

Private & Confidential

Dated 14 November 2016

KEY INTERNATIONAL CO., LTD.

and

WINNING TEAM HOLDINGS LIMITED

AGREEMENT

**relating to the sale and purchase of
the entire issued share capital of
PCG BROS (HOLDINGS) CO. LIMITED**

THIS AGREEMENT is dated 14 November 2016 and made between:

- (1) **KEY INTERNATIONAL CO., LTD.**, a company incorporated under the laws of British Virgin Islands with BVI company number 363766, whose registered office is at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands (the "**Seller**"); and
- (2) **WINNING TEAM HOLDINGS LIMITED**, a company incorporated under the laws of British Virgin Islands with BVI company number 1566829, whose registered office is at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands (the "**Purchaser**").

BY WHICH IT IS AGREED as follows:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Defined Terms**

In this Agreement unless the context requires otherwise:

"**Business**" means the business activities of the Group Companies as carried on as at the date of this Agreement;

"**Business Day**" means a day other than a Saturday or Sunday, on which banks are open in Hong Kong to the general public for business;

"**Company**" means PCG Bros (Holdings) Co. Limited with information as listed in Schedule 1;

"**Completion**" means completion of the sale and purchase of the Sale Interests in accordance with Clause 4;

"**Completion Date**" means 14 November 2016, or any such other dates as the parties may agree in writing;

"**Consideration**" means the consideration to be paid by the Purchaser to the Seller for the Sale Interests, specified in Clause 3;

"**Encumbrance**" means a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect and any agreement or obligation to create or grant any of the aforesaid;

"**Group Companies**" means the Company and its subsidiaries as listed in Schedule 1.

"**Hong Kong**" means the Hong Kong Special Administrative Region of the PRC;

"**Listing Rules**" means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

"Management Accounts" means the unaudited consolidated statement of financial position and consolidated income statement of the Group Companies as at the Management Accounts Date;

"Management Accounts Date" means 31 October 2016;

"NTD" means New Taiwan dollar, the lawful currency of Taiwan;

"PRC" means the People's Republic of China;

"RMB" means Renminbi, the lawful currency of the PRC;

"Sale Interests" means 100% of equity interests in PCG Bros (Holdings) Co. Limited to be sold to the Purchaser pursuant to this Agreement, being all the equity interest in the Company held by the Seller ;

"Warranties" means the representations, warranties and undertakings set out in Part 1 of Schedule 2; and

"USD" means United States dollar, the lawful currency of the United States of America.

1.2 Construction of References

In this Agreement, unless the context requires otherwise, any reference:

- (a) to a Clause or Schedule is a reference to a Clause of or a Schedule to this Agreement;
- (b) to this Agreement, any other document or any provision of this Agreement or that document is a reference to this Agreement, that document or that provision as in force for the time being or from time to time amended in accordance with the terms of this Agreement or that document;
- (c) to a person includes an individual, a body corporate, a partnership, any other unincorporated body or association of persons and any state or state agency;
- (d) to any document expressed to be **"in the agreed form"** means a document approved by the parties to this Agreement and, if not entered into contemporaneously with this Agreement, initialled by or on behalf of the Seller and the Purchaser for the purposes of identification;
- (e) to a time of day is a reference to the time in Hong Kong, unless expressly indicated otherwise;
- (f) to an enactment includes that enactment as it may be amended, replaced or re-enacted at any time, whether before or after the date of this Agreement, and any subordinate legislation made under it;

- (g) to an "**agreement**" includes any document or deed, an arrangement and any other kind of commitment; and
- (h) to a "**right**" includes a power, a remedy and discretion.

1.3 Interpretation

In this Agreement, unless the context otherwise requires:

- (a) words importing the plural include the singular and vice versa;
- (b) words importing a gender include every gender; and
- (c) the words "**other**", "**including**" and "**in particular**" do not limit the generality of any preceding words and are not to be construed as being limited to the same class as the preceding words where a wider construction is possible.

1.4 Headings and Contents

The headings and the tables of contents in this Agreement do not affect its interpretation.

1.5 Schedules

This Agreement includes its Schedules and any reference to a paragraph is a reference to the paragraph of the relevant Schedule.

