土地平整验收后18个月内完成招商工作，至于余下各期土地的安排，开发及招商引资在原有合约时间内完成，而未能完成之土地按原合约13条款处理，不作任何追偿

(二) <<合作协议书>>条款第十条规定”为了与工业项目配套，乙方取得土地使用权后，乙方可以用土地权益或土地的建筑物与项目投资者合作，合资等经营方式经营，也可自定价格通过甲方向他方投资者出租土地。甲方同意可根据乙方要求与工业项目投资者协商签订出让合同，向工业项目投资者出让本协议范围内的已开发和未开发配套基础设施的土地使用权，就此，甲方同意可根据乙方要求与工业项目投资者协商签订出让合同，向工业项目投资者出让本协议范围的开发和未开发配套基础设



... (Stamp)
INVESTMENT LIMITED
... (Stamp)

施的土地使用权，而受让的投资方之资金投入可作受让方自行投入资金，同样享受珠海市政府工业园区之各项优惠政策均不被影响。

(三) 本补充协议经双方于2003年8月26日签字后生效。

(四) 双方同意首期付款定于一零零三年9月28日前付清。

(五) 本协议书壹式十份，双方各执二份，送有关部门备案六份。

甲方：珠海市龙山工业区管理委员会



代表人 (签名):

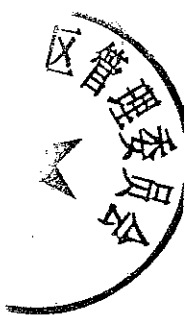
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乙方：香港智业投资有限公司

For and on behalf of
TALENT SHOP INVESTMENT LIMITED

[Handwritten signature]
Authorized Signature(s)

代表人 (签名):



For and on behalf of
TALENT SHOP
Authorized Signature(s)

cc: Vincent 140 (by fax)
→ Jenny 12/11/03

合作协议书

甲方: 珠海市龙山工业区管理委员会

乙方: 香港智业投资有限公司

甲方负责发展龙山工业区, 同意设立暂定命名为“珠海市龙山智业产业园”; 乙方拥有资金、技术实力和招商引资渠道, 双方力求发挥各自的优势, 实现目标双赢。经过友好协商, 就共同合作开发龙山工业区的原则事宜, 达成如下共识。双方将按本协议的内容执行, 并依据实际需要, 再行拟定具体的合作开发合同书(协议书)及其他单项合同书(补充协议书)。届时拟定的具体合作开发合同书(协议书), 和其他单项合同书(补充协议书), 将以本合作协议书的内容作为原则基础和参照依据。

1. 合作开发用地规划面积为 7 平方公里, 是以开发、设立工业生产性项目为主、以完善的生活设施配套的产业功能区(下称“本协议范围”)。其中生活配套设施以规划部门审批为准, 市政设施建设按照规划依法办理。所指的工业生产性项目的范畴, 是国家未明令禁止投资的所有工业性生产项目, 亦包含农、林、牧、渔加工产品的项目(下称“工业项目”); 工业用地年限为 50 年。甲方力争使该项目纳入珠海的国家级开发区的范围, 使其更具影响力、吸引力与竞争力。

产业功能区的生活配套设施，指在工业用地中可以按规划建设不超过规定比例的员工宿舍和办公用房等作为工业项目的附属设施。可以由大型工业项目投资者独立设立，也可以在园区内按规划比例集中建立、统一管理使用，也可以在园区外协调同步建设。具体另行协商确定。

2. 本协议合作双方的主要责任是：

(1)甲方按乙方与工业项目投资者协议的价格向工业项目投资者出让土地使用权，由乙方向工业项目投资者收取土地开发利益费用，甲方负责协议范围外的前期基础配套设施。甲方承诺：至少会保证乙方在该协议范围内的一切开发、投资进展不会因协议范围外基础配套设施不到位而遭受直接影响。若因此而对乙方造成损害，甲方赔偿乙方的直接经济损失。

(2)乙方负责本协议范围内土地平整、基础设施的投资建设，并作为本协议范围内产业开发的责任主体，开展工业生产性项目的直接投资或招商引资，完成协议范围内投资与经营的任务。乙方承诺：乙方因故终止或中止运作应及时通知甲方，乙方已配套开发尚没有引进项目的用地，由甲方负责招商引资，安排工业生产项目。已引进工业项目的部分不受影响。对乙方没有引进工业项

