

THIS SUBSCRIPTION AGREEMENT is made this 10th day of October, 2024

BETWEEN:-

- (1) **VIRTUAL MIND HOLDING COMPANY LIMITED (天機控股有限公司)**, a company incorporated in the Cayman Islands as an exempted company with limited liability and having its registered office situate at Cricket Square, Hutchins Drive, P.O. Box No. 2681, Grand Cayman KY1-1111, Cayman Islands and been registered as a Non-Hong Kong Company with the Companies Registry with Business Registration No. 54724498 and having its head office and principal place of business in Hong Kong situate at Rooms 2511-25, 25th Floor, Peninsula Tower, 538 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong (the “**Company**”)

AND

- (2) **KING CASTLE ENTERPRISES LIMITED (帝堡企業有限公司)**, a company incorporated in the British Virgin Islands with limited liability with BVI Company No. 1448989 and having its registered office situate at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola VG1110, British Virgin Islands (the “**Subscriber**”)

The Company and the Subscriber shall collectively be referred to as the “**Parties**” and each individually as a “**Party**” wherever hereunder.

WHEREAS:-

- (A) Issued ordinary shares in the Company (the “**Shares**”) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 1520), and immediately prior to the date hereof, the Company has issued and allotted 2,495,276,324 Shares (including 60,000,000 treasury Shares);
- (B) The Company contemplates to issue and allot up to 100,000,000 new Shares under the Specific Mandate (as defined below) (the “**Subscription Shares**”, and each a “**Subscription Share**”), and the Company is desirous of utilising the subscription money for general working capital;
- (C) The Subscriber holds 330,000,000 Shares, representing approximately 13.22% of the total issued Shares of the Company, and being a substantial shareholder of the Company. The sole shareholder and sole director of the Subscriber, Mr. WONG Kin Ting (王健廷), is the father of Mr. WONG Wai Kai, Richard (王瑋楷), an executive director of the Company, and as such, the Subscriber is a Connected Person (as defined in the Listing Rules) of the Company; and
- (D) The Subscriber is desirous of subscribing for the Subscription Shares free from any Encumbrance (as defined below) whatever, and the Parties enter into this Agreement to regulate and govern, among other matters, the issuing (by the Company) and the subscription (by the Subscriber) of the Subscription Shares (the “**Transaction**”), and in

light of the factual matrix as set out in Recital (C), the Transaction is a Connected Transaction (as defined in the Listing Rules).

NOW IT IS HEREBY AGREED as follows:-

1. Definition and Interpretation

- 1.1 The Recitals and the Schedules shall form, and shall be construed to be, an integral part of this Agreement and shall have the same force and effect as any provision in the main body of this Agreement.
- 1.2 The words and expressions set out below shall have the meanings attributed to them below unless otherwise specified or the context otherwise requires:

“Acting in Concert”	shall have the meaning ascribed to it in the Takeovers Code;
“Agreement” or “this Agreement”	this Subscription Agreement as amended, modified or revised from time to time in writing by the Parties;
“Authority”	any administrative, governmental or regulatory commission, board, body, authority or agency, or any stock exchange, self-regulatory organization or other non-governmental regulatory authority, or any court, tribunal or arbitrator, in each case whether national, central, federal, provincial, state, regional, municipal, local, domestic or foreign, and “Authorities” shall be interpreted and construed accordingly;
“Board”	the board of directors of the Company;
“Business Day”	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted or the Extreme Conditions is announced in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours;
“Company’s Warranties”	the representations and warranties of the Company under <u>Clause 5</u> and <u>Part A of Schedule 2</u> ;
“Completion”	completion of the Transaction pursuant to <u>Clause 4</u> and the <u>Schedule 1</u> ;
“Completion Date”	any Business Day within a period of ten (10) Business Days after the fulfilment and/or satisfaction (or waiver, as appropriate) of the Conditions;