2. SALE AND PURCHASE OF THE SALE INTERESTS

The Seller shall sell the Sale Interests free from all Encumbrances and with all rights now attached to the Sale Interests including the right to receive all dividends and other distributions declared, made or paid on or after the Completion Date, and the Purchaser relying on the representations, warranties, undertakings and indemnities of the Seller contained or referred to in this Agreement shall purchase the Sale Interests with effect from Completion.

3. CONSIDERATION

The Consideration is the sum of USD 9,226,008.82. The Purchaser shall pay to the Seller the Consideration on the Completion Date to the Seller's designated bank account.

4. COMPLETION

4.1 Completion

Completion will take place at 22nd Floor, C-Bons International Center, 108 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong (or at such other place as the Seller and the Purchaser may agree in writing), on the Completion Date, or such other date as the Seller and the Purchaser may agree in writing. At Completion, the business set out in Schedule 3 will be transacted.

4.2 **Effect of Completion**

The parties agree that all the rights, benefits, obligations, risks and responsibilities associated with the Sale Interests shall pass to the Purchaser, and the Purchaser shall take over the operational, management and financial control of the Group Companies, with effect from the Completion Date.

4.3 **Effect of Non-Compliance with Completion Obligations**

No party is obliged to complete this Agreement or perform any obligations under this Agreement unless the other party complies fully with the requirements of Clause 4.1 and Schedule 3. If the respective obligations of the parties under Clause 4.1 and Schedule 3 are not complied with on the Completion Date, the Purchaser may by notice to the Seller (in the event that the Seller is unable or unwilling to comply with its obligations under this Agreement) or the Seller may by notice to the Purchaser (in the event that the Purchaser is unable or unwilling to comply with its obligations under this Agreement):

- (a) postpone Completion to a date (being a Business Day) falling not more than ten Business Days after the original scheduled Completion Date, in which event the provisions of this Agreement will apply as if the date set for Completion in Clause 4.1 were the date to which Completion is so postponed;
- (b) proceed to Completion as far as practicable (without limiting its rights under this Agreement); or
- (c) terminate this Agreement in which case the provisions of Clause 8 shall apply.

5. **WARRANTIES AND INDEMNITIES**

5.1 **Warranties**

The Seller represents, warrants and undertakes to and with the Purchaser that each statement contained in Part 1 of Schedule 2 is true, accurate and complete in all material respects and not misleading in any material respects as at the date of this Agreement, and will be so on the Completion Date with reference to the facts and circumstances then subsisting.

5.2 **Reliance on Warranties**

The Seller acknowledges and accepts that the Purchaser is entering into this Agreement in reliance upon each of the Warranties and that the Warranties have been given as a representation and with the intention of inducing the Purchaser to enter into this Agreement.

5.3 **Separate Warranties**

Each of the Warranties is to be construed as a separate Warranty and (except where this Agreement expressly provides otherwise) is not to be limited or restricted by reference

to or inference from the terms of any other Warranty or any other terms of this Agreement.

5.4 Seller's Obligations

- (a) The Seller will ensure that each of the Group Companies does not do anything or does not omit to do anything which would, at any time before or after Completion, be materially inconsistent with the Warranties, breach any Warranty or make any Warranty untrue or misleading.
- (b) The Seller undertakes that it will from time to time and at any time, whether before or after Completion, immediately disclose in writing to the Purchaser any event, fact or circumstance which may become known to it after the date of this Agreement and which is materially inconsistent with any of the Warranties or which could reasonably be expected materially to affect a purchaser for value of the Sale Interests or which may entitle the Purchaser to make any claim under this Agreement.

5.5 Time Limit on Warranty Claims

- (a) The Seller will not be liable under any of the Warranties unless notice of a claim under the Warranties specifying in reasonable detail and to the extent possible the event or default to which the claim relates and the nature of the breach and amount claimed has been received by the Seller not later than the expiry of the period of one year following the Completion Date; and
- (b) any claim in respect of which notice has been given in accordance with Clause 5.5(a) will be deemed to have been irrevocably withdrawn and lapsed if (not having been previously satisfied, settled or withdrawn) proceedings in respect of such claim have not been issued and served on the Seller not later than the expiry of the period of one year after the date of such notice (or, in case of a breach of any of the Warranties which arises by reason of some liability which, at the time of such notice of claim, is contingent only or cannot be quantified, not later than the expiry of the period of one year after the date on which such liability ceases to be contingent or becomes capable of being quantified); provided that where the Purchaser is prevented from making a claim by operation of Clause 5.5, the period of one year shall run from the date on which the Purchaser becomes entitled to bring a claim.