目由甲方引进项目的用地，甲方退回乙方对这部分土地实际已经投入的本金。其他事项双方可另行协商签订补充协议。

(3)如乙方引进的工业项目投资者违约，没有按期开发建设的，严重违反合同约定的，甲方按照《国有土地使用权出让合同》，甲方将收回违约方的土地使用权，与乙方协商出让给其他工业项目投资者，具体收回土地使用权方法双方另行约定。

3. 协议范围内属企业市场开发主导型的投资模式，不同于以往政府主导型的开发形式，因此，需以乙方的投资开发与招商引资的倡导为主，甲方予以配合，服务为辅。
4. 开发分两个阶段若干期。每期1平方公里，第一阶段为三期共3平方公里，甲方可以按本协议约定给予乙方特别优惠；甲方愿意以每亩1.5万元人民币的价格为乙方承接基础设施配套开发。如有不足部分，由甲方解决。基础设施配套合约要求本协议第八条有所陈述。第二阶段各期开发成本重新核定。

每期1平方公里基础设施配套开发，双方可根据本协议另行签订合同（简称“每期工程合同”），乙方也可委托其他方开发。具体约定有关事项。乙方也可以同时开发若干期。合作计划于五年时间内乙方完成全部7平方

公里的基础设施配套和引进工业项目任务。“五年时间”从第1平方公里基本完成道路配套（第一阶段第一期征地费全部到位后10个月内完成）起算。乙方可在第1平方公里基础设施配套工程进行中同时引进工业项目。依据实际引资情况，由乙方与工业项目投资者签订工业生产性项目投资经营合同并送甲方备案。乙方承诺尽快完成引资任务。

5. 乙方在每期缴足每亩1.3万元人民币的征地费，每期总额为人民币1,950万元后，可进行动工开发基础设施或直接进行工业项目的准备。
6. 甲方承诺负责办理协议范围内与设立各工业项目有关投资建设、经营运作、申领证照等政府手续；对需要上报政府部门审批的事项，积极协助、配合乙方在指定时间内得到一切有关批准。乙方及其引进的工业项目投资者提供有关资料并承担相应的政府部门征收的有关税、费。
7. 自2003年1月28日起8个月内，乙方支付第一阶段第一期1平方公里定金伍百万元人民币给甲方并起草工业园之初步的投资开发方案呈交甲方及政府有关部门，在此方案经核准后之1个月内，乙方向甲方付清第一期1平方公里的征地费用余款为壹仟肆佰伍拾万元人民

币。乙方也可同时支付若干期的征地费，同步开发。各期付征地款方式相同。

8. 如经协商乙方同意可选择由甲方负责完成基础设施配套，乙方可按每亩人民币 1.5 万元（每 1 平方公里总额为人民币 2,250 万元）向甲方支付基础设施配套建设开发费，且按施工进度分期付清。基础设施配套建设以保障本协议范围内工业项目的实际需求为前提，以《珠海市龙山工业区配套工程表》（详见附页）为依据，另行具体协商签订协议。

9. 利益分配：

- (1) 在第一阶段三期共 3 平方公里协议范围内乙方负责三年零六个月内完成基础设施的开发配套和项目引资，甲方给予以下特别优惠：在任何一期如有工业项目建筑物落成并经验收合格的，甲方需按该项目占地每亩（以经批准的规划图确定亩数）人民币伍仟陆佰元整计算冲减乙方在下一期 1 平方公里的部分征地费视作投资资本金。建成面积小于设计的总建筑面积的，分期建成，分别计算。计算公式：可冲减下期征地费金额 = $¥5600 \text{ 元/亩} \times (\text{已完成建筑面积} \div \text{设计总建筑面积}) \times \text{项目占地亩数}$ 。

- (2) 在乙方依法缴纳国家规定的税费的前提下，前述 3 平方公里协议范围内招商引资收回的土地征地成本和基

基础设施配套的成本和盈利归乙方所有。以后各期开发成本双方重新协定，扣除乙方投入成本后，乙方为回报甲方的支持，按乙方盈利的 20%奖励给甲方。

(3) 在每期合作开发的 1 平方公里范围内和乙方确定的用地价格的基础上，甲方经乙方同意方可引进工业项目进入园区，双方另行协商签订书面协议确定，乙方按盈利的 50%奖励给甲方。

10. 为了与工业项目配套，乙方取得土地使用权后，乙方可以用土地权益或土地上的建筑物与项目投资者合作、合资等经营方式经营，也可自定价格通过甲方向他方投资者出租土地。

甲方同意可根据乙方要求与工业项目投资者协商签订出让合同，向工业项目投资者出让本协议范围内的已开发和未开发配套基础设施的土地使用权。

11. 甲方同意乙方可将本协议中乙方的权利与义务向有规模、有国际影响力的有履行本协议能力的其他公司转让，由乙方正式向甲方书面确认后，由甲、乙、该公司三方依照本协议重新签订协议。

