AGREEMENT FOR THE SALE AND PURCHASE OF 1,400,000,000 ORDINARY SHARES IN SMC ELECTRIC LIMITED (蜆壳電業有限公司)

dated

31 JULY 2026

by

SHELL ELECTRIC HOLDINGS LIMITED (蜆壳電器控股有限公司)

Seller

and

MEGA NOVA HOLDINGS LIMITED 星兆控股有限公司

Purchaser

Baker McKenzie.
貝克·麥堅時律師事務所
Baker & McKenzie
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Agreement for the sale and purchase of 1,400,000,000 ordinary shares in SMC Electric Limited (蜆壳電業有限公司)

This agreement is dated 31 July 2026

Between

SHELL ELECTRIC HOLDINGS LIMITED (蜆壳電器控股有限公司), a company incorporated under the laws of Bermuda with registered number 43484, having its registered office at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda (the "**Seller**"); and

MEGA NOVA HOLDINGS LIMITED 星兆控股有限公司, a company incorporated under the laws of Hong Kong with registered number 80787410 having its registered office at 25A, United Centre, 95 Queensway, Admiralty, Hong Kong (the "**Purchaser**").

Recitals

A. The Company is a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 2381).

B. As at the date of this agreement, the Seller is the legal and beneficial owner of the 1,500,000,000 Shares, representing 75% of the entire issued share capital of the Company.

C. The Seller has agreed to sell and the Purchaser has agreed to purchase the 1,400,000,000 Sale Shares, representing 70% of the entire issued share capital of the Company, on the terms set out in this agreement.

The parties agree as follows:

1. Interpretation

1.1 Defined terms

In this agreement, the following words and expressions shall have the following meanings:

"**Accounting Date**" means, in relation to any Financial Year of any Group Company, the last day of that Financial Year;

"**Accounts**" means, in relation to any Financial Year of each Group Company:

(a) the audited balance sheet as at the Accounting Date in respect of that Financial Year; and

(b) the audited profit and loss account and cash flow statement in respect of that Financial Year,

together in each case with all notes, reports, statements and other documents required by applicable Law or Relevant Accounting Standards to be included in or attached to them;

"**Action**" means any action, claim, complaint, demand, investigation, audit, petition, challenge, suit, litigation, arbitration, tribunal, dispute or other proceeding;

"**Business Day**" means a day (excluding Saturday, Sunday and public holiday in Hong Kong) on which banks generally are open in Hong Kong for the transaction of normal banking business;

"**Business Warranties**" means the warranties given in clause 8.2 (Business Warranties of the Seller) and Part 3 of Schedule 4;

"**CCASS**" means the Central Clearing and Settlement System established and operated by Hong

Kong Securities Clearing Company Limited;

"**Commercial Information**" means customer details, prices and quantities and other information of a confidential nature (including all proprietary, industrial and commercial information and techniques in whatever form held, such as paper, electronically stored data, magnetic media film and microfilm or orally), including but not limited to customer lists, supplier details, sales volumes, business plans, forecasts and any information derived from any of the foregoing;

"**Companies Ordinance**" means Companies Ordinance (Chapter 622 of the Laws of Hong Kong);

"**Company**" means SMC Electric Limited (蜆壳電業有限公司), a company incorporated under the laws of the Cayman Islands, particulars of which are set out in Part 1 of Schedule 1;

"**Competent Authority**" means any supra-national, national, state, municipal or local government (including any sub-division, court, administrative agency or commission or other authority of any supra-national, national, state, municipal or local government) or any governmental or quasi-governmental or private body exercising any regulatory, taxing, importing or other governmental or quasi-governmental authority (including any tribunal, securities exchange, competition or antitrust authority, foreign investment authority, or supervisory body);

"**Completion**" means completion of the sale and purchase of the Sale Shares in accordance with clause 6 (Completion);

"**Completion Conditions**" means those Conditions that by their nature or terms may be fulfilled only on the Completion Date and not before, being those Conditions set out in paragraphs 4, 5 and 6 of Schedule 2;

"**Completion Date**" means the date upon which Completion takes place in accordance with clause 6.1 (Timing);

"**Conditions**" has the meaning given in clause 4.1 (Conditional Completion);

"**Confidential Information**" means all information (whether written, oral, in electronic form or otherwise) relating to (a) any Group Company, its business, assets, affairs, customers, clients, suppliers, plans, intentions, market opportunities, operations, processes, know-how or trade secrets, (b) the Purchaser or any member of the Purchaser Group, or (c) the existence, terms or subject matter of this agreement or the negotiations relating to this agreement, in each case including Commercial Information;

"**Data Room**" means the contents of the virtual data room hosted by Nextcloud in connection with the sale of the Sale Shares as at 4:00 p.m. on 29 July 2026, as is recorded on the USB pen that has been provided to the Purchaser on or before the date of this agreement;

"**Defaulting Party**" has the meaning given in clause 13.5 (Default interest);

"**Directors**" means the persons listed as directors of the Company in Part 1 of Schedule 1;

"**Disclosed**" means (i) disclosed in the Data Room fairly and accurately and with sufficient detail; (ii) disclosed on the website of the Stock Exchange (https://www.hkexnews.hk) or the website of the Company (http://smcelectric.com.hk); or (iii) specifically disclosed in any written answers or any document made available to the Purchaser or its advisers in response to due diligence enquiries raised by the Purchaser or its advisers;

"**Disclosure**" shall be construed accordingly;

"**DVP**" means delivery of securities versus payment as specified by the CCASS Operational Procedures, which form part of the General Rules of CCASS, as amended from time to time;

"**EBITDA**" means earnings before interest, taxes, and non-cash items such as depreciation, depletion and amortisation;

"**Electronic Transfer**" means the clearing houses automated payment system or any other method of electronic transfer for same-day value (save as otherwise provided in clause 3.1(a));

"**Encumbrance**" means any mortgage, charge, pledge, lien, restriction, assignment, hypothecation, security interest, title retention or any other arrangement the effect of which is the creation of, or the creation of any arrangement to create security, or any other interest, equity or other right of any person (including any right to acquire, option, right of first refusal or right of pre-emption);

"**Executive**" means the Executive Director of the Corporate Finance Division of the SFC or any delegates of the Executive Director;

"**Existing CT and CCT Agreements**" means the following agreements for connected transactions and continuing connected transactions of the Group:

(a) the factory premises rental agreement dated 16 December 2024 between 佛山市顺德区蚬华多媒体制品有限公司 ("**Shunde SMC Multi-Media Products Company Limited**") (as landlord) and the PRC Subsidiary (as tenant) in respect of the premises at 3rd Floor, Block A, No. 18 San Le Dong Road, Bei Jiao Resident's Committee Industrial Park, Shunde District, Foshan City, the PRC;

(b) the dormitory rental agreement dated 16 December 2024 between Shunde SMC Multi-Media Products Company Limited (as landlord) and the PRC Subsidiary (as tenant) in respect of employee dormitory spaces situated in the living quarters at No. 18 San Le Dong Road, Bei Jiao Resident's Committee Industrial Park, Shunde District, Foshan City, the PRC;

(c) the tenancy agreement dated 16 December 2024 between Shell Electric Holdings Limited (i.e. the Seller) (as landlord) and SMC Electric (HK) Limited (as tenant) in respect of the portions of the 1st Floor, 4th Floor and 6th Floor and two car parking spaces located at Shell Industrial Building, 12 Lee Chung Street, Chai Wan, Hong Kong;

(d) the catering services agreement dated 16 December 2024 between Shunde SMC Multi-Media Products Company Limited (as service provider) and the PRC Subsidiary (as recipient) in respect of the provision of catering services to the staff of the PRC Subsidiary;

(e) the framework supply agreement dated 16 December 2024 between PFC Device Holdings Limited (as supplier) and SMC Electric Limited (as purchaser) in respect of the supply of semiconductors by the PFC Device Holdings Limited group to the Group;

(f) the framework supply agreement dated 10 September 2025 between SMC Multi-Media (H.K.) Limited (as supplier) and SMC Electric Limited (as purchaser) in respect of the supply of LED parts by the SMC Multi-Media (H.K.) Limited group to the Group;

(g) the trademarks licence agreement dated 16 December 2024 between Sunny Resource Limited (as licensor) and SMC Holdings (as licensee) in respect of the grant of a licence to the Group to use certain trademarks owned by Sunny Resource Limited; and

(h) the patents licence agreement dated 16 December 2024 between Sunny Resource Limited (as licensor) and SMC Holdings (as licensee) in respect of the grant of a licence to the Group to use certain patents owned by Sunny Resource Limited;

"**Existing Facilities**" means the banking facilities pursuant to (i) the facility letter dated 10 September 2025 issued by Hang Seng Bank Limited to SMC Electric (HK) Limited (with a combined limit of HKD18,000,000) and (ii) the facility letter dated 16 December 2024 issued by The Hongkong and Shanghai Banking Corporation Limited to SMC Electric (HK) Limited, Shell Electric Mfg. (China) Co Ltd, Quanta Global Limited and Speed Power Limited (with a combined limit of HKD25,000,000);

"**Financial Year**" means a year beginning on 1 January and ending on 31 December;

"**Fundamental Warranties**" means the warranties given in clause 8.1 (Fundamental Warranties of the Seller) and Part 2 of Schedule 4;

"**Group**" means the group of companies comprising the Company and the Subsidiaries and "**member of the Group**" and "**Group Company**" shall be construed accordingly;

"**Indebtedness**" means, in respect of any company or other entity, any borrowing or indebtedness in the nature of borrowing (including any indebtedness for monies borrowed or raised under any bank or third party guarantee, acceptance credit, bond, note, bill of exchange or commercial paper, letter of credit, finance lease, hire purchase agreement, forward sale or purchase agreement or conditional sale agreement or other transaction having the commercial effect of a borrowing and all finance, loan and other obligations of a kind required to be included in the balance sheet of a company or other entity under Relevant Accounting Standards);

"**Last Accounting Date**" means 31 December 2025;

"**Last Accounts**" means the Accounts in respect of the Financial Year ended on the Last Accounting Date complete and accurate copies of which were published on 24 April 2026 by the Company on the website of the Stock Exchange;

"**Law**" means any regulation, statute, law (including common law), subordinate legislation, act, treaty, ordinance, decree, directive, rule, circular, code, order, recommendation, notice, direction, code of practice, judgement or decision enacted, issued or promulgated by, or entered into with, any Competent Authority which, for the avoidance of doubt, includes the Listing Rules and the Takeovers Code;

"**Listing Rules**" means the Rules Governing the Listing of Securities on the Stock Exchange;

"**Lock-up Period**" has the meaning given in clause 7.3(a) (Lock-up of Retained Shares);

"**Long Stop Date**" has the meaning given in clause 4.2(a) (Seller's commitments);

"**Losses**" includes, in respect of any matter, all Actions, damages, payments, fines, penalties, losses, costs (including legal costs), expenses (including Tax), disbursements or other liabilities in any case of any nature;

"**Major Contract Manufacturer**" means the Group's existing contract manufacturer in Vietnam providing manufacturing or assembly services to the Group;

"**Major Customers and Suppliers**" means collectively:

(a) the two largest customers of the Group in terms of revenue contribution to the Group for the Financial Year ended 31 December 2025; and

(b) the two largest suppliers of the Group in terms of total purchases by the Group for the Financial Year ended 31 December 2025;

"**Material Adverse Change**" means:

(a) in respect of the Conditions or the Warranties, any matter that has or will have or would reasonably be expected to have, either individually or in the aggregate with all other matters, a Material Adverse Effect on the business, assets, liabilities, properties, condition (financial or otherwise), results of operations, operations or prospects of the Company (or any other Group Company) up to the time of Completion (and if applicable after the Completion, SMC Holdings Group or any SMC Holdings Group Company); or