5.6 Upper Limit on Liability for Warranty Claims

The total liability of the Seller for claims made under the Warranties will not exceed the amount of the Consideration .

5.7 The Purchaser's warranties

The Purchaser represents, warrants and undertakes to and with the Seller and its successors in title that each statement contained in Part 2 of Schedule 2 is true, accurate and complete in all material respects and not misleading in any material respects as at

the date of this Agreement, and will be so on the Completion Date with reference to the facts and circumstances then subsisting.

6. CONDUCT OF BUSINESS PENDING COMPLETION

Except with the prior written consent of the Purchaser, the Seller will procure that prior to Completion (or the termination of this Agreement pursuant to Clause 4.3), the Group Companies will not do anything outside its ordinary course of business.

7. POST COMPLETION MATTERS

From time to time after the Completion, each Party hereto shall promptly execute, acknowledge and deliver any other assurances or documents or instruments of transfer reasonably requested by the other Party hereto and necessary for the requesting Party to satisfy its obligations hereunder or to obtain the benefits of the transactions contemplated hereby.

8. TERMINATION

8.1 This Agreement shall terminate if:

- (a) the Seller or Purchaser elects to terminate this Agreement in accordance with Clause 4.3(c); or
- (b) the Seller and the Purchaser by mutual agreement elect to terminate this Agreement,

and in both cases all rights and obligations of the parties will cease immediately upon termination except that:

- (i) termination will not affect the then accrued rights and obligations of the parties (including the right to damages for the breach, if any, giving rise to the termination and any other pre-termination breach by either party);
- (ii) termination will be without prejudice to the continued application of Clause 15 (and all provisions relevant to the interpretation and enforcement thereof), which will remain in full force and effect.

8.2 Where this Agreement is terminated pursuant to Clause 8.1(b), the Seller shall refund to the Purchaser the full amount of the Consideration paid to it by the Purchaser, and the parties shall use their reasonable endeavours to transfer the Sale Interests back to the Seller.

9. ENTIRE AGREEMENT

This Agreement contains the entire agreement between the parties as to its subject matter and supersedes any previous agreements between the parties relating to its subject matter.

10. REMEDIES CUMULATIVE

The rights of the parties under this Agreement are cumulative and do not exclude or restrict any other rights (except as otherwise provided in the Agreement).

11. NO WAIVER

No failure or delay by a party to exercise any right under this Agreement or otherwise will operate as a waiver of that right or any other right nor will any single or partial exercise of any such right preclude any other or further exercise of that right or the exercise of any other right.

12. TIME OF THE ESSENCE

Time is of the essence of this Agreement as regards any time, date or period specified for the performance of an obligation.

13. SEVERANCE

If any provision of this Agreement is not or ceases to be legal, valid, binding and enforceable under the law of any jurisdiction, neither the legality, validity, binding effect or enforceability of the remaining provisions under that law nor the legality, validity, binding effect or enforceability of that provision under the law of any other jurisdiction will be affected.

14. AMENDMENTS

No amendment to this Agreement will be effective unless in writing and executed by all the parties.

15. ANNOUNCEMENTS AND RESTRICTIONS ON DISCLOSURE

15.1 Announcements

No public announcement, circular or communication of any kind will be made or issued, in respect of the subject matter of this Agreement by the parties except:

- (a) with the prior written consent of the other party which may not be unreasonably withheld or delayed;
- (b) if so required by law, regulation, or statutory or regulatory rule (including but not limited to the Listing Rules), or to any governmental or regulatory bodies (including but not limited to The Stock Exchange of Hong Kong Limited); or
- (c) where such announcement or communication is made or issued after Completion by the Purchaser or the Group Companies to a customer, client or supplier of the Group Companies informing it of the Purchaser's purchase of the Sale Interests.

