

SINO HUA-AN INTERNATIONAL BERHAD (“Hua-An” or “Company” or “Purchaser”)

- (A) DEED OF REVOCATIONS; AND**
(B) SALE AND PURCHASE AGREEMENT

FOR THE PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST OF THE BUSINESS AND ASSETS INCLUDING OF INTELLECTUAL PROPERTY RIGHT OWNED BY WAVETREE PLT

(A) DEED OF REVOCATIONS

1. INTRODUCTION

Reference is made to the Company’s announcements made on 22 November 2018, 3 April 2019 and 13 June 2019 in relation to the proposed acquisition of business and asset including of intellectual property right owned by Wavetree PLT (“**Assets and Intellectual Property**”).

The Board of Directors of Hua-An wishes to announce that Hua-An had on 2 December 2019 entered into Deed of Revocations with Wavetree PLT, Ng Chee Seng, Cindy Wong Ling Ping and Fancy Celebrations Sdn. Bhd. (“**FCSB**”) to revoke and rescind the following agreements which were executed on 3 April 2019:

- (i) Sale and Purchase Agreement (“**SPA**”) for the proposed acquisition of Assets and Intellectual Property for a total purchase consideration of RM6.0 million; and
- (ii) Shareholders Agreement to govern the rights, liabilities and obligations of the shareholders vis-à-vis each other in relation to the management and operation of FCSB.

2. RATIONALE FOR THE REVOCATION

The Board of Directors of Hua-An have decided to acquire outright 100% equity interest in Wavetree PLT instead of the total effective interest of 51% as previously contemplated under the abovementioned SPA and Shareholders Agreement which were executed on 3 April 2019, as well as varying certain terms and conditions relating to the proposed acquisition thereof.

3. FINANCIAL EFFECTS OF THE DEED OF REVOCATIONS

The Deed of Revocations will not have any material effect on the net assets per share, gearing and earnings per share of Hua-An for the financial year ending 31 December 2019.

4. LEGAL IMPLICATION

No legal implication on Hua-An as the Deed of Revocations were entered into with mutual agreement between the parties.

5. STATEMENT BY BOARD OF DIRECTORS

The Board of Directors of Hua-An, having considered all aspects of the Deed of Revocations, are of the opinion that the execution of the Deed of Revocations are in the best interest of Hua-An.

6. APPROVAL REQUIRED

The Deed of Revocations are not subject to the approval of the shareholders of Hua-An and/or approval from any regulatory authority.

7. DOCUMENT FOR INSPECTION

The copies of the Deed of Revocations are available for inspection at the registered office of Hua-An at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan following the date of this announcement for a period of three (3) months from Mondays to Fridays (except public holidays) during normal business hours.

(B) SALE AND PURCHASE AGREEMENT

1. INTRODUCTION

The Board of Directors of Hua-An wishes to announce that subsequent to the execution of the Deed of Revocations, Hua-An had on even date entered into a Sale and Purchase Agreement ("**SPA**") with Wavetree PLT ("**Wavetree**" or "**Vendor**"), Ng Chee Seng and Cindy Wong Ling Ping for the proposed acquisition of business and asset including the intellectual property right owned by the Vendor ("**Assets and Intellectual Property**") for a total purchase consideration of RM36.0 million ("**Purchase Consideration**") ("**Proposed Acquisition**").

(The Vendor, the Purchaser, Ng Chee Seng and Cindy Wong Ling Ping are collectively referred to as the "**Parties**" and "**Party**" refers to any one (1) of them, as the context may require)

The Company shall also enter into a Share Purchase Agreement for the purchase of 100,000 ordinary shares in Touchpoint International Sdn. Bhd. ("**TPI**"), representing the entire equity interest in TPI from the shareholders, concurrently with this SPA ("**TPI Agreement**"). A separate announcement in relation to the TPI Agreement will be announced.