(b) in respect of Clause 7.2, any matter that has or will have or would reasonably be expected to have, either individually or in the aggregate with all other matters, a Material Adverse Effect on the business, assets, liabilities, properties, condition (financial or otherwise), results of operations, operations or prospects of any SMC Holdings Group Company including any such change, event, circumstance or other matter that alone or together causes, or would reasonably be expected to cause:

(i) the SMC Holdings Group's consolidated EBITDA for any of the Financial Years ending 31 December 2026, 2027 and 2028 as shown in the relevant Accounts prepared in accordance with the Relevant Accounting Standards being a negative figure; or

(ii) the SMC Holdings Group's consolidated gross revenue being below (A) HKD110 million for the Financial Year ending 31 December 2026, or (B) HKD60 million for the Financial Year ending 31 December 2027, in each case as shown in the relevant Accounts prepared in accordance with the Relevant Accounting Standards;

and "**Material Adverse Effect**" means any material adverse change or prospective adverse change in the business or in the financial or trading position or prospects of any member of the Group up to the Completion (and if applicable after the Completion, SMC Holdings Group) other than those arising from or in connection with matters that are beyond the control of any member of the Seller Group and not arising from or attributable to any act, omission or circumstance of or relating to any member of the Seller Group or the Group up to the Completion (and if applicable after the Completion, SMC Holdings Group) which are limited to the following:

(i) any event of force majeure including any act of God, military action, military or political conflicts, war, riot, public disorder, civil commotion, fire, flood, tsunami, explosion, epidemic, pandemic, terrorism, strike or lock-out;

(ii) any new law or regulation of general applicability or any change in existing laws or regulations of general applicability or any change in the interpretation or application thereof by any court or other Competent Authority in Hong Kong, the BVI, the Cayman Islands, the PRC or any of the jurisdictions in which any member of the SMC Holdings Group operates;

(iii) any change in, or any event or series of events or development resulting in any change in Hong Kong, the BVI, the Cayman Islands, the PRC or any of the jurisdictions relevant to the business of the Group, the markets which any of the SMC Holdings Group Company operates in, the local, regional or international financial, currency, political, military, industrial, economic, stock market or other market conditions or prospects;

(iv) the imposition of any moratorium, suspension or material restriction on trading in securities generally on any of the markets operated by the Stock Exchange due to exceptional financial circumstances; or

(v) any change or development involving a change in taxation or exchange control of general applicability (or the implementation of any exchange control of general applicability) in Hong Kong, the BVI, the Cayman Islands, the PRC or any of the jurisdictions in which any member of the SMC Holdings Group operates.

"**New Facility**" has the meaning given in paragraph 1(a)(vii) in Schedule 3 (Conditional Completion);

"**Notices**" has the meaning given in clause 14.1 (Delivery of Notices);

"**Offer**" has the meaning given in clause 7.1(a) (Mandatory general offer);

"**Offer Document**" has the meaning given in clause 7.1(b) (Mandatory general offer);

"**Participant**" means any person admitted for the time being by Hong Kong Securities Clearing Company Limited as a participant of CCASS;

"**Permit**" means any licence, permission, permit, authorisation, approval, waiver, exemption or consent;

"**PRC Subsidiary**" means 广东蚬壳家电有限公司 (SMC Electric (China) Ltd), a wholly-owned subsidiary of the Company established under the laws of the PRC, the particulars of which are given in Part 2 of Schedule 1;

"**Properties**" means the properties particulars of which are set out in Schedule 5;

"**Purchase Price**" has the meaning given in clause 3.1 (Purchase Price);

"**Purchaser Group**" means the group of companies comprising the Purchaser, any holding company from time to time of the Purchaser and any subsidiary of the Purchaser (including, following Completion, each Group Company) or of any such holding company and "**member of the Purchaser Group**" shall be construed accordingly;

"**Purchaser's Lawyers**" means Baker & McKenzie of 14th Floor, One Taikoo Place, 979 King's Road Quarry Bay, Hong Kong;

"**Relevant Accounting Standards**" means, in relation to any Accounts or any balance sheet or profit and loss account of any company or other person, the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, as in effect on the relevant Accounting Date or the date of that balance sheet or profit and loss account;

"**Renewal Agreements**" means the agreements to be entered into between the Company or the relevant SMC Holdings Group Company and the relevant Seller Group Company for the purpose of renewing the Existing CT and CCT Agreements for a term of three Financial Years commencing on 1 January 2027 and ending on 31 December 2029;

"**Representatives**" means, in respect of any person, its officers, employees, workers, agents (including advisers);

"**Retained Shares**" has the meaning given in clause 7.3(a) (Lock-up of Retained Shares);

"**Sale Shares**" means 1,400,000,000 Shares to be sold by the Seller to the Purchaser on the terms set out in this agreement;

"**SFC**" means the Securities and Futures Commission in Hong Kong;

"**Settlement Account**" means the respective securities accounts of the Seller and the Purchaser maintained with their respective designated Participant in relation to the delivery of the Sale Shares and the payment of the Purchase Price in accordance with this agreement;

"**Seller Group**" means the group of companies comprising the Seller, any holding company or ultimate beneficial owner from time to time of the Seller and any subsidiary of the Seller or of any such holding company including Mr. Yung Kwok Kee Billy but excluding each Group Company and "**member of the Seller Group**" and "**Seller Group Company**" shall be construed accordingly;

"**Shares**" means the issued share capital of the Company as shown in Part 1 of Schedule 1;

"**SMC Holdings**" means SMC Electric Holdings Limited details of which are given in Part 2 of Schedule 1;

"**SMC Holdings Group**" means the group of companies comprising SMC Holdings and its Subsidiaries and "**member of the SMC Holdings Group**" and "**SMC Holdings Group Company**" shall be construed accordingly;

"**Special Dividend**" means the conditional special dividend in an amount of approximately HKD91,500,000 (equivalent to a Special Dividend of HKD0.04575 per Share) to be declared by the Company to its shareholders prior to Completion, and the payment of which is conditional on the Completion taking place;

"**Stock Exchange**" means The Stock Exchange of Hong Kong Limited;

"**Subsidiaries**" means the companies details of which are given in Part 2 of Schedule 1 and any reference to a Subsidiary is a reference to any of them;

"**Tax**" means all forms of taxation, withholdings, duties, imposts, levies, social security contributions and rates imposed, assessed or enforced by any local, municipal, governmental, state, federal or other body or authority in Hong Kong, the PRC or elsewhere, in all cases being in the nature of taxation, and any related interest, penalty, surcharge or fine;

"**Tax Authority**" means any Tax authority or other authority competent to impose, assess or enforce any liability to Tax whether in Hong Kong, the PRC or elsewhere;

"**Takeovers Code**" means the Code on Takeovers and Mergers published by the SFC;

"**Third Parties**" has the meaning given in clause 13.8 (Third Party rights);

"**Transaction**" means the transactions contemplated by this agreement;

"**Transition Period**" has the meaning given in clause 7.2 (Transition Period); and

"**Warranties**" means the Fundamental Warranties and the Business Warranties.

1.2 Statutory provisions

All references to statutes, statutory provisions, enactments include references to any consolidation, re-enactment, modification or replacement of them, any statute, statutory provision, enactment of which it is a consolidation, re-enactment, modification or replacement and any subordinate legislation in force under any of them from time to time except to the extent that any consolidation, re-enactment, modification or replacement enacted after the date of this agreement would extend or increase the liability of either party to the other under this agreement. Unless otherwise specified, all references to statutes, statutory provisions or enactments are to statutes, statutory provisions or enactments of Hong Kong.

1.3 Holding company and subsidiary

A company or other entity is a "**holding company**" of another company or entity for the purposes of this agreement if it falls within the meaning of a holding company as defined in sections 13 and 14 of the Companies Ordinance or a parent undertaking as defined in Schedule 1 to the Companies Ordinance, and a company or other entity is a "**subsidiary**" of another company or entity for the purposes of this agreement if it falls within the meaning of a subsidiary as defined in sections 13 to 15 of the Companies Ordinance or a subsidiary undertaking as defined in Schedule 1 to the Companies Ordinance.

1.4 Agreed form

Any reference to a document in the "**agreed form**" is to the form of the relevant document in the terms agreed between the Seller and the Purchaser before the execution of this agreement and signed or initialled for identification purposes only by or on behalf of the Seller and the Purchaser (in each case with any amendments that may be agreed by or on behalf of the Seller and the Purchaser).

1.5 Recitals, schedules, etc.

References to this agreement include the recitals and schedules which form part of this agreement for all purposes. References in this agreement to the parties, the recitals, schedules and clauses are references respectively to the parties and their legal personal representatives, successors and permitted assigns, the recitals and schedules to and clauses of this agreement. References to paragraphs in each schedule are references to paragraphs in that particular schedule unless the context requires otherwise.

1.6 Meaning of references

Unless specifically required or indicated otherwise:

(a) words in one gender include any other gender, words importing individuals import companies and vice versa, words in the singular shall be treated as including the plural and vice versa, and words importing the whole include a reference to any part of them;

(b) references to a person shall include any individual, firm, company, unincorporated association, trust, government, state or agency of state, association, joint venture or partnership, in each case whether or not having a separate legal personality; references to a company shall include any company, corporation or other body corporate wherever and however incorporated or established;

(c) references to the word "**include**" or "**including**" (or any similar term) are not to be construed as implying any limitation and general words introduced by the word "**other**" (or any similar term) shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things;

(d) references to any Hong Kong statutory provision or legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or other legal concept, state of affairs or thing shall for any jurisdiction other than Hong Kong be deemed to include that which most nearly approximates in that jurisdiction to the Hong Kong statutory provision or legal term or other legal concept, state of affairs or thing;

(e) references to "**writing**" or "**written**" include any method of reproducing words or text in a legible and non-transitory form and, for the avoidance of doubt, shall include text transmitted by email;

(f) references to "**indemnify**" and to "**indemnifying**" any person against any Losses by reference to any matter include indemnifying and keeping that person indemnified against all Losses from time to time made, suffered or incurred as a direct consequence of or which would not have arisen but for that matter;

(g) references to any document (including this agreement) are references to that document as amended, consolidated, supplemented, novated or replaced from time to time;

(h) references to any "**arrangement**" shall include any contract, agreement, transaction, commitment, instrument, licence, franchise, assignment, lien, Encumbrance, charge, concession, understanding, Permit, policy, grant, employee benefit or bonus, or other arrangement (in each case whether legally enforceable or not);

(i) references to any "**matter**" shall be deemed to include any fact, matter, event or circumstance (including any omission to act);

(j) references to "**Hong Kong dollars**" or "**HKD**" are to the lawful currency of Hong Kong as at the date of this agreement. References to "**Renminbi**" or "**RMB**" are to the lawful currency of the PRC as at the date of this agreement. References to "**United States dollars**" or "**USD**" are to the lawful currency of the United States of America as at the date of this agreement;

(k) references to the "**PRC**" are to the People's Republic of China (and for the context of this agreement, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). References to "**Hong Kong**" are to the Hong Kong Special Administrative Region of the People's Republic of China. References to "**BVI**" are to the British Virgin Islands;

(l) references to times of the day are to that time in Hong Kong and references to a day are to a period of 24 hours running from midnight to midnight;

(m) when calculating the period of time before which, within which or following which any act is to be done or step taken under this agreement, the date that is the reference date in calculating that period shall be excluded. If the last day of that period is not a Business Day, the period in question shall end on the next Business Day; and

(n) where any provision is qualified or phrased by reference to the "**ordinary course of business**", that reference shall be construed as meaning the customary and usual course of trading for the business of the Group during the 12 months before the date of this agreement.

1.7 Seller's awareness

Where any statement in the Warranties or any confirmation or certificate given by the Seller pursuant to this agreement is qualified by the expression "**to the best of the knowledge of the Seller**" or "**so far as the Seller is aware**" or any similar expression, the parties agree that the Seller's knowledge includes knowledge of anything of which the Seller has actual knowledge; and no other person shall be deemed to have knowledge for the purposes of this agreement, and the Seller shall not be deemed to have constructive, imputed or deemed knowledge of any matter.