15.2 Restrictions on Disclosure

Subject to Clause 15.1, no party to this Agreement will disclose (and will take reasonable precautions to ensure that none of its directors, officers, employees or agents discloses) any term of this Agreement, the negotiations leading up to this Agreement or the transactions or arrangements contemplated or referred to in this Agreement (including the fact that this Agreement has been entered into between the parties) or any confidential information belonging to any other party except where:

- (a) the prior written consent of the other party has been obtained (such consent not to be unreasonably withheld or delayed) and which consent may be given either generally or in a specific case or cases and may be subject to conditions;
- (b) disclosure is reasonably necessary for the performance of that party's obligations under this Agreement;
- (c) the information has entered into the public domain but not because of a breach or default by that party;
- (d) disclosure is made for a proper purpose to the senior management of a party's holding company;
- (e) disclosure is to that party's legal advisers or accountants or bankers or their respective legal advisers and that party has informed the recipient of the restrictions on disclosure contained in this Clause 15.2 and that party will be responsible for any breach of the provisions of this Clause 15.2 by or caused by, the recipient; or
- (f) disclosure is required by law, or statutory or regulatory rule (including but not limited to the Listing Rules), or to any governmental or regulatory bodies (including but not limited to The Stock Exchange of Hong Kong Limited) regulation to which the relevant party is subject to.

15.3 Remedies

The parties acknowledge that since damages or an account of profits will not be an adequate remedy for a breach of the obligations in Clauses 15.1 and 15.2, a party is entitled to an injunction to prevent a breach or a continued breach.

15.4 Continuing Effect of Restrictions

The restrictions contained in Clauses 15.1 and 15.2 will apply before and after Completion and will continue to bind the parties even if this Agreement is rescinded or terminated.

16. FURTHER ASSURANCE

Each party will do and will use reasonable endeavours to procure any third party to do whatever is necessary to give effect to this Agreement.

17. COUNTERPARTS

This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which is an original but, together, they constitute one and the same agreement.

18. SUCCESSORS AND PERSONAL REPRESENTATIVES

This Agreement is binding on the successors of each party and, where applicable, the personal representatives of a party.

19. ASSIGNMENT

No party may assign any of the rights or obligations of that party under this Agreement without the prior written consent of each other party to this Agreement (such consent not to be unreasonably conditioned, withheld or delayed).

20. SURVIVAL

Any provision of this Agreement which is capable of being performed after but which has not been performed at or before Completion and all Warranties and indemnities and other undertakings contained in or entered into pursuant to this Agreement will remain in full force and effect notwithstanding Completion (except insofar as they set out obligations which have been fully performed at Completion).

21. EXPENSES AND TAXES

21.1 Each of the parties is responsible for that party's own legal and other expenses incurred in the negotiation, preparation and completion of this Agreement.

21.2 All taxes, fees or other charges incurred in the execution of this Agreement on each of the parties should be borne by the respective party.

22. NOTICES

Every notice or communication under this Agreement must be in writing and may, without prejudice to any other form of delivery, be delivered personally or sent by post or transmitted by fax to the address given in this Agreement or at such other address as the recipient may have notified to the other parties in writing.

23. LAW AND JURISDICTION

23.1 Governing Law

This Agreement is governed by and will be construed in accordance with Hong Kong law.

23.2 Hong Kong Arbitration

Any dispute or difference arising out of or in connection with this Agreement shall be referred to and determined by arbitration by one arbitrator at Hong Kong International Arbitration Centre.

SCHEDULE 1
BASIC INFORMATION CONCERNING THE GROUP COMPANIES

The Company

Name of Company:	PCG Bros (Holdings) Co. Limited
Registered number:	1870114
Date of Incorporation :	15 April 2015
Place of Incorporation:	British Virgin Islands
Registered office:	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands
Authorised share capital:	a maximum of 50,000 shares each with a par value of US\$1.00
Issued share capital:	40,000 shares each with a par value of US\$1.00
Director:	Lee Shao Wu

Subsidiaries

(i) Company Name:	寶悍運動平台股份有限公司 PCG BROS Sports Management Co. Ltd.	
Date of Incorporation:	18 April 2015	
Place of Incorporation:	Taiwan	
Total Investment:	NTD180,000,000	
Registered Capital:	NTD180,000,000	
Registered and Beneficial Shareholder:	<u>Shareholder</u> PCG Bros (Holdings) Co. Limited	<u>Capital Contribution</u> 100%
Term of Operation:	Unlimited	
Legal Representative:	盧金柱	
Directors:	李韶午、吳邦治、關赫德、張運智	
Supervisor:	劉鴻志	