2. DETAILS OF THE PROPOSED ACQUISITION

The Proposed Acquisition entails the acquisition of the Assets and Intellectual Property from the Vendor with the purchase consideration of RM36.0 million upon the terms and conditions of the SPA. Simultaneously, a Deed of Assignment ("**DOA**") for the transfer of the Assets and Intellectual Property and such associated intellectual property rights, to the nominee company of

the Company, namely Fancy Celebrations Sdn. Bhd. ("**FCSB**"), a wholly-owned subsidiary of the Company will be executed.

Please refer to Appendix I of this Announcement for the salient terms of the SPA.

2.1 Information of the Vendor

The Vendor is a limited liability partnership registered on 27 February 2013 in Malaysia under the Limited Liability Partnership Act. As at 29 November 2019, being the latest practicable date prior to this announcement ("**LPD**"), the partners of the Vendor are Ng Chee Seng and Cindy Wong Ling Ping, on a 50-50 basis.

The Vendor is in the business involved in the research and development of, information technology in particular Research, Development, Mobile Solution Implementation of Internet of Things ("**IoT**") technologies, Wireless Sensors, Artificial Intelligence ("**A.I.**") solutions for Industrial, Agricultural, Commercial and Healthcare applications.

2.2 Information of Ng Chee Seng

Ng Chee Seng, 42 years old, is a 50% partner of the Vendor.

2.3 Information of Cindy Wong Ling Ping

Cindy Wong Ling Ping, 35 years old, is a 50% partner of the Vendor.

2.4 Details of the Assets and Intellectual Property as at 20 March 2019

Software				
1.	Plantation Activity and Harvesting Traceability Platform	Source Code	Mobile App and Back End system for complete plantation activity and harvesting management Platform Is developed using Microsoft .Net framework Mobile app Is developed using Xamarin multi-OS development tool	Mobile App – Android Automatic wireless sync User Account Management QR Code Scanning Geolocation Dashboard and Reporting Transportation Module Inspection Module

				<p>Harvesting Module</p> <p>Task Assignment Module</p> <p>RESTful Web API for integration with ERP</p>
2.	SensorHub	Source Code	<p>Complete cloud IoT platform supporting various sensor data and connectivity</p> <p>Developed using Microsoft.Net, supports Cloud and On-Prem deployment</p>	<p>User Access Management</p> <p>Data Management</p> <p>Network Management</p> <p>Device Management Dashboard and Reporting</p> <p>Map View</p> <p>Web API for Data Export</p> <p>GPS Location & Mileage Tracking</p> <p>BGAN Satellite Communication Support</p> <p>LoRaWAN LPWAN IoT Standard Support</p>
3.	AsseTrac	Source Code	<p>IoT & Wireless Sensor Back End System for asset and people tracking</p>	<p>User Access Management</p> <p>Device Management</p> <p>Zone Management</p> <p>Dashboard and Reporting</p>

				Alert and Notification Engine RSSI Location Algorithm Map View Web API for Data Integration
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Hardware				
1.	BLE Sensor Tag	Schematic Layout Design Manufacturing Files	Ultra Low Power Bluetooth Low Energy wireless device with multi sensor support	Ambient Temperature Humidity Pressure Object Temperature tR Sensor 6-axis Accelerometer Gyroscope Light Sensor Magnetometer Digital Microphone Buzzer Flash Data Storage LED Tact Switch PC8 Antenna
2.	BLEGPS Device	Schematic Layout Design Manufacturing Files	Integrated standalone tracking device with auto-sync BLE wireless connectivity	GPS/GLONASS/Galileo Satellite Tracking 10-Sensors (as BLE Sensor Tag)

				Digital and Analog I/O Flash Data Storage LED Tact Switch
3.	IPG8 Industrial Enclosure	3D Mechanical Design Moulding CAD Files	Water-proof industrial plastic enclosure for Sensor Tag designed for harsh environments	ABS/PP Plastic EPDM Foam gasket for water-proofing High-precision design On-surface Button
4.	Active RFID Tag	Schematic Layout Design Manufacturing Files	2.4GHz active RFID Tag designed for long-range low powered Indoor location tracking	Long-range RF Ultra-low power