1.8 Headings

Clause, schedule and paragraph headings and the table of contents are inserted for ease of reference only and shall not affect the interpretation of this agreement.

2. Sale and purchase of Sale Shares

2.1 Sale and purchase

(a) Subject to the satisfaction of the Conditions in accordance with clause 4, the Seller shall at Completion sell and the Purchaser shall purchase the entire legal and beneficial ownership in the Sale Shares free from all Encumbrances.

(b) The Seller covenants with the Purchaser that:

(i) they have now, and at all times up to and at Completion shall have, full power and the right to sell and transfer legal and beneficial title to the Sale Shares on the terms set out in this agreement; and

(ii) the Company (or a Subsidiary) is, and at all times up to and at Completion shall be, the sole legal and beneficial owner of the entire issued share capital of each Subsidiary free from all Encumbrances.

2.2 Rights attaching to the Sale Shares

The Sale Shares shall be sold together with all rights attaching to them now or after the date of this agreement, including all rights to any dividend or other distribution declared, made or paid after the date of this agreement, save for the Special Dividend.

2.3 Waiver of restrictions on transfer

The Seller irrevocably waives and agrees to procure the waiver of any restrictions on transfer (including rights of pre-emption) that may exist solely in relation to the Sale Shares, whether under the constitutional documents of the Company or the applicable laws of the Cayman Islands.

2.4 Sale and purchase of all the Sale Shares

The Purchaser shall not be obliged to complete the purchase of any of the Sale Shares unless the sale and purchase of all the Sale Shares is completed simultaneously in accordance with this agreement.

3. Purchase Price

3.1 Purchase Price

The total purchase price for the Sale Shares to be paid by the Purchaser to the Seller under this agreement and subject to clause 6.3 (Obligations of the Seller at Completion) is HKD154,000,000 (the "**Purchase Price**"), of which:

(a) a deposit of HKD10,000,000 (the "**Deposit**") shall be paid by the Purchaser to the Seller on Monday, 3 August 2026, for value on the same day; and

(b) the remaining sum of HKD144,000,000 (the "**Remaining Balance**") shall be paid by the Purchaser to the Seller at Completion in accordance with clause 6.4.

The Deposit shall be promptly refunded to the Purchaser if this agreement fails to proceed to Completion, save that if this agreement is not completed by reason of a breach or default by the Purchaser (other than any breach or default arising from or attributable to any matter beyond the reasonable control of the Purchaser), in which case the Deposit shall become non-refundable, and the Seller shall be entitled to retain the Deposit.

3.2 Payment of Purchase Price

(a) The Purchaser shall pay the Deposit by Electronic Transfer in accordance with clause 13.6 to the following bank account of the Seller maintained in Hong Kong:

Bank	:	The Hongkong and Shanghai Banking Corporation Limited
Address	:	1 Queen's Road Central, Hong Kong
Account name	:	Shell Electric Holdings Ltd
Account number	:	853-035798-838
SWIFT code	:	HSBCHKHHHKH

(b) The Purchaser shall pay the Remaining Balance as required under clause 3.1(b) to the Seller by giving irrevocable instructions to its designated Participant to effect payment of the Remaining Balance to the Settlement Account of the Seller held with Morgan Stanley Hong Kong Securities Limited (CCASS Participant B01274) (or such other appropriate Morgan Stanley account as the case may be for delivery of the Sale Shares and/or payment of the Remaining Balance, as notified by the Seller to the Purchaser in writing no later than five (5) Business Days prior to the Completion Date) ("**Morgan Stanley**") on a DVP basis.

4. Conditions

4.1 Conditional Completion

Completion is conditional on the fulfilment (or, where applicable, waiver) of the conditions precedent listed in Schedule 2 (the "**Conditions**").

4.2 Seller's commitments

The Seller undertakes to use all reasonable endeavours to ensure that:

(a) the Conditions, other than the Completion Conditions, are fulfilled as soon as reasonably practicable and in any event before the 60^{th} day after the date of this agreement or on any other date that may be agreed in writing between the Seller and the Purchaser (the "**Long Stop Date**"); and

(b) the Completion Conditions are fulfilled on the Completion Date.

4.3 Waiver of Conditions

The Purchaser may, in its sole discretion, waive either in whole or in part at any time by notice in writing to the Seller any of the Conditions.

4.4 Failure to fulfil Conditions

If any of the Conditions, other than the Completion Conditions, shall not have been fulfilled (or waived under clause 4.3 (Waiver of Condition)) before the Long Stop Date, the Purchaser shall not be bound to proceed with the sale and purchase of the Sale Shares, and this agreement shall cease to be of any effect on the Long Stop Date, save for those clauses listed or referred to in clause 11 (Termination) (which shall remain in force) and save in respect of claims arising out of any antecedent breach of this agreement by either party.

4.5 Rights not affected

If any matter occurs that would prevent a Condition from being fulfilled, and the Purchaser waives the Condition(s) and proceeds to Completion, the fact that the Purchaser has granted that waiver and proceeded to Completion shall not constitute a waiver of any right or entitlement of the Purchaser to make any claim under this agreement.

5. Pre-Completion Obligations

5.1 Seller's undertaking

From the date of this agreement until Completion, the Seller undertakes to the Purchaser and shall use all reasonable endeavours to procure that each Group Company shall, within the confines of applicable Law and save for the Special Dividend,

(a) carry on its business in the ordinary course of business in accordance with all applicable Law (including, for the avoidance of doubt, the payment of any Tax and the submission of any return in connection with Tax that is required to be paid or submitted on or before Completion) and use all reasonable endeavours to maintain its trade and trade connections; and

(b) take all reasonable steps to preserve and protect its business and assets.

6. Completion

6.1 Timing

Completion shall take place on the fifth Business Day after the date of fulfilment (or waiver) of the Conditions, other than the Completion Conditions, or on any other date that may be agreed in writing between the Seller and the Purchaser (but always after fulfilment (or waiver) of the Conditions, including the Completion Conditions).

6.2 Location

Completion shall take place at the offices of the Purchaser's Lawyers or at such other place as agreed in writing by the Purchaser and the Seller, when all (but not some only) of the actions to be taken, documents to be delivered and payments to be made detailed in clauses 6.3 to 6.5 shall occur.

6.3 Obligations of the Seller at Completion

At Completion, the Seller shall:

(a) deliver to the Purchaser a written certificate from the Seller dated as at the Completion Date and signed by a director of the Seller confirming that the Conditions have been satisfied; and

(b) comply with its obligations set out in Schedule 3.

6.4 Obligations of the Purchaser at Completion

At Completion, and subject to the Seller complying with its obligations under clause 6.3(a), the Purchaser shall use its best endeavours to ensure simultaneous compliance with its obligations set out in Schedule 3.

6.5 Proceedings at Completion

All actions to be taken, all documents to be delivered and all payments to be made at Completion shall be deemed to have been taken, delivered and made simultaneously, and, except as provided by this agreement, no actions shall be deemed taken, documents delivered or payments made until all have been taken, delivered and made.

6.6 Failure to complete

(a) If the provisions of clause 6.3 are not complied with in all respects on the Completion Date, or if the Completion Conditions are not fulfilled on the Completion Date, the Purchaser shall not be obliged to complete the sale and purchase of the Sale Shares or pay any of the Remaining Balance and may in its sole discretion (in addition and without prejudice to any other right or remedy available to it) by written notice to the Seller:

(i) defer Completion by a period of not more than 28 days to another date that it may specify in that notice (in which case the provisions of this clause 6 shall apply to Completion as so deferred) and the Purchaser may, by written notice given before the expiry of such period, defer Completion once for a further period of not more than 10 days, provided that Completion shall in no event be deferred to a date later than the Long Stop Date;

(ii) waive all or any of the requirements contained or referred to in clause 6.3, or any of the Completion Conditions (and without prejudice to its rights under this agreement) and proceed to Completion so far as practicable; or

(iii) terminate this agreement without liability on the Purchaser's part.

(b) If the provisions of clause 6.4 are not complied with in all respects on the Completion Date, the Seller shall not be obliged to complete the sale of the Sale Shares and may in its sole discretion (in addition and without prejudice to any other right or remedy available to it) by written notice to the Purchaser:

(i) defer Completion by a period of not more than 28 days to another date that it may specify in that notice (in which case the provisions of this clause 6 shall apply to Completion as so deferred) and, the Seller may, by written notice given before the expiry of such period, defer Completion once for a further period of not more than 10 days, provided Completion shall in no event be deferred to a date later than the Long Stop Date;

(ii) waive all or any of the requirements contained or referred to in clause 6.4 (and without prejudice to the Seller's rights under this agreement) and proceed to Completion so far as practicable; or

(iii) terminate this agreement without liability on the Seller's part.

7. Post-Completion Obligations

7.1 Mandatory general offer

(a) The Purchaser acknowledges that, upon Completion, it will be required to make a mandatory unconditional cash offer for all the issued shares of the Company (other than those already owned by or agreed to be acquired by the Purchaser and persons acting in concert with it) in accordance with the Takeovers Code at a price not less than the Purchase Price per Sale Share (the "**Offer**").

(b) Following Completion and in accordance with the Takeovers Code, the parties shall use all their respective reasonable endeavours (and the Seller shall use its best endeavours to procure that the Company uses its best endeavours) to procure the despatch by such date as is required under the Takeovers Code (or such later date as may be approved by the Executive and agreed in writing between the parties) of the offer document in respect of the Offer (the "**Offer Document**") containing all the information as may be required by the Takeovers Code or as may be required by the SFC or the Stock Exchange.

(c) The Seller undertakes to the Purchaser to use all its reasonable endeavours to procure that the Director(s) nominated by it comply with their respective obligations under the Takeovers Code and itself to comply with its obligations as a minority shareholder of the Company under the Takeovers Code.

(d) The parties hereby undertake that they will each use all reasonable endeavours to supply such information as may be reasonably necessary to be included in the documents to be despatched or the announcements to be issued pursuant to the Takeovers Code in connection with the Offer, take respective responsibility for such information and authorise the publication, despatch and/or release of such documents and announcements.

7.2 Transition Period

(a) The Seller undertakes that, for a period of three (3) years from the Completion Date (the "**Transition Period**"), it shall, and shall procure that each other Seller Group Company, take all reasonable measures and endeavours to maintain the ordinary course operations of the Group consistent with past practice in all material respects and to ensure a smooth transition of the business of the Group, including not to do, allow or procure any act or omission that would reasonably be expected to cause a Material Adverse Change or a breach of any applicable Law.

(b) During the Transition Period, the Seller shall use reasonable endeavours to procure that the existing board composition of each Subsidiary as at Completion (other than Mr. Yung Kwok Kee Billy who shall resign as per paragraph 1(a)(viii) to Schedule 3) is maintained, and the Purchaser shall not, without prior consultation with the Seller, cause any change to such composition, except as required by applicable Law, any applicable constitutional documents, any requirement, order or direction of a Competent Authority, or to comply with directors' duties.

7.3 Lock-up of Retained Shares

(a) For the purposes of this clause, "**Retained Shares**" means the 100,000,000 Shares legally and beneficially owned by the Seller (representing 5% of the entire issued share capital of the Company) and "**Lock-up Period**" means the period of eighteen (18) months commencing on and including the Completion Date.

(b) The Seller agrees, covenants with and undertakes to the Purchaser that, without the prior written consent of the Purchaser, the Seller shall not tender the Retained Shares for acceptance under the Offer, and, whether directly or indirectly, at any time during the Lock-up Period: (i) dispose of, transfer, sell, assign, pledge, charge, create any Encumbrance over, or otherwise deal with, in any way, any Retained Shares or any interest therein (including any security convertible into or exchangeable or exercisable for, or that represents a right to receive, any Retained Shares); (ii) enter into any transaction directly or indirectly with the same economic effect as any of the transactions referred to in paragraph (i); or (iii) agree or contract to, or publicly announce any intention to, enter into any transaction described in paragraphs (i) or (ii).