Subsidiaries

(ii) Company Name:	上海寶洛體育文化有限公司	
Date of Incorporation:	6 January 2016	
Place of Incorporation:	Shanghai(China)	
Total Investment:	RMB3,242,500	
Registered Capital:	RMB8,000,000	
Registered and Beneficial Shareholder:	<u>Shareholder</u> PCG Bros (Holdings) Co. Limited	<u>Capital Contribution</u> 100%
Term of Operation:	5 January 2036	
Legal Representative:	張運智	
Directors:	王德堯、何楚雯	
Supervisor:	羅至禾	

Subsidiaries

(iii) Company Name:	昆山寶悍體育文化發展有限公司	
Date of Incorporation:	30 December 2015	
Place of Incorporation:	Kunshan(China)	
Total Investment:	USD1,500,000	
Registered Capital:	USD10,000,000	
Registered and Beneficial Shareholder:	<u>Shareholder</u> PCG Bros (Holdings) Co. Limited	<u>Capital Contribution</u> 100%
Term of Operation:	29 December 2045	
Legal Representative:	胡瓏智	
Director(s):	毛嘉正、張樹人	
Supervisor(s):	羅至禾	

SCHEDULE 2
THE WARRANTIES

Part 1: The Warranties

1. SALE INTERESTS

- (a) The Seller is the sole legal and beneficial owner of the Sale Interests and is entitled to sell and transfer and will at Completion sell and transfer the full legal and beneficial ownership of the Sale Interests to the Purchaser free from all Encumbrances and with all rights now and hereafter relating to such Sale Interests.
- (b) There are no Encumbrances on, over or affecting any of the Sale Interests or any part of the equity capital of the Company. There is no agreement or commitment to give or create any Encumbrance. No claim has been made by any person to be entitled to any Encumbrance which has not been waived in its entirety or satisfied in full.
- (c) The Sale Interests comprise the entire equity capital of the Company. All of the Sale Interests are fully paid up.
- (d) There is no agreement or commitment outstanding which calls for the transfer, allotment or issue of or accords to any person the right to call for the transfer, allotment or issue of any equity interests or debentures in the Company (including any option or right of pre-emption or conversion). No claim has been made by any person to be entitled to any such agreement or commitment.
- (e) No consent of any third party is required to be obtained in respect of the sale of the Sale Interests.
- (f) The obligations of the Seller under this Agreement and each document to be executed at or before Completion are, or when the relevant document is executed, will be binding in accordance with their terms.
- (g) The Seller has the requisite power and authority to enter into and perform its obligations under this Agreement and in particular has the requisite power and authority to sell, transfer to the Purchaser the Sale Interests without the need to obtain any approval or sanction from any governmental or regulatory body or any other person.

2. ACCURACY AND ADEQUACY OF INFORMATION

- (a) The information given in Schedule 1 is true and accurate in all material respects and is not misleading in any material respects.
- (b) The copy of the Articles of Association of the Company provided to the Purchaser is complete and accurate in all material respects, has attached to it copies of all resolutions and other documents required by law to be so attached and fully set out the rights and restrictions attaching to each class, if any, of the

share capital of the Company.

- (c) All the accounts, books, ledgers and financial and other records of the Group Companies have been properly kept in accordance with normal business practice and are in the possession of each of the Group Companies or under its control and all transactions relating to its business have been duly and correctly recorded therein in all material respects and there are as at the date of this Agreement no material inaccuracies or discrepancies of any kind contained or reflected in such accounts, books, ledgers and financial and other records and at the date of this Agreement they are sufficient to give a true and accurate view of the state of each of the Group Companies' affairs and to explain its transactions.