Firmware				
1.	BLE Sensor Firmware	Real-time O/S Source Code Wireless Protocol	Configurable firmware designed for industrial IoT smart sensor applications	Multi-sensor data capturing and storage RTC for self timer trigger CSMA/CA Back-Off algorithm
2.	BLEGPS Firmware	Source Code Location Tracking Algorithm	Firmware designed for off-line location tracking device with automatic data sync	Multi-sensor data capturing and storage Event trigger for data logging BLE auto-sync wireless connectivity
3.	Windows IoT Core Firmware	Source Code	Embedded Firmware for Raspberry Pi to operate as IoT Gateway device	Embedded IoT O/S with near RTOS Data Processing Scheduling OTA

				Remote Management Watchdog Data Communication Algorithm
4.	Android Thing Firmware	Source Code	Embedded Firmware for Raspberry Pi to operate as IoT Gateway device	Real-time IoT O/S Data Processing Scheduling Remote Management Data Communication Algorithm

2.5 Information of FCSB

FCSB is a private limited company incorporated in Malaysia on 9 March 2006. As at LPD, FCSB has an issued share capital of RM2 comprising of 2 ordinary shares.

As at LPD, the directors and shareholders of FCSB and their respective shareholdings in FCSB are as follows:

Name	No. of Ordinary Shares	Percentage Shareholding (%)
Directors		
Liu Guodong	-	-
Ding Ging Sung	-	-
Lai Wai Mun	-	-
Shareholder		
Hua-An	2	100%

2.6 Mode of Settlement of Purchase Consideration

As set out in Paragraph 1 of Appendix I of this announcement (Purchase Consideration), the Purchase Consideration will be fully settled in cash. The mode of settlement of the Purchase Consideration was determined after taking into consideration the prevailing cash flow position, gearing and working capital requirements of the Company and its group of companies ("**Group**").

2.7 Basis and Justification for the Purchase Consideration

The Purchase Consideration was arrived at on a "willing-buyer willing-seller" basis and after taking into consideration of the following:

- (i) the rationale and benefits of the Proposed Acquisition including the earnings potential and prospects of Wavetree.
- (ii) profit guarantee to be provided by the Vendors (as detailed in Paragraph 1.3 of Appendix I).
- (iii) the favourable outlook and prospect of the IoT industry as set out in Section 5 of this announcement.

2.8 Source of Funding

The Purchase Consideration will be fully satisfied via cash which may be generated either from internally generated funds, external borrowings and/or some form of fund raising exercise, if deemed necessary.

2.9 Liabilities to be assumed

There are no other liabilities, contingent liabilities or guarantees to be assumed by Hua-An pursuant to the SPA, except those incurred in the ordinary course of business.

2.10 Additional Financial Commitment Required

Apart from the Purchase Consideration for the Proposed Acquisition described herein, as the IoT business progresses and further developed in the future, more funds may be channelled towards it to fund its business expansion, as and when necessary. Amongst others, several projects proposed to be undertaken include the following:

- (i) To further develop data analytics and A.I. systems as enhancement to the existing IoT programmes for the palm oil sector;
- (ii) To roll out IoT initiatives across other agricultural plantations such as rubber, paddy and cocoa;
- (iii) To develop and commercialise a self-subscribe based platform Industrial IoT hardware and platform solution, targeting SME markets in South East Asia;
- (iv) To create local business presence in Indonesia for its Agriculture IoT solutions; and
- (v) To develop A.I. solutions in safety and security for Malaysian law enforcement agencies to increase public safety and security.

3. RATIONALE AND BENEFIT OF THE PROPOSED ACQUISITION

Since its listing in 2007, the Group has been substantially operating only in China and relying on a single source of business, i.e. that of manufacturing and sale of metallurgical coke and its by-products ("**Existing Primary Business**"), save for the recently completed acquisition of Bistromalones (PJ) Sdn. Bhd. on 15 October 2019. The strategy of sole reliance on a single business source which is highly dependent on the steel industry, has over the years caused the Group to operate in challenging business environment and industry landscape and these had accordingly caused the Group's financial position to be quite volatile. To a large extent, the Group's financials were subjected to the vagaries

of the market at large which dictates the dynamics of the commodity prices, in particular that of metallurgical coke and coking coal, both of which prices cannot be controlled by the Group.