7.4 Change of directors

Other than the persons under paragraph 1(b)(ii) of Schedule 3, the Seller shall procure that such further persons as the Purchaser may nominate from time to time are appointed as directors of the Company, and that any existing directors of the Company as the Purchaser may direct shall resign from their respective offices, in each case with effect from a date no earlier than the earliest time permitted under the Takeovers Code and in accordance with the constitutional documents of the Company.

7.5 Payment of unpaid contribution to the PRC Subsidiary

The Seller acknowledges and agrees that the obligation to pay up in full the remaining registered capital of the PRC Subsidiary in the amount of USD500,041.50 remains the responsibility of the Seller Group after Completion. The Seller undertakes to the Purchaser that, following Completion, only upon receipt of a written requirement or other formal request from the Competent Authority to pay up in full such remaining registered capital, the Seller shall (or shall procure that any member of the Seller Group shall), at the Seller's own cost and expense, promptly provide all necessary funds to the relevant parent company of the PRC Subsidiary to pay up in full such remaining registered capital, together with any fines, penalties, or other payment obligations of a similar nature as required by the Competent Authority; and for the avoidance of doubt, the Seller is not bound to do so upon expiry of the Transition Period.

7.6 Employee costs

The Seller acknowledges and agrees that all costs, expenses, compensation, severance payments, damages and other Losses arising out of or in connection with the dismissal, termination, retrenchment or redundancy of any Relevant Employee (as defined below) (the "**Employee Termination Costs**") shall be borne solely by the Seller. The Seller undertakes to the Purchaser that, upon written notification from the Purchaser, the Seller shall (or shall procure that any member of the Seller Group shall), at the Seller's own cost and expense, promptly provide all necessary funds to the relevant member of the Group to settle such Employee Termination Costs. For the purposes of this clause 7.6, "**Relevant Employee**" means: (a) any employee of any Group Company who is employed by a Group Company as at Completion; and (b) any employee of the SMC Holdings Group who is employed by a member of the SMC Holdings Group during the Transition Period, and for the avoidance of doubt, the Seller's obligations under this clause 7.6 in respect of any Relevant Employee shall apply regardless of when such Relevant Employee is dismissed, terminated, retrenched or made redundant.

7.7 Bank account opening, payments from existing bank accounts and change of bank signatories of existing bank accounts

(a) The Seller undertakes that, upon signing of this agreement, the Seller shall use all reasonable endeavours to procure and assist the Company to open a bank account in the Company's name at a licensed commercial bank in Hong Kong to be agreed in advance by the Purchaser in writing with bank signatories designated by the Purchaser, in any event no later than three months after Completion. For the avoidance of doubt, the bank account opening procedures would depend on the know-your-client procedures and other bank internal procedures. The Parties acknowledge and agree that the obligations of the Seller under this clause is purely to initiate the bank account opening procedures with a licensed commercial bank in Hong Kong within three months after the Completion and not to undertake that within three months a new bank account could be opened with such bank.

(b) The Seller further undertakes that the Seller shall use all reasonable endeavours to procure that the Company shall pay out the Special Dividend and all outstanding payments to its current Directors as set out in Part 1 of Schedule 1 from the Existing Bank Accounts (as defined below) no later than the second Business Day after the close of the Offer or such other date as may be agreed in writing between the Seller and the Purchaser.

(c) The Seller further undertakes that no later than the third Business Day after the close of the Offer or such other date as may be agreed in writing between the Seller and the Purchaser, the Seller shall use all reasonable endeavours to procure and assist the Company to remove the existing signatories at the time from the bank accounts which the Company maintains in its name as at the date of this agreement (the "**Existing Bank Accounts**") and to appoint new signatories in respect of the Existing Bank Accounts as designated by the Purchaser and/or to close any such Existing Bank Accounts, and shall use all reasonable endeavours to procure that such removal, appointment and/or closure is completed in any event no later than one month after the close of the Offer or by such other date as may be agreed in writing between the Seller and the Purchaser, in each case subject to the completion of such bank(s)' internal procedures (including know-your-client procedures as appropriate).

7.8 Renewal of Existing CT and CCT Agreements

The Seller undertakes to the Purchaser that the Seller shall procure the relevant Seller Group Company to enter into the Renewal Agreements on or before the date of expiry of the Existing CT and CCT Agreements, such that the Renewal Agreements shall take effect no later than 1 January 2027, subject to approvals from regulators and shareholders' approval (if applicable).

8. Warranties

8.1 Fundamental Warranties of the Seller

The Seller represents and warrants to the Purchaser that each of the statements set out in Part 2 of Schedule 4 is now and will at Completion (by reference to the facts and circumstances existing at the relevant time) be true, accurate and not misleading.

8.2 Business Warranties of the Seller

The Seller represents and warrants to the Purchaser that, except as Disclosed, each of the statements set out in Part 3 of Schedule 4 is now and will at Completion (by reference to the facts and circumstances existing at the relevant time) be true and accurate.

8.3 Disclosures

No information in this agreement shall be deemed to be a Disclosure unless that document or information falls within the definition of "Disclosed".

8.4 General provisions in relation to the Warranties and Seller's waivers

(a) Each of the Warranties shall be separate and independent and, save as expressly provided to the contrary in this agreement, shall not be limited by reference to or inference from any other Warranty or anything in this agreement.

(b) The Seller shall not be entitled to raise as a defence to a claim by the Purchaser under this agreement the fact that they had reasonably relied on information provided to them by any Group Company or any of their respective Representatives.

(c) The Seller shall procure that (save only as may be necessary to give effect to this agreement) neither it nor any Group Company nor any other Seller Group Company shall do, allow or procure any act or omission before Completion that would constitute a breach of any of the Warranties.

(d) The Seller shall, within the confines of any applicable Law, give to the Purchaser and its advisers both before and after Completion all such information and documentation relating to each Group Company as the Purchaser may reasonably require to enable it to satisfy itself as to the accuracy and due observance of the Warranties.

9. Warranties of the Purchaser

9.1 The Purchaser warrants to the Seller that each of the statements set out below is now and will at Completion (by reference to the facts and circumstances existing at the relevant time) be true and accurate:

(a) the Purchaser has been duly incorporated and is validly existing under the laws of Hong Kong;

(b) the Purchaser has full power and authority to enter into and perform this agreement and, assuming due authorisation, execution and delivery by the Seller, this agreement constitutes or will, when executed, constitute binding obligations on the Purchaser in accordance with its terms, subject to any principles of equity or insolvency law;

(c) except for the consents and approvals contemplated by the Conditions set out in paragraph 1 of Schedule 2, the Purchaser has obtained all Permits required to empower it to enter into and to perform its obligations under this agreement and there are no Actions by or before any Competent Authority pending or, to the knowledge of the Purchaser, threatened in any written notice, against the Purchaser that, if adversely determined, would prohibit the consummation of the Transaction;

(d) the Purchaser is not in insolvency, administration, liquidation or receivership (and no order or resolution therefor has been presented and no notice of appointment of any liquidator, administrator, receiver or administrative receiver has been given), nor are there any valid grounds or circumstances on the basis of which any such procedure may be requested. The Purchaser is able to pay its debts when due; and

(e) the Purchaser has sufficient financial resources to pay the Purchase Price and fund the Offer in full.

10. Indemnities

10.1 The Seller shall indemnify and hold harmless the Purchaser fully on demand in respect of, and undertakes to pay to the Purchaser or the relevant Group Company (as the case may be) an amount equal to, all Losses incurred, suffered or sustained by the Purchaser or the relevant Group Company, relating to, resulting from or arising out of any of the following (the "**Indemnifiable Losses**"):

(a) any breach of any of the representations, warranties, covenants and undertakings of the Seller contained in this agreement;

(b) any failure of the Seller to perform its obligations under this agreement or its subject matter;

(c) the failure by Speed Power Limited and/or SMC Electric (HK) Limited to file the requisite notification of the appointment of directors with the Hong Kong Companies Registry within the time prescribed by section 645 of the Companies Ordinance in respect of the appointments effective on 24 July 2024 (being the appointment of Li Pik Mui, Cindy and Yung Isaac Cosmo as directors of Speed Power Limited and the appointment of Yung Isaac Cosmo as a director of SMC Electric (HK) Limited);

(d) the transfer of employees from 佛山市顺德区蚬华多媒体制品有限公司 (Shunde

SMC Multi-Media Products Company Limited) to the PRC Subsidiary in connection with the reorganisation of the Group prior to the listing of the Company;

(e) the failure by SMC Electric (HK) Limited to contribute to the requisite mandatory provident fund for its overseas employees, if applicable.

Notwithstanding anything to the contrary in this agreement, the Purchaser shall not be entitled to rely on any failure, omission, breach, delay, non-performance, or non-compliance to the extent that such matter was caused by, resulted from, or was within the reasonable control of the Purchaser or any of its affiliates, directors, officers, employees, agents, contractors, or Representatives. Without limiting the foregoing, no liability, exclusion, limitation, qualification, or defence shall apply to any claim, loss, cost, damage, or expense arising out of or in connection with any act or omission of the Purchaser, or any actual or anticipated breach of this agreement by the Purchaser, where the relevant act, omission, or breach was within the Purchaser's control or attributable to the Purchaser's failure to act with due care, diligence, or in accordance with applicable Law.

10.2 To the fullest extent permitted by applicable Law, the Seller shall not be liable to the Purchaser for any indirect, incidental, special, consequential, exemplary, or punitive damages, or for any loss of profit, loss of revenue, loss of business, loss of goodwill, or loss of data, arising out of or in connection with this agreement, whether in contract, tort, negligence, strict liability, or otherwise. The Seller's maximum aggregate liability arising out of or in connection with this agreement (including the Indemnifiable Losses under this clause 10) shall not exceed the Purchase Price paid by the Purchaser under this agreement except that this limitation shall not apply to liability arising from fraud, wilful misconduct, gross negligence, and the specific payment obligation of the Seller under clauses 7.5 and 7.6.

10.3 For the purpose of this clause 10, no claim shall be made by the Purchaser (or any member of the Purchaser Group) in respect of any Indemnifiable Losses unless the aggregate amount of such Indemnifiable Losses, (a) in respect of the Company, exceed the amount of HKD10,000, and (b) in respect of all Subsidiaries combined, exceed the amount of HKD100,000,000, save in respect of any claim arising from fraud, wilful misconduct and gross negligence which cannot lawfully be excluded or limited, and the specific payment obligation of the Seller under clauses 7.5 and 7.6.

11. Termination

11.1 Save as otherwise provided in this agreement, this agreement may be terminated:

(a) in accordance with clause 4.4 or 6.6; or

(b) upon written agreement by the Purchaser and the Seller.

11.2 All rights and obligations of the parties shall cease to have effect immediately upon termination of this agreement save that:

(a) clauses that are expressed to survive termination of this agreement, or which from their nature or context it is contemplated that they are to survive termination of this agreement (including clauses 3.1 (Purchase Price), 12 (Confidentiality and announcements), 13 (General Provisions), 14 (Notices) and 15 (Governing Law and submission to jurisdiction)); and

(b) any provision of this agreement necessary for its interpretation or enforcement,

shall continue in force following termination of this agreement (for whatever reason) and further save that termination of this agreement (for whatever reason) shall be without prejudice to the rights and liabilities of each of the parties accrued before termination.

12. Confidentiality and announcements

12.1 Confidentiality

(a) The Seller shall not, and shall procure that each Seller Group Company shall not, and shall use all reasonable endeavours to procure that the Representatives of the Seller and of each Seller Group Company shall not at any time disclose to any person or use any Confidential Information.

(b) The Purchaser shall not, and shall procure that each member of the Purchaser Group shall not, and shall use all reasonable endeavours to procure that the Representatives of the Purchaser and of each member of the Purchaser Group shall not at any time disclose to any person or use any Confidential Information.