3. **COMPLIANCE WITH LEGAL REQUIREMENTS**

- (a) Compliance has been made in all material respects with all legal and procedural requirements and other formalities in connection with each of the Group Companies concerning:
 - (i) its Articles of Association or other constitutional documents (including all resolutions passed or purported to have been passed);
 - (ii) the filing of all documents required by appropriate legislation to be filed with the appropriate regulatory bodies;
 - (iii) issues of equity interests, debentures or other securities;
 - (iv) payments of interest and dividends and making of other distributions and
 - (v) directors and other officers.
- (b) Each of the Group Companies is empowered and duly qualified to carry on its business in such countries in which it operates.
- (c) There has been no material breach by any of the Group Companies or by the Seller or by any of their officers or employees (in their capacity as such) of any legislation or regulations affecting the relevant company or its business.
- (d) No Group Company or its respective shareholding company is in material breach of any legal or regulatory requirement relating to the identity and nationality of shareholders.

4. **ACCOUNTS AND LIABILITIES**

The Management Accounts:

- (a) comply with the requirements of all applicable legislation in all material respects;
- (b) were prepared in accordance with the accounting principles generally accepted

in the relevant country of incorporation at the time they were prepared;

- (c) are complete and accurate in all material respects and in particular make adequate provision for all established liabilities or make proper provision for (or contain a note in accordance with good accounting practice respecting) all deferred or contingent liabilities (whether liquidated or unliquidated) at the date thereof;
- (d) give a true and fair view of the state of affairs and financial position of the Group Companies for the relevant accounting period; and
- (e) are not affected by any unusual or non-recurring items which are not disclosed as such in the Management Accounts.

5. **CONTRACTS, COMMITMENTS AND FINANCIAL AND OTHER ARRANGEMENTS**

- (a) There are not now outstanding, nor will there be outstanding at Completion, with respect to the Group Companies:
 - (i) any agreement (whether by way of guarantee indemnity warranty representation or otherwise) under which the relevant company is under any actual or contingent liability in respect of:
 - (1) any disposal by the relevant company of its assets or business or any part thereof except such as are usual in the ordinary and proper course of its normal day to day trading as carried on at the date of this Agreement; or
 - (2) the obligations of any other person;
 - (ii) any contract to which the relevant company is a party which is of a long-term and non-trading nature or which contains any unusual or unduly onerous provision disclosure of which could reasonably be expected to influence the decision of a purchaser for value of any or all of the Sale Interests;
 - (iii) any agreement entered into by the relevant company otherwise than by way of bargain at arm's length; and
 - (iv) any contract which restricts the freedom of the relevant company to carry on the business now carried on by it in any part of the world.
- (b) There is no invalidity, nor any grounds for determination, rescission, avoidance or repudiation, of any agreement to which any of the Group Companies is a party.
- (c) Compliance with this Agreement does not and will not conflict with or result in the breach of or constitute a default under any agreement or instrument to which the Group Company is now a party or any loan to or mortgage created by the

Group Company or relieve any other party to a contract with the Group Company of its obligations under such contract or entitle such party to terminate such contract, whether summarily or by notice.

- (d) No charges, rights of security or third party rights of any kind whatsoever have been created or agreed to be created or permitted to arise over any of the assets of the Group Companies other than liens arising in the ordinary course of business.
- (e) Save as disclosed in the Management Accounts, the Group Company is not a party to nor has it any liability (present or future) under any other loan agreement, debenture, guarantee, indemnity or letter of credit or leasing, hiring, hire purchase, credit sale or conditional sale agreement nor has it entered into any contract or commitment involving, or likely to involve, obligations or expenditure of an unusual or exceptional nature or magnitude.
- (f) There are no debts owing by the Group Companies other than the debts which have arisen in the ordinary course of business or as are shown in the Management Accounts.

6. **INSOLVENCY**

- (a) No receiver, manager or the like, has been appointed of the whole or any part of the assets or undertaking of the Group Companies.
- (b) No petition has been presented, no order has been made and no resolution has been passed for the winding-up or dissolution of the Group Companies or for a provisional liquidator to be appointed in respect of the Group Companies.
- (c) No distress, execution or other process has been levied in respect of the Group Companies.
- (d) No unsatisfied judgment, order, decree, award or decision is outstanding against the Group Companies or for any person whose acts or defaults it may be vicariously liable.

7. **LITIGATION**

The Group Companies are not engaged (whether as plaintiff, defendant or otherwise) in any material litigation or arbitration, administrative or criminal or other proceeding and no material litigation or arbitration, administrative or criminal or other proceedings against the Group Companies is pending, threatened or expected and so far as the Seller is aware, there is no fact or circumstance likely to give rise to any such litigation or arbitration, administrative or criminal or other proceedings or to any proceedings against any director, officer or employee (past or present) of the Group Companies in respect of any act or default for which the Group Companies might be vicariously liable.