Hence, the Proposed Acquisition will enable the Group to diversify into a new business segment which will provide additional stream of revenue which may in turn improve the Company's shareholders value. The Board believes that the Proposed Acquisition will potentially contribute positively to the Group's future earnings. In addition, the Proposed Acquisition may reduce the Group reliance on its Existing Primary Business.

In addition to the above, despite it being a listed entity in Malaysia, the Group had all this while been operating only in China and does not have any business presence in Malaysia prior to the recently completed acquisition of Bistromalones (PJ) Sdn. Bhd. which is in Food and Beverage industry on 15 October 2019. As such, the Board sees the Proposed Acquisition as a repositioning strategy as also an opportunity to further entrench its footprint in Malaysia where it is listed, so that our investors/shareholders can have a better appreciation of the Group.

4. RISK FACTORS

The Proposed Acquisition is subject to terms and conditions of the SPA. There is no assurance that the Proposed Acquisition will not be exposed to risks such as inability to fulfil the terms and conditions therein.

Following the completion of the SPA, the Group will be subjected to challenges and inherent risks associated with the business and operations of FCSB.

5. PROSPECT OF THE ASSETS AND INTELLECTUAL PROPERTY

Based on an independent market research, the mobile and digital solutions industry in Malaysia to grow from an estimated RM7.9 billion in 2017 to RM8.4 billion in 2019 at a CAGR of 3.1%. Meanwhile, the global IoT market is anticipated to reach USD772.5 billion in 2018 and forecast to increase to USD1.1 trillion in 2021, growing at a CAGR of 12.5% over the period. In Malaysia, the economic potential of IoT is forecast to be RM9.5 billion gross national income ("**GNI**") creation by 2020 and is expected the reach RM42.5 billion in 2025. IoT is dependent on the use of technology and hardware, and thus will create opportunities for analytics, applications and services, computing and storage, communications and networking, as well as hardware, power and protocols.

Premised on the above, the prospects of Hua-An will be supported by the growth in the digital solutions industry in Malaysia, particularly for IoT solutions, in conjunction with its acquisition of Wavetree. It specifically designs, manufactures, engineers and implements IoT which allow for cost savings in manpower and logistics, and enable automation and predictive analytics through the research, development and solution implementation of IoT technologies for Industrial, Agricultural, Commercial and Healthcare applications.

As such, Wavetree's prospects is expected to be supported by the growing digital solutions industry and the key demand drivers of the industry, which amongst others include (i) increased usage of internet will facilitate the growth

in adoption of digital solutions, including IoT; (ii) various Government initiatives will support the growth of the digital solutions industry; (iii) growing number of enterprises indicates an increase in demand from new enterprises.

In Indonesia, the value of IoT solutions is expected to reach USD30 billion by 2022, of which the value of content and application is expected to reach USD13.1 billion and the value of IoT technology devices is expected to reach USD3.8 billion. Insofar as oil palm plantation is concerned, Indonesia has approximately 12 million hectares of arable land in Indonesia suitable for oil palm cultivation, out of which approximately 6 million hectares accounted for already productive plantation under harvest. Together with the prospects of venturing into other plantation sectors, Wavetree's business offerings are slated for a very bright future outlook.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

6.1 Share Capital and Substantial Shareholders' Shareholding

The Proposed Acquisition will not have any effect on the share capital and substantial shareholders' shareholding in the Company as the Proposed Acquisition does not involve any issuance of new shares in Hua-An.

6.2 Earnings and Earnings Per Share ("EPS")

The Proposed Acquisition is expected to be earnings accretive and will contribute positively to the future earnings and EPS of Hua-An.