(c) The provisions of this clause 12.1 shall not apply to:

(i) the disclosure or use of Confidential Information relating to any Group Company by any Group Company in the ordinary course of its business;

(ii) the disclosure or use of Confidential Information relating to any Group Company by the Company or any member of the Purchaser Group after Completion;

(iii) the disclosure of Confidential Information to the Representatives of, respectively, any member of the Purchaser Group or any Seller Group Company in connection with the Transaction, provided that such Representatives shall be bound by this confidentiality obligation or an obligation to the same effect;

(iv) the disclosure of Confidential Information to any proposed provider of finance to, proposed purchaser of or proposed investor in (or any of their respective Representatives) any member of the Purchaser Group, provided that such proposed provider of finance to, proposed purchaser of or proposed investor in (or any of their respective Representatives) any member of the Purchaser Group shall be bound by this confidentiality obligation or an obligation to the same effect;

(v) the disclosure of Confidential Information in a manner permitted by clause 12.2;

(vi) the disclosure of Confidential Information where that information is properly available to the public (otherwise than, directly or indirectly, as a result of a breach of this clause 12.1); or

(vii) the disclosure of Confidential Information that is, and to the extent, required by applicable Law, provided that, to the extent permitted by applicable Law, the party making the communication will consult with the other party in advance as to the form, content and timing of the communication.

(d) The provisions of this clause 12.1 shall survive termination of this agreement and shall continue for a period of three years from termination in accordance with clause 11.1, or one year from expiry of the Transition Period, whichever is the earlier.

12.2 Announcements

No disclosure or announcement relating to the existence, terms or subject matter of this agreement shall be made or issued by or on behalf of the Seller or the Purchaser or any Seller Group Company or any member of the Purchaser Group without the prior written approval of the other party (which approval may be subject to reasonable conditions but shall otherwise not be unreasonably withheld, conditioned or delayed), provided that:

(a) these restrictions shall not apply to any disclosure or announcement if and to the extent required by applicable Law, provided that, to the extent permitted by applicable Law, the party making the communication will consult with the other party in advance as to the form, content and timing of the communication. Any announcement by any party required to be made pursuant to the requirements above shall be issued only after such prior consultation with the other party as is reasonably practicable in the circumstances; and

(b) the Seller has the sole discretion to make or send after Completion any announcement to a customer, client or supplier of any Group Company informing it that the Purchaser has purchased the Sale Shares.

13. General Provisions

13.1 Further assurances

Each of the parties agrees (at its own cost) to perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) all further documents that may be required by applicable Law or as the other party may reasonably require, whether on or after Completion, to implement and give effect to this agreement and the Transaction.

13.2 Counterparts

This agreement may be executed in any number of counterparts and by the parties to it on separate counterparts and each counterpart shall constitute an original of this agreement but all of which together shall constitute one and the same instrument. Electronic signatures and signatures sent by email attachment or electronically shall be valid and binding to the same extent as original signatures. This agreement shall not be effective until each party has executed at least one counterpart.

13.3 Variation, waiver and consent

(a) No variation or waiver of any provision of this agreement shall be effective unless it is in writing and signed by or on behalf of each of the parties (or, in the case of a waiver, by or on behalf of the party waiving compliance).

(b) Unless expressly agreed, no variation or waiver of any provision of this agreement shall constitute a general variation or waiver of any provision of this agreement, nor shall it affect any rights, obligations or liabilities under this agreement that have already accrued up to the date of variation or waiver, and the rights and obligations of the parties under this agreement shall remain in full force, except and only to the extent that they are so varied or waived.

(c) Any consent granted under this agreement shall be effective only if given in writing and signed by the consenting party and then only in the instance and for the purpose for which it was given.

13.4 Rights and remedies

(a) No failure or delay by any party in exercising any right or remedy provided by this agreement or applicable Law shall impair that right or remedy or operate as a waiver of it. The single or partial exercise of any right or remedy shall not preclude any other or further exercise of that right or remedy or the exercise of any other right or remedy.

(b) The rights and remedies of each party under this agreement are cumulative, may be exercised as often as the relevant party considers appropriate and are in addition to its rights and remedies provided by applicable Law.

13.5 Default interest

If any party that is required to pay any sum under this agreement fails to pay that sum on the due date for payment (the "**Defaulting Party**"), it shall pay to the other party interest on that sum for the period from and including the due date up to the date of actual payment whether before or after judgment. The Defaulting Party shall pay interest at the annual rate that is the aggregate of 3% per annum and the base rate from time to time of The Hongkong and Shanghai Banking Corporation Limited. Interest under this clause 13.5 shall accrue on the basis of the actual number of days elapsed and a 365-day year and shall be paid by the Defaulting Party on demand. Unpaid interest shall compound monthly.

13.6 Payments under this agreement

(a) Save for the payment of the Remaining Balance under clause 3.1(b) which shall be governed by the terms therein, any other payment to be made under this agreement by the Purchaser to the Seller (if any) shall be paid by Electronic Transfer to the account stated in clause 3.2(a) or any other account that is notified in writing by the Seller to the Purchaser at least five Business Days before the due date for that payment, and the Seller confirms that payment of any amount due under this agreement to the account notified to the Purchaser by the Seller under this clause shall be an absolute discharge for the Purchaser who shall not be obliged to see the application of that amount or be answerable for the loss or misapplication of that amount.

(b) Any payment to be made under this agreement by the Seller to the Purchaser (if any) shall be paid by Electronic Transfer to the account that is notified in writing by the Purchaser to the Seller at least five Business Days before the due date for that payment, and the Purchaser confirms that payment of any amount due under this agreement to the account notified to the Seller by the Purchaser under this clause shall be an absolute discharge for the Seller who shall not be obliged to see the application of that amount or be answerable for the loss or misapplication of that amount.

(c) Each of the parties shall pay all sums payable by it under this agreement free and clear of all deductions or withholdings unless applicable Law requires a deduction or withholding to be made. If a deduction or withholding is so required, each party shall pay such additional amount as will ensure that the net amount the payee receives equals the full amount that it would have received had the deduction or withholding not been required.

(d) If any Tax Authority brings any sum paid by either party under this agreement into charge to Tax, such party shall pay such additional amount as will ensure that the total amount paid, less the Tax chargeable on that amount, is equal to the amount that would otherwise be payable under this agreement.

13.7 Costs

(a) Any stamp duty payable in Hong Kong on the sale and purchase of the Sale Shares shall be borne equally by the Purchaser on the one hand and the Seller on the other.

(b) Each of the parties shall be responsible for its own legal, accountancy and other costs, charges and expenses incurred in connection with the negotiation, preparation and implementation of this agreement.

(c) In respect of any Electronic Transfer made in connection with this agreement, any costs or bank or other charges of the sending bank shall be borne by the party making that payment and any costs or bank or other charges of the recipient bank shall be borne by the party receiving that payment.

(d) The Seller undertakes to the Purchaser that neither the Company nor any Group Company has paid or will pay any legal, accounting or other professional charges, fees, expenses or commissions in connection with the sale of the Sale Shares including any such costs incurred in connection with any investigation of the affairs of the Group or the negotiation, preparation and implementation of this agreement.

13.8 Third Party rights

The parties do not intend that any term of this agreement shall be enforceable by any person who is not a party to this agreement by virtue of the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong).

13.9 Continuing effect

Each provision of this agreement shall continue in full force after Completion, except to the extent that a provision has been fully performed on or before Completion or the expiry of the Transition Period (as applicable).

13.10 Severability

If any provision of this agreement is held by a court of competent jurisdiction or arbitral tribunal to be invalid or unenforceable the other provisions shall remain in full force to the fullest extent permitted by Law. Any provision of this agreement held invalid or unenforceable only in part or degree will remain in full force to the extent not held invalid or unenforceable and the provision in question shall apply with any modification that may be necessary to make it valid or enforceable.

13.11 Assignment

Neither party shall be entitled to assign, mortgage, charge, declare a trust of or deal in any other manner with any or all of its rights or obligations under this agreement (or any other document referred to in it) without the prior written consent of the other party.

13.12 Entire agreement

Subject to any terms implied by applicable Law, this agreement represents the whole and only agreement between the parties in relation to the sale and purchase of the Sale Shares and supersedes and replaces any previous agreement (whether written or oral) between the parties in relation to the subject matter of this agreement, save that nothing in this agreement shall exclude any liability for, or remedy in respect of, fraudulent misrepresentation.

14. Notices

14.1 Delivery of Notices

(a) Save as otherwise provided in this agreement, any notice, demand or other communication ("**Notice**") to be given by any party under, or in connection with, this agreement shall be in writing in English.

(b) Any Notice shall be served by sending it by email (in a form that identifies the sender and clearly indicates the subject matter of the Notice in the subject heading of the email) to the email address set out in clause 14.2 or by delivering it by hand (which shall include by courier) to the address set out in clause 14.2 and in each case marked for the attention of the relevant party set out in clause 14.2 (or as otherwise notified from time to time in accordance with the provisions of this clause 14).

(c) Any Notice shall be deemed to have been served as follows:

(i) if sent by email, at the time of transmission by the sender (as recorded on the device from which the sender sent the email); or

(ii) if delivered by hand, at the time of delivery,

provided that in each case where service occurs on a day that is not a Business Day or after 5.30 p.m. on a Business Day, service shall be deemed to occur at 9.30 a.m. on the next following Business Day and where service occurs before 9.30 a.m. on a Business Day, service shall be deemed to occur at 9.30 a.m. on that same Business Day.

(d) References to time and to Business Days in this clause are to local time and Business Days in the country of the addressee (which, in the case of service on any party by email, shall be deemed to be the country of the address specified for service on that party by hand).

14.2 Addresses for delivery of Notices

The addresses of the parties for the purpose of clause 14.1 are as follows:

(a) Seller

Address:	1/F, Shell Industrial Building, 12 Lee Chung Street, Chai Wan, Hong Kong
Email address:	david.chow@smc.com.hk
For the attention of:	Chow Kai Chiu David

(b) Purchaser

Address:	深圳市南山区仙洞路 33 号天珑大厦 25F
Email address:	tina.peng@tinno.com
For the attention of:	Tina Peng

14.3 Changes to addresses

A party may notify the other party to this agreement of a change to its name, relevant addressee, address or email address for the purposes of this clause 14. Subject to clause 14.1(c), that Notice shall be effective on the second Business Day after the Notice has been served, or any later date that may be specified in the Notice.

14.4 Proof of service

In proving service of any Notice in accordance with clause 14.1, it shall be sufficient to prove that the envelope containing the Notice was properly addressed and delivered by hand to the relevant address or that the email was sent to the correct email address, as the case may be.

15. Governing Law and submission to jurisdiction

15.1 Governing law

The laws of Hong Kong shall govern the construction, validity and performance of this agreement and all non-contractual obligations arising from or connected with this agreement.

15.2 Submission to jurisdiction

The parties hereby irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts as regards any proceeding, claim, dispute or matter arising (or which may arise) out of or in connection with or relating to this agreement or any document to be executed pursuant to this agreement.

15.3 Appointment of agent for service

The Seller hereby irrevocably appoints CHOW Kai Chiu David of 1/F, Shell Industrial Building, 12 Lee Chung Street, Chai Wan, Hong Kong as its agent to receive and acknowledge on its behalf service of any writ, summons, order, judgment or other notice of legal process in Hong Kong as regards any proceeding, claim, dispute or matter arising out of or relating to this agreement or any document to be executed pursuant to this agreement. If for any reason the agent named above (or its successor) no longer serves as agent of the Seller for this purpose, the Seller shall promptly appoint a successor agent satisfactory to the Purchaser, notify the Purchaser thereof and deliver to the Purchaser a copy of the new process agent's acceptance of appointment provided that until the Purchaser receives such notification, it shall be entitled to treat the agent named above (or its said successor) as the agent of the Seller for the purposes of this clause 15.3. The Seller agrees that any such legal process shall be sufficiently served on it if delivered to such agent for service at its address for the time being in Hong Kong whether or not such agent gives notice thereof to the Seller. This clause 15.3 does not affect any other method of service allowed by law.