12. 凡甲方计划开发本协议约定范围外属于龙山工业区内的周边地块时，应书面通知乙方，书面通知之日起 20 天内，乙方未有书面表示有意参与磋商的，甲方可直接

与他方投资者继续磋商至签订开发协议，如乙方有意负责开发的，在每亩同等价格和总面积相同条件下，乙方有优先权。若甲方未通知乙方，致使乙方没有机会参与开发，则第二阶段中奖励甲方的比例利益下调 8%。

甲方承诺：在龙山工业区范围内，乙方享有甲方所有招商引资的优惠政策。甲方任何方式的招商引资的政策中价格条件不得优惠和低于本协议书的约定。

13. 在甲乙双方合作开发的有效期内，甲方承诺不与其他方签订损害本协议书中乙方权益的协议。今后根据本协议所签定的补充协议，如乙方无力履行义务而应终止本合作协议。甲方有权收回未付款部分或退回已收款的部分土地，与其他工业项目投资者签定协议进行开发建设。
14. 甲方为负责乙方办理报建手续，并负责征地和处理与被征地农民的经济关系；征地纠纷与乙方无关。甲方负责按乙方或甲方实际引进的工业项目申办红线图和申领《国有土地使用证》；甲方原则上不为乙方申办红线图或《国有土地使用证》，但如果乙方因招商引资需要以每期 1 平方公里为范围，也可以若干块为乙方出具红线图，但必须注明红线内包括道路和管线等公共设施建设用地（注：该设施由乙方无偿提供土地，由政府有关部门负责筹资建设），必须按照批准的规划方案建设；如

乙方自行兴建厂房等设施出租给工业项目投资者则可为乙方办理红线图或《国有土地使用证》。

15. 甲方应为与乙方的合作提供所有的最优质的服务条件和最优惠的投资政策，并设独立的运行服务机构，统一协调与政府职能部门的关系，创造最有利的投资环境给所有投资设厂龙山工业区的投资者。甲方将为乙方的开发、投资提供一切办理手续事务的帮助和方便，所有的报审、报批都应在最短的时间内完成。

乙方负责支付政府规费和必要的成本费用。

16. 自 2003 年 1 月 28 日起的 10 个月内，乙方应向甲方提供该项目的完整投资计划方案，并向甲方提供园区内配套的总用电、用水、排污等报告，以便有利于甲方市政工程建设计划安排。
17. 本协议双方当事人必须遵守《中华人民共和国土地管理法》和《中华人民共和国合同法》等中国法律法规，不得违反中国法律法规的强制性规定。乙方和全部引进的企业都必须依照中国法律法规纳税和享受税收方面的优惠。
18. 本协议经双方代表于 2003 年 1 月 28 日签字盖章并经斗门区政府见证后生效。其余未尽事宜，由双方协商补充。若发生争议而无法解决，任何一方都有权提请中

国国际贸易仲裁委员会进行终审仲裁，双方须接受该仲裁结果。

本协议书壹式拾份，双方各执二份，送有关部门备案六份。

甲方：珠海市南山工业区管理委员会

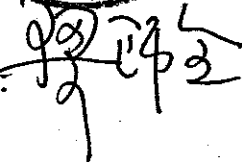
乙方：香港智业投资有限公司

盖章：

For and on behalf of
TALENT SHOP INVESTMENT LIMITED

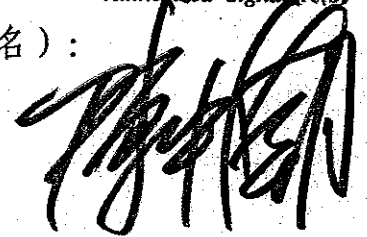
盖章：

代表人（签名）：



代表人（签名）：

Authorized Signature(s)



珠海龙山工业区内土地开发配套工程表

项目	规格	4500亩	
		数量	单位
道路	30	1.65	km
	24	4.64	km
	18	5.57	km
供电	1万伏双回路	6.29	km
	1万伏单回路	5.57	km
供水	500管	3.79	km
	400管	4.50	km
	300管	3.90	km
排污管	D=400	8.89	km
	D=500	1.25	km
	D=600	1.44	km
	D=800	0.47	km
雨水管	D=600	0.85	km
	D=800	2.00	km
	D=1000	0.85	km
	渠	4.90	km
排洪工程		3.00	km
绿化		11.86	km
路灯		23.72	km
通讯		到园区门口	
土方工程		4500	亩