6.3 Net Assets ("NA") and NA per share of Hua-An and Gearing

Based on the audited financial statements of Hua-An as at 31 December 2018, the pro-forma effects of the Proposed Acquisition on the consolidated NA per share and net gearing ratio are as follows:

	Audited as at 31 December 2018	After Proposed Acquisition
	RM'000	RM'000
Share Capital	1,115,045	1,115,045
Reserves	(563,134)	(563,134)
Accumulated Loss	(171,018)	(171,063)
Shareholders' Equity / NA	380,893	380,848
Non-Controlling Interest	-	-
Total Equity	380,893	380,848
No. of Ordinary Shares	1,122,308	1,122,308
NA Per Share	0.34	0.34
Gearing (times)	0.06	0.06

7. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of the Directors and major shareholders of Hua-An and/or person connected to them have any interest, direct or indirect, in the Proposed Acquisition.

8. ESTIMATED TIME FRAME FOR COMPLETION

Barring unforeseen circumstances, the Proposed Acquisition is expected to complete by end of the year, or at such other extended dates as may be mutually agreed between the parties.

9. PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia is approximately 9.45% based on the latest audited consolidated net asset of Hua-An for the financial year ended 31 December 2018.

10. APPROVAL REQUIRED

The Proposed Acquisition is not subject to the approval of the shareholders of Hua-An and/or approval from any regulatory authority.

11. DIRECTORS' STATEMENT

The Board of Directors of Hua-An, having considered all aspect of the Proposed Acquisition, is of the opinion that the execution of the Proposed Acquisition in the best interests of Hua-An.

12. DOCUMENT AVAILABLE FOR INSPECTION

The copy of the SPA is available for inspection at the registered office of Hua-An at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan following the date of this announcement for a period of three (3) months from Mondays to Fridays (except public holidays) during normal business hours.

This announcement is dated 2 December 2019.

A. SALIENT TERMS OF THE SPA

1. Purchase Consideration

1.1 Purchase Consideration

In consideration of the sum of RM36,000,000.00 only paid by the Purchaser to the Vendor on Completion in accordance with Paragraph 6 below, the Vendor hereby agrees to sell and Purchaser hereby agrees to purchase the Business and the Assets of the Vendor as stipulated in Schedule 1 of the SPA on an "as is where is" basis, upon the terms and conditions herein.

1.2 Mode of Payment

Subject to the fulfilment of the matters stated in Paragraph 6.2 (Obligations on and before Completion), the sum of RM36,000,000.00 shall be paid in the following manner:

- i. RM1,000,000.00 on or before 31.03.2020;
- ii. RM10,000,000.00 on or before 30.06.2020;
- iii. RM10,000,000.00 on or before 31.12.2020; and
- iv. RM15,000,000.00 on or before 30.06.2021.

1.3 Profit Guarantee by the Vendor

The Parties herein acknowledge that Ng Chee Seng shall remain responsible for the management and the Business and the Intellectual Property notwithstanding the Completion of the SPA and the transfer or notation as the case may be, of the Business and the Intellectual Property to FCSB.

In the consideration of the Purchaser entering into the SPA, Ng Chee Seng hereby agree to guarantee that the earnings before interest, taxes, depreciation, and amortisation ("**EBITDA**") of FCSB and TPI shall collectively and cumulatively be no less than RM3,000,000.00 for the 12-month period ending 30 June 2021 ("**Guaranteed Profit**") (as per the Management Accounts Date for the year 2021).

In the event that the EBITDA shall fall below the Guaranteed Profit, the Purchase Consideration shall be reduced by RM10,000,000.00 for every shortfall of RM1,000,000.00.

Any shortfall of the Guaranteed Profit shall be calculated based on the annual audited accounts of FCSB and TPI respectively and such reductions in the Purchase Consideration shall be reflected in the final payment instalment under Paragraph 1.2(iv), proportionately based on the shortfall of EBITDA contributed by FCSB and TPI towards the Guaranteed Profit, and the proportion of such reductions in Purchase Consideration shall be determined solely by the Purchaser as it deems fit at the prevailing point of time.