The parties have shown their acceptance of the provisions of this agreement by executing it at the end of the schedules.

Schedule 1

The Company and the Subsidiaries

Part 1

Details of the Company

Name	:	SMC Electric Limited (蜆壳電業有限公司)
Date of incorporation	:	5 December 2018
Place of incorporation	:	Cayman Islands
Company number	:	345902
Hong Kong Business registration number	:	70314708
Registered office	:	Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands
Principal place of business in Hong Kong	:	1/F., Shell Industrial Building, 12 Lee Chung Street, Chai Wan, Hong Kong
Directors	:	Executive Directors LEUNG Chun Wah (Chief Executive Officer) TANG Che Yin CHOW Kai Chiu David Non-executive Director YUNG Kwok Kee Billy (Chairman) LI Pik Mui Cindy Independent non-executive Directors LEUNG Man Chiu Lawrence POON Chak Sang Plato HO Chi Sing Spencer
Secretary	:	Lee Ka Man
Issued share capital	:	HKD20,000,000 divided into 2,000,000,000 ordinary shares of HKD0.01 each
Encumbrances	:	None
Accounting reference date	:	31 December
Auditors	:	BDO Limited *Certified Public Accountants* *Registered Public Interest Entity Auditor*
Direct subsidiary	:	SMC Electric Holdings Limited (i.e. SMC Holdings)

Part 2

Details of the Subsidiaries

Name	:	SMC Electric Holdings Limited (formerly known as OMEN GLORY LIMITED) (i.e. SMC Holdings)
Date of incorporation	:	23 March 2016
Place of incorporation	:	British Virgin Islands
Company number	:	1909733
Registered office	:	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands
Directors	:	Yung Kwok Kee, Billy Chow Kai Chiu, David
Secretary	:	Ho Tak Kwong
Authorised share capital	:	USD50,000 divided into 50,000 ordinary shares of USD1 each
Issued share capital	:	USD1 divided into 1 ordinary share of USD1 each
Encumbrances	:	None
Registered shareholders	:	SMC Electric Limited 1 ordinary share of USD1 each
Direct subsidiaries	:	SMC Electric (HK) Limited Shell Electric Mfg. (China) Company Limited Quanta Global Limited Speed Power Limited

Name	:	SMC Electric (HK) Limited 蜆壳電業(香港)有限公司 (formerly known as Ever Express (H.K.) Limited 永匯(香港)有限公司)
Date of incorporation	:	26 February 2016
Place of incorporation	:	Hong Kong
Company number	:	2342945
Hong Kong Business registration number	:	65819284
Registered office	:	1/F, Shell Industrial Building, 12 Lee Chung Street, Chai Wan, Hong Kong
Directors	:	Yung Kwok Kee, Billy Chow Kai Chiu, David Tang Che Yin Li Pik Mui, Cindy Yung Isaac Cosmo
Secretary	:	Ho Tak Kwong
Issued share capital	:	HKD1 divided into 1 ordinary share
Encumbrances	:	None
Registered shareholders	:	SMC Electric Holdings Limited (i.e. SMC Holdings) 1 ordinary share
Direct subsidiaries	:	广东蚬壳家电有限公司 (i.e. the PRC Subsidiary)

Name	:	Shell Electric Mfg. (China) Company Limited
Date of incorporation	:	31 August 1987
Place of incorporation	:	British Virgin Islands
Company number	:	3945
Registered office	:	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands
Directors	:	Yung Kwok Kee, Billy Leung Chun Wah Chow Kai Chiu, David
Secretary	:	Ho Tak Kwong
Authorised share capital	:	USD10,000 divided into 1,000 ordinary shares of USD10 each
Issued share capital	:	USD1,000 divided into 100 ordinary shares of USD10 each
Encumbrances	:	None
Registered shareholders	:	SMC Electric Holdings Limited (i.e. SMC Holdings) 100 ordinary shares
Direct subsidiaries	:	None

Name	:	Quanta Global Limited
Date of incorporation	:	20 January 1999
Place of incorporation	:	British Virgin Islands
Company number	:	309370
Registered office	:	Commence Overseas Limited, Commence Chambers, Road Town, Tortola, British Virgin Islands
Directors	:	Yung Kwok Kee, Billy Leung Chun Wah
Secretary	:	Ho Tak Kwong
Authorised share capital	:	USD50,000 divided into 50,000 ordinary shares of USD1 each
Issued share capital	:	USD1 divided into 1 ordinary share of USD1 each
Encumbrances	:	None
Registered shareholders	:	SMC Electric Holdings Limited (i.e. SMC Holdings) 1 ordinary share
Direct subsidiaries	:	None

Name	:	Speed Power Limited 崇力有限公司
Date of incorporation	:	1 November 1985
Place of incorporation	:	Hong Kong
Company number	:	160933
Hong Kong Business registration number	:	09977018
Registered office	:	1/F, Shell Industrial Building, 12 Lee Chung Street, Chai Wan, Hong Kong
Directors	:	Yung Kwok Kee, Billy Leung Chun Wah Li Pik Mui, Cindy Yung Isaac Cosmo
Secretary	:	Ho Tak Kwong
Issued share capital	:	HKD2 divided into 2 ordinary shares
Encumbrances	:	None
Registered shareholders	:	SMC Electric Holdings Limited (i.e. SMC Holdings) 2 ordinary shares
Direct subsidiaries	:	None

Name	:	广东蚬壳家电有限公司 (i.e. the PRC Subsidiary)
Enterprise type	:	Limited liability company
Date of establishment	:	16 November 2017
Place of establishment	:	People's Republic of China
Unified Social Credit Code	:	91440606MA5116BL0F
Registered office	:	佛山市顺德区北滘镇北滘居委会工业园三乐东路 18 号 A 座三层
Legal representative	:	邓自然
Directors	:	邓自然 梁少文 马玉玲
Supervisor	:	崔心明
Registered capital	:	USD1,500,000
Paid up capital	:	USD999,958.50
Encumbrances	:	None
Registered shareholders	:	SMC Electric (HK) Limited 100% equity interest
Direct subsidiaries	:	None

Schedule 2

Conditions precedent

Completion is conditional on:

1. all necessary consents, approvals, waivers and clearances from any Competent Authority or other third party as may be required in connection with the sale and purchase of the Sale Shares having been obtained pursuant to the relevant Law;

2. the declaration of the Special Dividend, with the ex-dividend date and record date to be determined and fixed on the date of such declaration, each date falling prior to Completion, payable to the shareholders of the Company whose names are entered in the register of members of the Company on such record date;

3. the Existing Facilities having been terminated and cancelled and all guarantees granted by the Company in connection with the Existing Facilities having been fully released and discharged;

4. there having been no Material Adverse Change since the date of this agreement;

5. there having been no matter (whether existing or occurring on the date of this agreement or arising or occurring afterwards) that:

   (a) constitutes a breach by the Seller of this agreement; or

   (b) would constitute a breach of any of the Warranties by the Seller; and

6. the Shares remaining listed and traded on the Stock Exchange, and no notification or indication being received from the Stock Exchange or the SFC prior to Completion that the listing and/or trading of the Shares on the Stock Exchange will or may be, for whatever reason, withdrawn or suspended (excluding any halt or suspension for the purpose of obtaining clearance from the SFC or the Stock Exchange relating to, among other things, the transactions contemplated under this agreement).

Schedule 3

Completion

1. Obligations of the Seller at Completion

At Completion, the Seller shall:

(a) deliver (or cause to be delivered) to the Purchaser:

Share transfer documents and related ancillary documents

(i) one set of duly executed standard transfer form (as the case may be) in respect of the Sale Shares in favour of the Purchaser or its nominee(s), or, in the case where all or any of the Sale Shares have been deposited with a CCASS account, such evidence provided by the Seller's designated Participant (i.e. Morgan Stanley) to the Purchaser that such documents have been executed and instructions provided as may be required to effect the transfer of the Sale Shares to such Participant's or investor participant's account as may be designated by the Purchaser;

(ii) one set of bought and sold notes duly executed by Seller (on the sold note only) in respect of the Sale Shares;

(iii) such evidence provided by the Seller's designated Participant (i.e. Morgan Stanley) to the Purchaser that the Sale Shares have been credited to such Participant's or investor participant's account as may be designated by the Purchaser;

(iv) a cheque payable to The Government of the Hong Kong Special Administrative Region for the amount of the stamp duty payable on the part of the Seller in respect of the transfer of the Sale Shares;

(v) all the records and registers that the Company is required to keep and maintain by applicable Law and other books and records (including financial records) (duly written up to, but not including, Completion) of the Company and its certificates of incorporation and the common seal in its possession (which obligation may be satisfied by the Seller procuring that those books, records, certificates and seals have been deposited at the registered office of the Company maintained by the Company's registered agent in the Cayman Islands and/or at the principal place of business of the Company in Hong Kong);

Releases of security, other finance related documents and related party liability

(vi) written confirmation from each of Hang Seng Bank Limited and The Hongkong and Shanghai Banking Corporation Limited, substantially the same as the draft provided to the Purchaser for review in advance, confirming that the Existing Facilities have been terminated and cancelled, no drawdown having been made and there being no amount owed under the Existing Facilities and that all guarantees granted by the Company in connection with the Existing Facilities (including the guarantee dated 24 October 2022 in favour of Hang Seng Bank Limited and the guarantee dated 12 January 2021 in favour of The Hongkong and Shanghai Banking Corporation Limited) have been fully released and discharged;

(vii) the duly executed loan facility agreement from The Hongkong and Shanghai Banking Corporation Limited granting a facility in the maximum amount of

HKD180,000,000 to Shell Electric Holdings Limited, SMC Multi-Media (H.K.) Limited, SMC Electric (HK) Limited, Quanta Global Limited and Speed Power Limited, which shall be guaranteed by the Seller and applied in the working capital of the Group Companies (the "**New Facility**");

Officer resignation letters

(viii) letters of resignation in the agreed form (including confirmation that there are no outstanding claims of any nature against the Company) from each of the Directors as the Purchaser may direct and Mr. Yung Kwok Kee Billy as director of each of the relevant Subsidiaries, those resignations to take effect from a date no earlier than the earliest time permitted under the Takeovers Code and the relevant Law and in accordance with the constitutional document of the Company;

Evidence of authority

(ix) a certified copy of a resolution of the board of directors of the Seller authorising its execution and performance of this agreement and each other document to be executed by it in connection with the Transaction;

(b) cause the Directors to hold a meeting of the board (or written resolutions, if appropriate) of the Company and of each Subsidiary (as the case may be) at which the Directors shall pass resolutions in the agreed form to:

(i) with respect to the Company only, approve and record the transfer of the Sale Shares to the Purchaser or its nominee(s);

(ii) note the resignation of the Directors and Mr. Yung Kwok Kee Billy as director of each of the relevant Subsidiaries and appoint those persons that the Purchaser may nominate as directors of the Company, with effect from a date no earlier than the earliest time permitted under the Takeovers Code and the relevant Law and in accordance with the constitutional document of the Company, and update the register of directors of the Company accordingly;

(iii) do and perform any such acts and things as may be reasonably necessary to give full and valid effect to the sale and purchase of the Sale Shares or to ensure compliance with the applicable Law in connection with the Transaction,

and the Seller shall deliver (or cause to be delivered) to the Purchaser duly signed minutes of the meeting or written resolutions of the board.

2. Obligations of the Purchaser at Completion

At Completion, in addition to complying with its obligations in clause 3.2(b) (Payment of Purchase Price), the Purchaser shall deliver (or cause to be delivered) to the Seller:

(a) one set of bought and sold notes duly executed by the Purchaser (on the bought note only) in respect of the Sale Shares; and

(b) a certified copy of a resolution of the board of directors of the Purchaser authorising its execution and performance of this agreement and each other document to be executed by it in connection with the Transaction.