“Conditions”	shall have the same meaning as set out in <u>Clause 3.1</u> ;
“Consideration”	the sum of up to HK\$10,000,000 to be paid by the Subscriber to the Company at Completion for subscription of the Subscription Shares, the exact amount of which is arrived at / computed by multiplying the exact number of Subscription Shares subscribed by the Subscriber in accordance with this Agreement by the Subscription Price;
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of approving, among others, the Specific Mandate and the Transaction at which only the Independent Shareholders shall be entitled to vote by way of poll;
“Encumbrance”	any mortgage, charge, pledge, lien, deed of trust, hypothecation, security interest, title retention or any other agreement or arrangement the effect of which is the creation of security, or any equity or other interest or right of any third person or any right to acquire, option, right of first refusal, right of pre-emption or restriction, or any agreement or arrangement to create any of the same or having similar effect;
“Extreme Conditions”	the extreme conditions as announced by any Hong Kong Government department or body or otherwise, whether or not under or pursuant to the revised “Code of Practice in Times of Typhoons and Rainstorms” issued by the Labour Department of the Hong Kong Government in June 2019 in the event of serious disruption of public transport services or government services, extensive flooding, major landslides or large-scale power outage after typhoons or incidents similar in seriousness or nature;
“Group”	the Company and its subsidiaries and the expression “member of the Group” shall be interpreted and construed accordingly;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Board Committee”	the independent board committee of the Company comprising of all the independent non-executive

	directors of the Company, established for the purpose of advising the Independent Shareholders on this Agreement and the Transaction;
“Independent Financial Adviser”	an independent financial adviser to be appointed by the Company to make recommendations to the Independent Board Committee and the Independent Shareholders on respect of this Agreement and the Transaction;
“Independent Shareholders”	Shareholders who are not required under the Listing Rules to abstain from voting at the EGM for the resolution to approve this Agreement and the Transaction;
“Law”	any and all national, central, federal, provincial, state, regional, municipal, local, domestic or foreign laws (including, without limitation, any common law or case law), statutes, ordinances, legal codes, regulations or rules (including, without limitation, any and all regulations, rules, orders, judgments, decrees, rulings, opinions, guidelines, measures, notices or circulars (in each case, whether formally published or not and to the extent mandatory or, if not complied with, the basis for legal, administrative, regulatory or judicial consequences) of any Authority);
“Listing Committee”	the listing committee appointed by the Stock Exchange for considering applications for listing and approving the listing of and dealing with securities on the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Longstop Date”	shall have the same meaning as set out in <u>Clause 3.3</u> ;
“SFC”	the Securities and Futures Commission of Hong Kong;
“Shares”	shall have the same meaning as set out in <u>Recital (A)</u> ;
“Shareholders”	holders of the Shares from time to time;
“Specific Mandate”	the specific mandate to be granted to the Board by the Independent Shareholders at the EGM for the allotment and issuance of the Subscription Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Subscriber’s Warranties”	the representations and warranties of the Subscriber under <u>Clause 5</u> and <u>Part B of Schedule 2</u> ;
“Subscription Price”	the subscription price of HK\$0.10 per Subscription Share;
“Subscription Share(s)”	shall have the same meaning as set out in <u>Recital (B)</u> ;
“subsidiary(ies)”	shall have the meaning ascribed to it in the Listing Rules;
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC;
“Transaction”	shall have the same meaning as set out in <u>Recital (D)</u> ; and
"Warranties"	refer collectively to the Company’s Warranties and the Subscriber’s Warranties.

1.3 A reference to a statute or statutory provision includes a reference:-

- (a) to that statute or provision as from time to time modified or re-enacted;
- (b) to any repealed statute or statutory provision which it re-enacts (with or without modification); and
- (c) to any orders, regulations, instruments or other subordinate legislation made under the relevant statute or statutory provision.

1.4 Unless the context otherwise requires:-

- (a) words in the singular include the plural, and *vice versa*;
- (b) words importing any gender include all genders; and
- (c) a reference to a person includes a reference to a body corporate and to an unincorporated body of persons.

1.5 A reference to a “*Clause*”, “*Sub-Clause*” or “*Schedule*” is to a clause, sub-clause or schedule (as the case may be) of or to this Agreement.