For the avoidance of doubt, the Purchase Consideration shall be reduced proportionately to the shortfall amount or parts thereof, for example:

Shortfall = RM1,250,000.00

Then the reduction in Purchase Consideration shall be:

$$\text{RM}10,000,000.00 + \left(\frac{\text{RM}250,000.00}{\text{RM}1,000,000.00} \times \text{RM}10,000,000.00 \right) = \text{RM}12,500,000.00$$

2. Completion Date

The date falling on the soonest practical date after the Unconditional Date but not exceeding three (3) months after the Unconditional Date, shall be referred to as the "**Completion Date**", subject to any extensions that may be agreed by the Parties in writing.

3. Conditions Precedent

- 3.1 The Completion of the SPA is conditional upon the satisfaction by the Vendor or a waiver granted by the Purchaser, which shall be at the Purchaser's sole discretion, of the following conditions precedent within six (6) months from the date of the SPA:
- (a) The Purchaser's satisfaction of the results of such legal, commercial and financial due diligence conducted by the Purchaser on the Vendor and the Assets of the Vendor including the Business, affairs, operations, assets and liabilities, prospects and records of the Vendor;
 - (b) the transfer of ownership of all the Assets and Intellectual Property as stipulated in Schedule 1 of the SPA;
 - (c) the passing by way of shareholders' (if required) and directors' circular resolution of the Purchaser of a resolution to approve the Proposed Acquisition and the Purchaser shall deliver the certified true copy of the said approval to the Vendor;
 - (d) the licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals necessary or desirable for or in respect of the Business having been obtained from third parties (including financial institutions and franchisor), courts, any stock exchange or other regulatory bodies and such licences, authorisations, orders, grants, confirmations, permissions, registrations and other approvals remaining in full force and effect, if applicable; and
 - (e) the issuance of a waiver letter, substantially in the form attached to Schedule 3 of the SPA by Ng Chee Seng and Cindy Wong Ling Ping to the Purchaser waiving all or any claims, rights of action of any kind, lien or any interest whatsoever, arising in any capacity or in any jurisdiction, on or against the Business and the Assets.
- 3.2 Once the Parties are satisfied that all of the Conditions Precedents have been fulfilled or waived as the case may be, on or before the Unconditional Date, all Parties shall execute a confirmatory notice in the form as per Schedule 4 of the SPA (Completion Date) to such effect no later than two (2) business days from the Unconditional Date and all Parties shall work together towards achieving Completion on the Completion Date.

- 3.3 The Purchaser may at any time at its sole discretion waive in whole or in part and conditionally or unconditionally the conditions set out in Paragraph 3.1 by notice in writing to the Vendor.

4. Unconditional Date

The SPA shall become unconditional on the date on which the last of the conditions set out in Paragraph 3.1 is obtained or fulfilled or waived, in accordance with the provisions of the SPA and the date specified in the confirmatory notice pursuant to Paragraph 3.2 shall be the Unconditional Date.

5. Actions Pending Completion

5.1 Vendor' general obligations

Except as permitted in the SPA or where any prior written consent of the Purchaser has been given to the Vendor, the Vendor covenants and undertakes to use its best endeavour to ensure that as from the date of the SPA and pending Completion, the Vendor continues to conduct its present business according to its present practice and in the ordinary course of business and specifically ensure that it does not put the ownership and control of any of its key business contracts at risk, nor change its present business, nor commence any new business.

5.2 Due diligence access

- (a) Without prejudice to the Warranties and undertakings, in order to enable the due diligence investigations referred to in Paragraph 3.1 to be carried out, the Vendor shall provide and Ng Chee Seng and Cindy Wong Ling Ping shall procure the Vendor, to provide the Purchaser and its representatives and agents with access and entry to the relevant premises where all the records, books and accounts of the Vendor are held, subject to the receipt by the Vendor of the Purchaser's written request for access and entry at least 3 business days before the access and entry to the relevant premises is carried out.
- (b) The Vendor shall procure for the Purchaser and its representatives and agents, all the reasonable assistance, co-operation and access necessary for the due diligence subject to the receipt by the Vendor of the Purchaser's written request for access at least three (3) business days before the access is carried out and each shall on written request of the other provide copies of all relevant documents.