For the avoidance of doubt, the Purchaser shall procure and arrange the payment of stamp duty and the bought and sold notes to be stamped by the Stamp Office at the Inland Revenue Department.

Schedule 4

Warranties

Part 1

Interpretation

In this Schedule:

1.1 unless expressly provided to the contrary, any reference to the Company shall include a reference to each Subsidiary such that each of the Warranties shall be deemed to be given by the Seller in relation to each Subsidiary, as well as the Company, with the necessary changes to the text of each Warranty being implied so that it also applies to each Subsidiary; and

1.2 the following words and expressions shall have the following meanings:

"**Employee**" means an individual who is employed by, is a director or other officer of the Company under the terms of a written employment agreement with the Company;

"**Event**" includes the existence of any state of affairs, the expiry of a period of time, the Company ceasing to be associated with any other person for any Tax purpose or ceasing to be or becoming resident in any country for any Tax purpose, the death or the winding up or dissolution of any person, and any transaction (including the execution and completion of this agreement and the performance of any obligations under this agreement), payment, event, act, or omission, and reference to an Event occurring on or before a particular date shall include Events that for Tax purposes are deemed to have, or are treated or regarded as having, occurred on or before that date;

"**Former Employee**" means any past Employee of the Company;

"**Insurance Policies**" means each current insurance policy in respect of which any Group Company is a party to;

"**Licences**" has the meaning given in paragraph 10.1 of Part 3 of this Schedule; and

"**Material Contracts**" means all arrangements of the Company:

(a) relating to the existing leases of the Properties;

(b) relating to the service contracts with the current directors of SMC Electric Limited (蜆壳電業有限公司); and

(c) relating to the Existing CT and CCT Agreements.

Part 2

Fundamental Warranties

Except as Disclosed on or prior to the date of this agreement or otherwise provided under this agreement:

1. Capacity

1.1 Duly constituted

The Seller has been duly incorporated and is validly existing and in good standing under the laws of the state or jurisdiction of its incorporation.

1.2 Power to contract

The Seller has full power and authority to enter into and perform this agreement and, assuming due authorisation, execution and delivery by the other parties to it, this agreement constitutes or will, when executed, constitute binding obligations on the Seller in accordance with its terms. The Seller has executed this agreement in its final form.

1.3 Authorisations

Except for the consents and approvals contemplated by the Conditions set out in paragraph 1 of Schedule 2, the Seller has obtained all necessary Permits required to empower it to enter into and to perform its obligations under this agreement and there are no Actions by or before any Competent Authority of which the Seller has received written notice against the Seller that, if adversely determined, would prohibit the consummation of the Transaction.

1.4 Solvency

The Seller is not in insolvency, administration, liquidation or receivership (and no order or resolution therefor has been presented and no notice of appointment of any liquidator, receiver, administrative receiver or administrator has been given). The Seller is able to pay its debts when due.

2. Title

2.1 Information about the Company, the Subsidiaries and the Seller

All information contained in Schedule 1 is true, complete and accurate in all material respects.

2.2 Company duly constituted

The Company has been duly incorporated (in the case of the PRC Subsidiary, established) and is validly existing and in good standing under the applicable Law. The Company has the requisite corporate powers and authority to own its assets and to conduct the business being carried on by it.

2.3 Shares

(a) The Seller legally and beneficially owns and has full power and the right to sell and transfer legal and beneficial title to the Sale Shares on the terms of this agreement.

(b) The Shares are free from Encumbrances and all of the Shares are validly allotted and issued and fully paid or properly credited as fully paid.

(c) Save and except for the share option scheme of the Company which was approved and adopted by the shareholders of the Company on 29 April 2020, there are no outstanding options, warrants, convertible securities, employee stock option plans or other rights to subscribe for, purchase or otherwise acquire any shares or other securities of the Company, no rights to or options for the issue, allotment or transfer of any loan or share capital of the Company, no rights to convert any loan or share capital into share capital or share capital of a different description, and no agreement or commitment to issue or grant any of the foregoing.

2.4 **The Subsidiaries**

The Company has no subsidiary other than the Subsidiaries. The Company has no subsidiary undertakings that are not also subsidiaries. The Company is not, and has not agreed to become, the holder or beneficial owner of any class of any shares, debentures or other securities or ownership interests of any person anywhere in the world save for the Subsidiaries.

Part 3

Business Warranties

Except as Disclosed on or prior to the date of this agreement, and so far as the Seller is aware:

1. **Information**

All information contained in the recitals and in Schedule 1 and the corporate documents of the Group in the Data Room is true, complete and accurate in all material respects.

2. **The Company**

2.1 The copies of the constitutional documents of the Company that are included in the Data Room are accurate, complete and up-to-date in all material respects. The Company has complied with its constitutional documents in all material respects.

2.2 The register of members and records and registers that the Company is required to keep and maintain by applicable Law have been properly kept and are up to date and contain true, full and accurate records of all necessary matters required to be dealt with in the register of members and records and registers that the Company is required to keep and maintain by applicable Law.

2.3 All annual or other returns in relation to the Company required to be filed with the relevant companies' registry have been duly and properly filed.

2.4 All Encumbrances granted to or by the Company have (if appropriate) been properly registered and comply with all necessary formalities as to registration or otherwise in any relevant jurisdiction.

2.5 The only directors of the Company are the persons listed as directors in Schedule 1 and no person is a shadow director or an alternate or de facto director of the Company.

3. **Share capital**

3.1 All of the shares in the capital of each of the Subsidiaries (other than the PRC Subsidiary) are validly allotted and issued and fully paid or properly credited as fully paid. Save for USD500,041.50 of the registered capital of the PRC Subsidiary which has remained unpaid, the registered capital of the PRC Subsidiary has been contributed in full in accordance with its articles of association and applicable Law. There are no plans, board resolutions or applications for and there are no obligations or other agreements which call for, a significant increase in the registered capital of the PRC Subsidiary.

3.2 All debentures or other securities of the Company, if applicable, are free from and unaffected by any Encumbrance.

3.3 Except as Disclosed, the Company has not:

(a) at any time repaid or redeemed or agreed to repay or redeem any shares of its capital or in any way effected any reduction of its issued share capital;

(b) at any time purchased its own shares.

4. **Accounting and records**

4.1 All the books, ledgers and accounting and other financial records of the Company required to be kept by applicable Law or Relevant Accounting Standards:

(a) have been fully, properly and accurately kept in all material respects in accordance with the requirements of applicable Law and Relevant Accounting Standards; and

(b) are up to date and in the sole possession and ownership of the Company.

4.2 The Last Accounts:

(a) disclose and make necessary provision or reserve for (or note in accordance with all Relevant Accounting Standards) actual, contingent, unquantified, disputed or prospective liabilities, outstanding capital commitments, bad and doubtful debts and all Tax (whether or not deferred), which are required to be reflected in accordance with the Relevant Accounting Standards;

(b) have been prepared using bases, policies, principles, practices, methods and techniques that are consistent in all material respects with those used in preparing the Accounts for each of the one Financial Year preceding the Financial Year ended on the Last Accounting Date.

4.3 Save for the New Facility and the payment of the Special Dividend, there are:

(a) no loans, guarantees, material undertakings, material commitments on capital account or unusual liabilities, actual or contingent, made, given, entered into or incurred by or on behalf of the Company; and

(b) no Encumbrances on the assets of the Company or any part of the assets of the Company.

4.4 Except as Disclosed in the annual reports and/or interim reports of the Company, the New Facility and the payment of the Special Dividend, no matter has occurred that, if it had been known to the Directors at the Last Accounting Date, would have required a liability (whether actual, contingent, quantified, or disputed), provision, reserve, note or other recognition of that liability to be included in the Last Accounts in accordance with Relevant Accounting Standards, but in respect of which no such liability, provision, reserve, note or other recognition was included or made.

5. Position since Last Accounting Date

Since the Last Accounting Date, save for the New Facility and the payment of the Special Dividend and except as Disclosed:

(a) no matter has occurred that, if the Directors had been aware of the matter before the Last Accounting Date after all reasonable enquiry, would, in the opinion of the Company's independent auditors, have a material adverse impact on the Last Accounts and result in a restatement of any provision or liability in the Last Accounts in a material manner;

(b) save as Disclosed in the profit warning announcement of the Company dated 16 July 2026, there has been no Material Adverse Change, damage, destruction or loss (whether or not covered by insurance) materially affecting the financial or trading position of the Company;

(c) the business has been carried on in the ordinary course of business in all material respects so as to maintain it as a going concern;

(d) the Company has not, except in the ordinary course of business, acquired, sold, transferred or otherwise disposed of any material assets (being assets with a value in excess of HKD200,000);

(e) save for the termination of the Existing Facilities as contemplated under this agreement, the Company has not cancelled, waived, released, compromised, assigned or discontinued any rights, debts or claims with a value in excess of HKD10,000, and there have been no capital injections from or forgiveness of debt by the Seller; and

(f) save for the final dividend for the year ended 31 December 2025 approved by the shareholders of the Company on 11 June 2026 and paid on 16 July 2026 and the Special Dividend which shall be declared before the Completion Date, no dividends, bonuses or other distributions have been declared, paid or made by the Company.

6. Financial matters

6.1 All relevant schedules or breakdowns relating to the Indebtedness statement of the Company to be Disclosed in the composite document for the mandatory general offer will be true, complete and accurate in all material respects.

6.2 No event of default has occurred and no other matter has occurred that would entitle any person to call for early repayment under any arrangement relating to any Indebtedness or to enforce any security given by the Company (or, in either case, any matter that, with the giving of notice and/or the lapse of time and/or a relevant determination, would constitute such an event of default or matter) and no such notice or call has been received by the Company.

6.3 Save for the New Facility and the payment of the Special Dividend (to the extent relating to the Company's borrowings), the Company has not factored any debts, or engaged in any financing arrangements or arrangements having the commercial effect of borrowing, that are not shown in the Last Accounts.

6.4 There are no amounts outstanding under the Existing Facilities.

7. Contractual and other matters

7.1 Full details of and complete copies of all Material Contracts are contained in the Data Room.

7.2 The execution of and completion of this agreement will not:

(a) result in a material breach of the terms of, or the termination of, any arrangement that is of a material importance to the Company's business operations since the Last Accounts and to which the Company is a party or by which it is bound, or give rise to any right to do so;

(b) cause the Company to lose the benefit of any material right, Permit, grant or privilege that is of a material importance to the Company's business operations since the Last Accounts and to which it enjoys at present; or

(c) result in any material liability being created or increased on the part of the Company which are not in the ordinary course of business;

7.3 None of the Major Customers and Suppliers has, since the Last Accounts, ceased to trade with, or given written notice of an intention to cease to trade with, the Company which would result in a material adverse impact on its business operation or financial position. Since the Last Accounts, the terms of trade of the Company with each of the Major Customers and Suppliers have not significantly changed that would result in a material adverse impact on the Company's business operation or financial position.

7.4 The Major Contract Manufacturer has not, since the Last Accounts, ceased to provide manufacturing or assembly services to, or given written notice of an intention to cease to provide such services to, the Company which would result in a material adverse impact on its business operation or financial position. Since the Last Accounts, the terms of the outsourced or contract manufacturing arrangement between the Company and the Major Contract

Manufacturer have not significantly changed that would result in a material adverse impact on the Company's business operation or financial position.

7.5 All material agreements and arrangements between the Company and each of the Major Customers and Suppliers and the Major Contract Manufacturer are legal, valid and binding.