1.6 The headings are for convenience only and shall not affect interpretation of this Agreement.

1.7 The definitions adopted in the recitals preceding this Clause apply throughout this Agreement.

2. **The Transaction**

- 2.1 The Company shall, as soon as practicable after the date hereof, establish the Independent Board Committee to advise the Independent Shareholders on this Agreement and the Transaction. Further, an Independent Financial Advisor will be appointed to advise the Independent Board Committee and the Independent Shareholders on this Agreement and the Transaction.
- 2.2 Subject to Clauses 2 and 3 and in reliance of the Company's Warranties, the Subscriber shall, at Completion, subscribe such portfolio of the Subscription Shares as it deems fit and appropriate in accordance with this Agreement, and the Company shall, at Completion, issue and allot to the Subscriber such portfolio of the Subscription Shares subscribed by the Subscriber free from any Encumbrance whatsoever in accordance with this Agreement. Forthwith upon Completion, the Subscriber shall be, and shall become, the sole legal and beneficial owner of the Subscription Shares.
- 2.3 The Consideration shall be fully settled and discharged at Completion by the Subscriber in cash by CHATS, cashier's order or banker's draft (or such other mode or manner of payment as the Parties may otherwise agree) to the Company. There shall not be any reduction or deduction whatsoever to the Consideration.
- 2.4 At Completion, the Subscriber and party(ies) Acting in Concert with it shall not hold Shares in such portfolio which may trigger any mandatory general offer obligation under Rule 26.1 of the Takeovers Code.

3. **Conditions Precedent**

- 3.1 Completion shall be subject to the satisfaction and/or fulfilment of such conditions precedent as set out hereunder (the "**Conditions**"):
- (a) the Company having obtained all necessary consent and approval in respect of the Specific Mandate and the Transaction;
 - (b) the Company having obtained from the Listing Committee the approval for the listing of, and permission to deal in, the Subscription Shares, and such permission remaining valid until Completion;
 - (c) the Subscriber having obtained all necessary consent and approval in respect of the Transaction;
 - (d) listing status of the Shares not having been revoked, cancelled, withdrawn or suspended, or further or in the alternative, threatened with any revocation, cancellation, withdrawal or suspension at any time prior to Completion;
 - (e) all Company's Warranties having remained true, accurate and not misleading in all material aspects, and remaining so until Completion; and

(f) all Subscriber's Warranties having remained true, accurate and not misleading in all material aspects, and remaining so until Completion.

- 3.2 Save and except that such Conditions as set out in Clause 3.1(e) which may be waived by the Subscriber unilaterally at any time prior to the Longstop Date by notice in writing to the Company, and that such Conditions as set out in Clause 3.1(f) which may be waived by the Company unilaterally at any time prior to the Longstop Date by notice in writing to the Subscriber, no other Conditions can be waived by any Party, and the Company shall use its best endeavour to ensure that such Conditions as set out in Clauses 3.1(a), (b), (d) and (e) (in case such Conditions as set out in Clause 3.1(e) have not been waived by the Subscriber in accordance with the foregoing provisions of this Clause 3.2) shall be fulfilled and satisfied as soon as possible after the execution of this Agreement, and in any event, no later than the Longstop Date, and likewise, the Subscriber shall use its best endeavour to ensure that such Conditions as set out in Clauses 3.1(c) and (f) (in case such Conditions as set out in Clause 3.1(f) have not been waived by the Company in accordance with the foregoing provisions of this Clause 3.2) shall be fulfilled and satisfied as soon as possible after the execution of this Agreement, and in any event, no later than the Longstop Date.
- 3.3 Save as otherwise stated, if any of the Conditions (save and except such Conditions having been waived in accordance with Clause 3.2) shall not have been fulfilled by 5:00 p.m. on 31 December 2024 (the "**Longstop Date**"), this Agreement shall, unless the Parties agree in writing to postpone the Longstop Date to a subsequent Business Day, automatically terminate and cease to be of any effect except for Clause 1 (*Definition and Interpretation*), Clause 6 (*Confidentiality*), Clause 7 (*Notices*), Clause 8 (*Costs and Expenses*), Clause 9 (*Miscellaneous*), and Clause 10 (*Governing Law and Jurisdiction*) which shall remain in force, and none of the Parties shall have any claim of any nature or liabilities hereunder whatsoever against the other Party save for any antecedent breaches of the terms hereof.

4. Completion

- 4.1 Completion shall take place at the principal place of business of the Company as first above written at 4:00 p.m. on the Completion Date (or at such other place and time as the Parties may otherwise agree) when each Party shall perform its respective obligations set out in Schedule 1.
- 4.2 At Completion,
- (a) the Company shall issue and allot to the Subscriber such portfolio of the Subscription Shares subscribed by the Subscriber in accordance with this Agreement free from any Encumbrance whatsoever; and
 - (b) the Subscriber shall settle and discharge the Consideration in accordance with Clause 2.3.