6. Completion

6.1 Date and place

Subject to Paragraph 3, Completion shall take place at the offices of the Purchaser on the Completion Date or at such other place or on such other date as may be agreed between the Purchaser and the Vendor.

6.2 Obligations on and before Completion

On or before Completion, the Vendor shall procure that all obligations as follows to be fulfilled and delivered to the Purchaser:

6.2.1 Vendor's obligations prior to Completion

Upon the execution of the SPA or as soon as practicable thereafter, the Vendor shall:

- (a) Transfer and/or assign ownership of the Assets and Intellectual Property to FCSB;
- (b) In relation thereto, to execute all such documents as may be required to effect (a) including a valid DOA or Deed of Novation, and
- (c) Deliver to FCSB all certificates, patents, titles and any other documents in relation to the Assets and Intellectual Property.

6.2.2 Vendor's obligations on Completion

On the Completion Date, the Vendor shall, deliver or make available to the Purchaser:

- (a) evidence of the due fulfilment of the conditions specified in Paragraph 3.1 (the Conditions Precedent);
- (b) documentary proof to the satisfaction of the Purchaser that the transfer and/or assignment of ownership of the Assets and Intellectual Property to FCSB has been completed, and
- (c) ensure that the Assets are free from any liens, liabilities, claims of encumbrances.

6.3 Payment of Purchase Consideration

Upon compliance with the foregoing provisions, the Purchaser shall pay the Purchase Consideration to the Vendor on Completion in accordance with Paragraph 1.2 or in such manner that the Parties shall agree in writing.

7. Right to terminate

- (a) If the foregoing provisions of this paragraph are not fully complied with by the Vendor or the Purchaser by or on the Completion Date, the Purchaser, in the case of non-compliance by the Vendor, or the Vendor, in the case of non-compliance by the Purchaser, shall be entitled (in addition to and without prejudice to all other rights or remedies available to the terminating Party including the right to claim damages) by written notice to the other Parties served on such date:
 - (i) to elect to terminate the SPA (other than the provisions referred to in Clause 8.01 contained in the SPA (Surviving Provisions)) without liability on the part of the terminating Party; or

- (iv) to effect Completion so far as practicable having regard to the defaults which have occurred; or
 - (iii) to mutually agree to a new Completion Date (not being more than twenty (20) business days after the previous agreed date for Completion), in which case the foregoing provisions of this Paragraph (Right to Terminate) shall apply to Completion as so deferred but provided such deferral may only occur once, unless otherwise mutually agreed.
- (b) If prior to Completion:
- (i) it shall be found that:
 - (a) any of the Warranties was, when given, or will be or would be, at Completion (as if they had been given again at Completion) not complied with or otherwise untrue or misleading; or
 - (b) any Party has breached any material terms of the SPA (including without limitation, the Vendor' obligations and undertakings under Paragraph 5 (Actions pending completion)

and the defaulting party shall fail to remedy the breach or to rectify such untrue or misleading Warranties within fourteen (14) days of being notified thereof or such extension of time to be agreed by the parties, the non-defaulting party shall be entitled (in addition to and without prejudice to all other rights or remedies available to it including the right to claim damages) by notice in writing to the defaulting party to terminate the SPA (other than the provisions referred to in Clause 8.01 contained in the SPA (Surviving Provisions)) or to claim for specific performance of the SPA against the defaulting party, but failure to exercise this right shall not constitute a waiver of any other rights of the non-defaulting party or its successors in title or its personal representative (as the case may be) arising out of such breach, OR

- (ii) any event shall occur (other than an event constituting or giving rise to a breach of any of the Warranties) which (in the reasonable opinion of the Purchaser) affects or is likely to affect adversely to a material degree the financial position or turnover or profitability of the Vendor, the Purchaser shall be entitled by notice in writing to the Vendor to terminate the SPA (other than the provisions referred to in Clause 8.01 contained in the SPA (Surviving Provisions)) but the occurrence of such an event shall not give rise to any right to damages or compensation.