8. **DELINQUENT ACTS**

The Group Companies have not committed nor are they liable for any criminal, illegal,

unlawful or unauthorised act or breach of any obligation whether imposed by or pursuant to statute, contract or otherwise.

9. LICENCES AND CONSENTS

All material licences, consents and other permissions and approvals required for or in connection with the carrying on of the business now being carried on by the Group Companies:

- (a) have been granted or issued in favour of the Group Companies and are valid and in full force and effect; and
- (b) the Group Companies are not in material default and have not received notice that they are in material default with respect to the terms of or that any such licence, consent, permission or approval is likely to be revoked or which constitutes grounds for such revocation.

Part 2: The Purchaser's warranties

1. The Purchaser has the requisite power and authority to enter into and perform its obligations under this Agreement and in particular has the requisite power and authority to acquire from the Seller the Sale Interests without the need to obtain any approval or sanction from any governmental or regulatory body or any other person.
2. The obligations of the Purchaser under this Agreement and each document to be executed at or before Completion are, or when the relevant document is executed, will be binding in accordance with their terms.

SCHEDULE 3
MATTERS TO BE TRANSACTED AT COMPLETION

At Completion:

1. SELLER'S OBLIGATIONS

The Seller shall deliver to the Purchaser or procure the delivery to the Purchaser of:

- (a) any such documents (including any power of attorney) as may be required to give good title to the Sale Interests or which may be necessary to enable the Purchaser or its nominees to procure the registration of the same in the name of the Purchaser or its nominee(s);
- (b) copy minutes of the board meeting of the Company held under paragraph 2 of this Schedule;
- (c) in respect of each of the Group Companies, all the original corporate documents and information including official stamps, other seals, books, certificates, files, contracts, invoices, permitting certificates, ownership certificates (including trademark certificates), electronic information, and the statement of transferred information signed by the Seller, all current insurance policies, and all other documents and records of the Group Companies as scheduled and tabled in Schedule 4; and
- (d) if required by the Purchaser, letter of resignation duly executed by all of the existing directors, supervisors, legal representatives and other officers of the Group Companies, in each case acknowledging that they have no outstanding claims whether for compensation for loss of office or any other grounds whatsoever.

2. BOARD MEETINGS

The Seller shall procure a board meeting to be held of the Company at which resolutions shall be passed (where appropriate):

- (a) to approve and give effect to all of the matters referred to in paragraph 1 above;
- (b) to approve the Purchaser and its nominees for registration as the holders of the Sale Interests; and
- (c) to deal with and resolve upon such other matters as the Purchaser shall reasonably require for the purposes of giving effect to the provisions of this Agreement.

3. PURCHASER'S OBLIGATIONS

The Purchaser shall deliver or procure the delivery to the Seller of:

- (a) Copy duly executed Deed of Guarantee made by the Purchaser and/or Pou Sheng International (Holdings) Limited and/or any of its subsidiaries in favour of PCG BROS Sports Management Co. Ltd. for the short term omnibus facility in the sum of USD5 million granted to PCG BROS Sports Management Co. Ltd. by Citibank Taiwan Limited with effect from the Completion Date.

SCHEDULE 4

Schedule of documents and materials to be delivered by the Seller to the Purchaser at Completion

As per document list(s) to be provided by the Seller upon Completion

EXECUTED by the Parties

FOR AND ON BEHALF OF

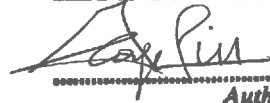
KEY INTERNATIONAL CO., LTD.

and SIGNED by

Liu George Hong-Chih

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For and on behalf of
KEY INTERNATIONAL CO., LTD.



.....
Authorized Signature(s)

FOR AND ON BEHALF OF

WINNING TEAM HOLDINGS LIMITED

and SIGNED by

Kwan, Heh-Der

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For and on behalf of
WINNING TEAM HOLDINGS LIMITED



.....
Authorized Signature(s)

For more information on
this and other products call 1-800-...

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WILSON JENSEN HOLDINGS LIMITED
In kind on line 707

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