- 4.3 In the event that either Party shall without any reasonable ground fail to do anything required to be done by it under or pursuant to this Agreement, without prejudice to any other right or remedy available to the other Party, such other Party may:
- (a) defer Completion to a day not more than ten (10) Business Days after the date initially fixed for Completion (and so that the provision of this Sub-Clause (a) shall apply to Completion as so deferred); or
 - (b) proceed to Completion insofar as is practicable but without prejudice to such other Party's right *vis-à-vis* the Party in default; or
 - (c) rescind this Agreement without liability on its part.

5. **Representations and Warranties**

- 5.1 The Company represents, warrants and undertakes to and with the Subscriber that each of the statements set out in Part A of Schedule 2 is true, accurate and not misleading in all material aspects as at the date hereof, and will continue to be so up to Completion with reference to the facts and circumstances subsisting from time to time and any reference made to the date hereof (whether expressed or implied) in relation to the Company's Warranties will be construed in relation to any such repetition as a reference of each such date.
- 5.2 The Subscriber represents, warrants and undertakes to and with the Company that each of the statements set out in Part B of Schedule 2 is true, accurate and not misleading as at the date hereof, and will continue to be so up to Completion with reference to the facts and circumstances subsisting from time to time and any reference made to the date hereof (whether expressed or implied) in relation to the Subscriber's Warranties will be construed in relation to any such repetition as a reference of each such date.
- 5.3 Each of the Warranties shall be, and shall be construed to be, separate and independent and (except where this Agreement provides otherwise) shall not be limited or restricted by reference to or inference from any other term of this Agreement or any other Warranty.
- 5.4 The rights and remedies of the Subscriber in respect of any breach of any of the Company's Warranties will survive Completion. Likewise, the rights and remedies of the Company in respect of any breach of any of the Subscriber's Warranties will survive Completion. However, in case of any Party's failure to pursue any claim against the other Party for or in relation to any breach of any Warranty by the first anniversary of the Completion Date, that party shall be debarred to do so.
- 5.5 Between the date hereof and the Completion Date, each Party shall immediately disclose in writing (referred to as the "**Disclosing Party**" for the purpose of this Clause) to the other Party any event or circumstance which may arise or become known to the Disclosing Party which constitutes a breach of or is materially inconsistent with any of the Warranties or which might make any of the Warranties inaccurate or misleading (as appropriate).

- 5.6 The representations and warranties set out in each Clause and Schedule of this Agreement shall be deemed to be repeated as at Completion as if all references to the date hereof were references to the date of Completion.
- 5.7 No Party shall be liable in respect of any Warranties if and to the extent that the matter giving rise to such liability would not have arisen but for the passing of, the repealing, revocation or withdrawal of, or any change in, after the date of this Agreement, any law, rule, regulation, code, guideline, applicable accounting standards, principles and the interpretation of any of the above, or administrative practice of a government, governmental department, agency or regulatory body or any increase in the rates of taxation or any imposition of Tax, in each case not in force at the date of execution of this Agreement or on the Completion Date.
- 5.8 Each Party understands that the other Party executes this Agreement and enters into the Transaction in reliance of the Warranties.

6. **Confidentiality**

- 6.1 Each Party undertakes with the other Party that it shall treat as strictly confidential all information received or obtained by it or its employees, agents or advisers as a result of entering into or performing this Agreement including information relating to the provisions of this Agreement, the negotiations leading up to this Agreement, the subject matter of this Agreement and subject to the provisions of Clause 6.2 that they will not at any time hereafter make use of or disclose or divulge to any person any such information and shall use their best endeavours to prevent the publication or disclosure of any such information.
- 6.2 The restrictions contained in Clause 6.1 shall not apply so as to prevent any Party from making any disclosure required by law or by any securities exchange or supervisory or regulatory or governmental body pursuant to rules to which such Party is subject or from making any disclosure to any professional adviser for the purposes of obtaining advice nor shall the restrictions apply in respect of any information which comes into the public domain otherwise than by a breach of this Clause 6 by such Party.
- 6.3 Subject but without prejudice to any provision hereof, no public announcement or communication of any kind shall be made in respect of the Transaction and/or of this Agreement unless specifically agreed between the Parties or unless an announcement is required pursuant to relevant rules, regulations, law or the requirements of the Stock Exchange or other regulatory authorities. Any announcement by any Party required to be made pursuant to any relevant law or the requirements of the Stock Exchange or any regulatory authorities shall be issued after consultation with the other Party as is reasonably practicable in the circumstances.