7.6 Save for the New Facility and the payment of the Special Dividend and except as Disclosed, since the Last Accounts, there has not been any arrangement to which the Company is a party or by which it is bound and is outside the ordinary course of business of the Company that:

(a) materially restricts or affects the Company's freedom of action in relation to its normal business activities;

(b) is an association, partnership, joint venture, consortium, profit or loss sharing arrangement or agency, licensing, marketing, distributorship, purchasing or manufacturing arrangement;

(c) any director or former director of the Company or any person connected with (as defined under the Listing Rules) any director or former director of the Company is or has been interested in, whether directly or indirectly;

(d) was entered into and is otherwise than by way of a bargain at arm's length or in which the Seller is interested;

(e) is of a long term nature (that is to say, unlikely to be fully performed within six months of it being entered into or cannot be terminated without penalty with six months' notice);

(f) upon completion by the Company of its work or the performance of its other obligations under it, is likely to result in a net loss position for the Company that is not fully provided for in the Last Accounts;

(g) is of a materially onerous nature or cannot be duly observed and performed by the Company without an unusual commitment of money or resources in the context of the Company's ordinary course of business;

(h) requires or involves or is likely to require or involve expenditure by the Company of in excess of HKD1 million, save and except for those incurred for the Transaction and the subsequent corporate actions as required by the applicable Law contemplated thereunder;

(i) is one under which the Company has sold or otherwise disposed of any material asset (being assets with a value in excess of HKD200,000) in circumstances that it remains subject to material liability (whether contingent or otherwise) that is not adequately provided for in the Last Accounts; or

(j) establishes any guarantee, indemnity, suretyship, form of comfort or support (whether legally binding or not) given by the Company in respect of any other party's liability (contingent or otherwise) for any obligations that is not adequately provided for in the Last Accounts.

7.7 Since the Last Accounts, with respect to each arrangement to which the Company is a party or by which it is bound and is material to the Company's business operations or financial position:

(a) the Company has duly performed and complied in all material respects with each of its obligations under the arrangement;

(b) there has been no material delay, gross negligence or other material and/or wilful default on the part of the Company and no matter has occurred that, with the giving of reasonable notice or passage of time, may constitute a material and/or wilful default under the arrangement; and

(c) the Company has not received any notice of termination that may materially and adversely affect its business operations or financial position.

8. Assets

8.1 All of the material assets owned or used by the Company are the sole, absolute property of the Company and there is no Encumbrance or any hire purchase, lease, purchase or credit sale agreement over all or any part of the Company's undertaking or assets which are of a material nature (being assets with a value in excess of HKD200,000).

8.2 All of the assets owned by the Company, or in respect of which the Company has a right of use, are in the possession or under the control of the Company.

8.3 The assets of the Company include all rights, intellectual property, properties, assets, easements, licences or other arrangements, facilities and services necessary for the carrying on of the business of the Company in the manner in which that business has been carried on since the Last Accounts.

8.4 All material plant, machinery, equipment and vehicles used by the Company in the conduct of its business (being plant, machinery, equipment and vehicles with a value in excess of HKD200,000):

(a) are in a reasonably good and safe state of repair and condition, are in good working order and have been regularly and properly maintained in accordance with the appropriate technical specifications, safety regulations and any applicable arrangements which the Company's business is ordinarily subject to; and

(b) are capable of performing properly and reasonably the function for which they are currently used or intended.

9. Insolvency etc.

9.1 The Company:

(a) has not: (i) failed to pay any of its debts as they fall due; (ii) suspended making payments on any of its debts; (iii) by reason of actual or anticipated financial difficulties, commenced any negotiations with any of its creditors with a view to rescheduling any of its Indebtedness; and

(b) is not insolvent within the meaning of the applicable law of the Cayman Islands.

9.2 The Company has not received any notice in relation to any corporate action or legal proceeding to commence an insolvency process, suspend payment, commence a moratorium in respect of any Indebtedness of the Company, commence any enforcement Action, appoint an insolvency officeholder in respect of any material asset of the Company (being assets with a value in excess of HKD200,000) or in respect of the Company under any insolvency laws applicable to the Company.

10. **Compliance**

10.1 The Company has obtained all necessary Permits and has effected all necessary notifications and registrations, filings (together, the "**Licences**") required under the applicable Law for carrying on its business ordinarily.

10.2 The Licences are in full force and have been complied with in all material respects.

10.3 Except as Disclosed, the Company has conducted, does conduct, and there are no material facts or circumstances that are known to the Seller which indicates that the Company will fail to conduct its business and corporate affairs in accordance with its constitutional documents and in all material respects in compliance with:

(a) any applicable Law; and

(b) any applicable covenants, restrictions, stipulations, conditions and other terms affecting any of the Properties and the uses of any of the Properties.

10.4 The Company is not subject to any order, judgment, decision or direction given by any Competent Authority that is still in force and would impose material adverse impact on the Company's business operation or financial position.

11. Listing Status

The Company has not received any notification or otherwise any communication from any Competent Authority which indicates that there are any concerns or enquiries on the compliance of the Company with Rule 13.24 of the Listing Rules or any alleged non-compliance issues which may lead to the suspension or cancellation of the listing of the shares of the Company on the Stock Exchange.

12. Litigation

The Company is not engaged in any Action that would impose material adverse impact on the Company's business operation or financial position. So far as the Seller is aware, no such Action is pending or threatened against the Company. The Company is not the subject of any material investigation by any Competent Authority.

13. Insurance

The Company maintains necessary policies of insurance in respect of its assets and the Properties that are of an insurable nature as required by the applicable Law, and in respect of the Employees as required by the applicable Law. The Data Room contains a summary of the Insurance Policies and copies of the policies, which are true and accurate in all material respects.

14. Employment

For the purposes of this Paragraph 14, the following words and expressions shall have the following meanings:

"Employees" means the directors of the Company;

14.1 The Data Room contains information relating to the Employees (in this case, directors of the SMC Electric Limited (蜆壳電業有限公司) only) and that information is complete and accurate in all material respects.

14.2 No written agreement has been made with or to any Employee that their terms and conditions of employment or engagement will be materially varied.

14.3 Except as Disclosed, the Company is not in violation of any laws or regulations in any material respect regarding reporting, withholding or payment obligations in relation to salaries tax, individual income taxes, social insurances or statutory housing funds.

14.4 Except as Disclosed, the Company does not formally recognise any trade union or other worker's representative body in respect of any Employee for the purpose of collective bargaining or information or consultation. Except as Disclosed, the Company has not received any request for recognition of any trade union.

14.5 There is no written policy or formal practice of making redundancy payments in excess of statutory minima pursuant to the applicable Law when the Company makes or proposes to make an Employee redundant.

15. Properties

15.1 The Properties comprise all the land and premises occupied or otherwise used by the Company or in which the Company has an interest and the descriptions set out in Schedule 5 are complete and correct in all material respects.

15.2 The Company has no material continuing liability in respect of any leasehold property other than the Properties.

15.3 The Company holds good leasehold title to the Properties as set out in Schedule 5 and is the sole legal and beneficial holder of the leasehold interest in the Properties.

15.4 The leases relating to each of the Properties are in the possession and under the control of the Company and those documents are original documents or properly examined abstracts.

15.5 The Company has the rights necessary for the current use and enjoyment of each of the Properties for the purposes of the business of the Company and no notice of termination or charge has been received by the Company.

15.6 Each of the Properties is held under the lease, the material particulars of which are set out in Schedule 5 and no licences or supplementary arrangements have been entered into or granted in respect of those leases.

15.7 The Company has complied in all material respects as at the date of this agreement with each of its obligations under each lease to which it is a party or by which it is bound and the Company has not received any notice of rescission, avoidance, repudiation or termination.

15.8 The Company is not engaged in any negotiation for review or dispute in respect of the rent payable under any lease under which it holds any of the Properties and no negotiations for that review have been concluded changing the rent from that set out in Schedule 5.

16. **Tax**

16.1 Last Accounts: Provision or reserve (as appropriate) has been made in the Last Accounts in accordance with generally accepted accounting practice and the Relevant Accounting Standards in all material respects:

(a) for all Tax for which the Company is liable or accountable (whether primarily or otherwise) in respect of all income, profits or gains earned, accrued or received on or before the Last Accounting Date or in respect of any Event occurring on or before the Last Accounting Date;

(b) for all deferred Tax assets and liabilities of the Company; and

the Company has properly and within the applicable time limits submitted to the relevant Tax Authorities all claims, elections and disclaimers that have been assumed to have been made for the purposes of computing any provision or reserve for Tax (including deferred Tax) included in the Last Accounts.

16.2 Completion: No charge to Tax will arise on the Company as a result of:

(a) entering into this agreement;

(b) performing any obligations under this agreement; or

(c) Completion.

16.3 Compliance:

(a) The Company has within the applicable time limits filed all Tax returns and provided all information required or requested to be delivered to any Tax Authority. All such returns and information remain correct and complete in all material respects, and none is, or is likely to become, the subject of any material investigation or dispute by or with any Tax Authority.

(b) The Company has properly and within the applicable time limits paid all Tax that it has become liable to pay and it has not in the preceding six year period paid or become liable to pay any material penalty, fine, surcharge or interest in respect of Tax.

16.4 Special arrangements and concessions: No Tax Authority has agreed to operate any special arrangement in relation to the Company other than an arrangement that is wholly in accordance with a strict interpretation of the relevant Law, published statements of practice or published extra-statutory concessions of a relevant Tax Authority.

16.5 Groups of companies: Since the Last Accounting Date, the Company has not ceased to be a member of a group of companies nor undergone a change of control (other than a change in control of SMC Electric Limited (蜆壳電業有限公司) upon completion of the transactions contemplated under this agreement).

16.6 Anti-avoidance: The Company has not entered into, been a party to or promoted any scheme or arrangement that has no commercial purpose or of which the main purpose, or one of the main purposes, was the avoidance of or the reduction in or the deferral of a liability to Tax.

Schedule 5

The Properties

Leases

	Date	Parties	Leased Premises	Term	Rent
1.	16 December 2024	Landlord – Shunde SMC Multi-Media Products Company Limited Tenant – SMC Electric (China) Limited (i.e. the PRC Subsidiary)	Factory spaces situated at 3rd Floor, Block A (4,765 sq. m.), No.18, San Le Dong Road, Bei Jiao Resident's Committee Industrial Park, Bei Jiao County, Shunde District, Foshan City, the PRC	From 1 January 2025 to 31 December 2026	RMB81,005 per calendar month
2.	16 December 2024	Landlord – Shunde SMC Multi-Media Products Company Limited Tenant – SMC Electric (China) Limited (i.e. the PRC Subsidiary)	Employee dormitory spaces situated in the living quarters at No.18, San Le Dong Road, Bei Jiao Resident's Committee Industrial Park, Bei Jiao County, Shunde District, Foshan City, the PRC	From 1 January 2025 to 31 December 2026	Grade A single room: RMB1,000 per unit per calendar month; Grade A suite: RMB3,000 per unit per calendar month; Grade B suite: RMB1,000 per unit per calendar month; Grade C room: RMB600 per unit per calendar month
3.	16 December 2024	Landlord – Shell Electric Holdings Limited (i.e. the Seller) Tenant – SMC Electric (HK) Limited	Factory, warehouse and office spaces situated at portion of the 1st Floor (4,806 sq. ft.), portion of the 4th Floor (7,679 sq. ft.) and portion of the 6th Floor (3,000 sq. ft.) and two car parking spaces located at Shell Industrial Building, 12 Lee Chung Street, Chai Wan, Hong Kong	From 1 January 2025 to 31 December 2026	HKD227,836 per calendar month

Execution
In witness whereof the parties have duly executed this agreement the day and year first above written.

<u>The Seller</u>

SIGNED by YUNG Kwok Kee Billy)
its director)
for and on behalf of)
SHELL ELECTRIC HOLDINGS LIMITED)
(蜆殼電器控股有限公司))
in the presence of:-)

LEUNG HIU YAN

<u>The Purchaser</u>

SIGNED by Lin Zhendong)
its director)
for and on behalf of)
MEGA NOVA HOLDINGS LIMITED)
星兆控股有限公司)
in the presence of:-)

Wong Kwun Yuet Shavonne
Solicitor
Baker & McKenzie
Hong Kong SAR