7. **Notices**

- 7.1 Any notice required or permitted to be given by or under this Agreement shall be in writing and shall be given by delivering it to the following addresses or facsimile numbers:-

The Company:

Facsimile : (852) 2980 3887

Address : Rooms 2511-25, 25th Floor, Peninsula Tower,
538 Castle Peak Road, Cheung Sha Wan,
Kowloon, Hong Kong

Attention : Board of Directors

The Subscriber:

Facsimile : (852) 3188 6553

Address : 18/F., Bank of East Asia Harbour View Centre,
56 Gloucester Road, Wanchai, Hong Kong

Attention : Board of Directors

or to such other address or facsimile number in Hong Kong as the Party concerned may have notified to the other Party in accordance with this Clause and such notice shall be deemed to be given at the time of delivery, if sent by hand, or, if sent by facsimile, when despatched subject to a successful transmission report having been received by the sender.

8. **Costs and Expenses**

- 8.1 Each Party shall bear its own costs and expenses in connection with the preparation, negotiation and settlement of this Agreement.
- 8.2 Any stamp duty relating to the issue Subscription Shares shall be borne by the Company.

9. **Miscellaneous**

- 9.1 Time shall be of the essence to this Agreement and to the Transaction.
- 9.2 Each Party undertakes to the other to execute or procure to be executed all such documents and to do or procure to be done all such other acts and things as may be reasonable and necessary to give both Parties the full benefit of this Agreement.
- 9.3 This Agreement shall be binding on and enure for the benefit of the Parties and shall not be assignable.
- 9.4 The exercise of or failure to exercise any right or remedy in respect of any breach of this Agreement shall not, save as provided herein, constitute a waiver by a Party of any other right or remedy it may have in respect of that breach.

- 9.5 This Agreement constitutes the entire agreement between the Parties and no variation of this Agreement shall be effective unless made in writing and signed by both of the Parties.
- 9.6 This Agreement supersedes all and any previous agreements, arrangements or understandings between the Parties relating to the matters referred to in this Agreement and all such previous agreements, understandings or arrangements (if any) shall cease and determine with effect from the date hereof.
- 9.7 If at any time any provision of this Agreement is or becomes illegal, void or unenforceable in any respect, the remaining provisions hereof shall in no way be affected or impaired thereby.
- 9.8 Any termination of this Agreement:
- (a) shall not affect the then accrued rights and obligations of each Party (including the right to damages for any antecedent breach by either Party); and
 - (b) termination shall be without prejudice to the continued application of Clause 1 (*Definition and Interpretation*), Clause 6 (*Confidentiality*), Clause 7 (*Notices*), Clause 8 (*Costs and Expenses*), this Clause 9 and Clause 10 (*Governing Law and Jurisdiction*) which shall remain in full force and effect.
- 9.9 For avoidance of any doubt, the rights of each and every Party under this Agreement are cumulative and do not exclude or restrict any other rights (except as otherwise provided in this Agreement).
10. **Governing Law and Jurisdiction**
- 10.1 This Agreement shall be governed by and construed in accordance with the laws of Hong Kong and each Party hereby submits to the non-exclusive jurisdiction of the courts of Hong Kong for resolution of any dispute or enforcement of any claim on or arising out of this Agreement and agrees that process may be served on it at its respective address for service of notices specified in Clause 7.
- 10.2 Any person who is not a Party shall have no right under the Contract (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce or enjoy the benefit of any term of this Agreement.
11. **Counterparts**
- 11.1 This Agreement may be executed by the Parties in any number of counterparts and on separate counterparts, each of which when so executed shall be deemed an original but all which shall constitute one and the same instrument binding on both Parties.

Schedule 1

Completion Requirements

1. Obligations of the Company

At Completion, the Company shall deliver to the Subscriber:-

- (a) a certified true copy of the board resolution of the Board approving the Transaction and authorising the execution of this Agreement; and
- (b) the Share Certificates for the Subscription Shares.

2. Obligations of the Subscriber

At Completion, the Subscriber shall settle and discharge the Consideration in accordance with Clause 2.3.

Schedule 2

Part A

Company's Warranties

1. The Company represents and warrants to the Subscriber that:
 - (a) the Company has been duly organised as a limited liability company in Cayman Islands and has been registered as a Non-Hong Kong Company with the Companies Registry of Hong Kong with Business Registration No. 54724498, and all issued shares of the Company have been fully paid up or credited as having been fully paid up;
 - (b) each member of the Group is duly incorporated and is validly existing under the laws of the jurisdiction of its incorporation, and is authorised and entitled to conduct its business and is lawfully qualified to do business in those jurisdictions in which business is conducted by it;
 - (c) the issued Shares are listed on the Main Board of Stock Exchange;
 - (d) the Subscription Shares will be issued fully paid up and ranking *pari passu* in all respects, including as to the right to receive all dividends and other distributions which may be declared made or paid after Completion and will be issued free and clear of all Encumbrances;
 - (e) subject to the fulfilment of the Conditions, the Company has full power and authority to issue the Subscription Shares and to enter into and perform its obligations under this Agreement;
 - (f) this Agreement as having been duly authorized, executed and delivered by the Company constitutes valid and legally binding obligations of the Company enforceable in accordance with its terms;
 - (g) subject to the fulfilment of the Conditions, neither the issue of the Subscription Shares nor the entering into or performance of this Agreement by the Company will constitute or give rise to a breach of or default under its constitutional documents, or will cause any breach of any agreement to which it is a Party or by which it is bound or will infringe or exceed any limits on, powers of, or restrictions on or the terms of any contract, obligation or commitment of the Company, or will give rise to any creation of Encumbrance in respect of any assets of the Company, or will result in third party consent being required, or will result in a contravention of any Law;
 - (h) all information (whether oral, written, electronic or in any other form) supplied by or on behalf of the Company or any of its officers, directors, employees or advisers, for the purpose of or in connection with the Transaction, and all publicly available information and records (such as statutory filings and

registrations) of the Company including information and statements of fact contained in the announcement to be published by the Company relating to the Transaction and any documents published or announced by the Company are or were true and accurate in all material respects and not misleading in the relevant context and all statements of opinion, intention or expectation of the Company or its directors contained therein are or were truly and honestly held and have been made after due and careful consideration and there is no other fact or matter omitted therefrom the omission of which would make any statement therein misleading or which is otherwise material in the context of the Transaction;

- (i) the audited consolidated statements of financial position as at 31 December 2023 and the audited consolidated statement of comprehensive income of the Company for the 12 months ended 31 December 2023:
 - (1) have been prepared on a consistent basis, save as disclosed therein, and in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) and pursuant to the relevant Laws of Hong Kong and Listing Rules; and
 - (2) show a true and fair view of the state of affairs of the Group as at 31 December 2023; and
 - (j) the Company shall comply with the Law applicable to the Transaction in the conduct and Completion thereof.
- 2. The Company has full power and the right to enter into and complete the Transaction and to issue and allot the Subscription Shares to the Subscriber in accordance with this Agreement.
 - 3. The Company is solvent, and no claim, insolvency proceedings, litigation or arbitration proceedings, winding-up proceedings or any other action (whether criminal or civil) is commenced, instituted, pursued or threatened against the Company.
 - 4. The Company has at all times been maintained, operated and managed in accordance with all applicable Laws, and it is not subject to any investigation, prosecution, penalty, disciplinary proceedings or any administrative action whatsoever.
 - 5. The Company has duly filed all tax returns with the Inland Revenue Department of the Hong Kong Government, and has duly paid and settled all tax, duties and levies as and when the same fall due.

Part B

Subscriber's Warranties

1. The Subscriber has at all times been maintained, operated and managed in accordance with all applicable Laws, and it has full corporate power, authority and capacity to enter into this Agreement, to complete the Transaction and to exercise its rights and perform its obligations hereunder.

IN WITNESS WHEREOF this Agreement has been duly executed by the Parties on the date first above written.

The Company

SIGNED by)
LI Yang)
director having been duly authorised)
by the Board of Directors of)
VIRTUAL MIND HOLDING COMPANY)
LIMITED (天機控股有限公司))
in the presence of:-)

For and on behalf of
Virtual Mind Holding Company Limited
天機控股有限公司
.....
Authorized Signature(s)

The Subscriber

SIGNED by)
WONG Kin Ting (王建廷))
director having been duly authorised)
by the Board of Directors of)
KING CASTLE ENTERPRISES LIMITED)
(帝堡企業有限公司))
in the presence of:-)

For and on behalf of
KING CASTLE ENTERPRISES LIMITED
帝堡企業有限公司

.....
Authorised Signature(s)